EFFICIENCY-DRIVEN EXPERTISE

INTRASOFT TECHNOLOGIES LIMITED
ANNUAL REPORT 2018-19

Forward Looking Statement

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take 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 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe', 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 are 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 statement, whether as a result of new information, future events or otherwise.

Contents

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EFFICIENCY-DRIVEN EXPERTISE

Last year's Annual Report (themed 'Quest for Efficiency') discussed our single-minded focus, over the years, on increasing efficiency. This served as the basis of our model, and made us one of the leading multi-channel e-retailers in the US.

This year's theme is *Efficiency-driven Expertise*. In this report, we share our journey towards this efficiency, the crucial role this financial year played in this process, what this efficiency-driven expertise means for the business going forward, and how it serves as the foundation of stakeholder value-creation.

LETTER FROM THE MANAGING DIRECTOR

> We captured a significant amount of data to build supply-chain archetypes. During the year, as we focused on incorporating these, we saw a critical shift in our relationship with brand-partners.

This has been a year of importance to your Company, and I take pride in writing to you at its conclusion. Till FY18, we were on a quest for efficiency that entailed consistent scaling year-on-year. FY19 marked the consolidation of all that we garnered and learned in the process, into a business marked by efficiency-driven expertise.

This is by convention in e-commerce, whereby a business must first attain scale with which come the related economies, operational learnings, and analysable data. These must then be incorporated into the business model to put the financial metrics into place. Only then can the business achieve organically sustained growth. We felt FY19 was the appropriate time to undertake the second phase of this process.

If we look at the last eight quarters, we see a qualitative shift in the revenue generated by our e-commerce business. While revenue fell, operating cash flow became positive, establishing a strong year-on-year trend across all four quarters this FY. This was the result of conscious revenue reduction, which was necessary at this juncture to solidify the financial soundness of the business.

Brand-partners, our primary customers, specialise in product development, by converting the underlying needs of the end-consumers (marketplace customers) into suitable products. Their forte does not lie in the marketplace ecosystem, defined by dynamism in technology and policies.

Over the years, we built a strong marketplace reputation and demonstrated our capabilities to brand-partners, learning the dos and don'ts throughout our journey. We captured a significant amount of data to build supply-chain archetypes. During the year, as we focused on incorporating these, we saw a critical shift in our relationship with brand-partners. Our marketplace expertise, on the bedrock of technology (our delivery engine), gives them an end-to-end solution to sell products online on marketplaces.

This collaborative engagement made us working capital-efficient. A direct consequence of this was the cash flow performance and the reduction in long-term debt, for our e-commerce business, during the year under review. We saw a perceptible impact on Accounts Payable Days.

The delivery engine enables us to service our brand-partners via a single platform, and we are now far more integrated than it was ever possible. As the flow of data continues, it will strengthen the data lake, the resulting analysis, and the value that is delivered to the brand-partners.

The US e-commerce market, specifically the marketplaces continue to spearhead growth by making e-commerce a way of life. As one of the leading players present on marketplaces and with the recalibration undertaken this year, we are readying ourselves to tap this growth efficiently and sustainably.

We believe we are at the starting point of an incredible journey. On behalf of the Board of Directors and the Management of IntraSoft, I would like to thank you for your unwavering support.

Warm regards,

Arvind Kajaria
Managing Director

CORPORATE SNAPSHOT

Our competence

IntraSoft is a technology-driven multi-channel online retailer that serves the US market. We believe in creating value with the help of the internet and superior technology.

Our overarching relevance

We strive to create consistent stakeholder value through a robust platform that efficiently brings our brand-partners' products onto marketplaces, and to the doorsteps of marketplace customers.

Our people

We house rich human capital comprising competent and trained professionals. Our people are our most valuable asset, responsible for the marketplace expertise we possess and for the technology we have developed.

Our brand partner focus

We understand that for our brand-partners (our true customers), the focus is their products. They rely on our expertise to generate presence and success in the online ecosystem. Given our credentials and technology, we deliver end-to-end solutions to achieve the same.

Our marketplace customer focus

We strive to provide a seamless experience to marketplace customers each time we serve them. Our five-star customer service team works round-the-clock to assist customers from the time they place an order to the time the product is delivered, and beyond.

Our marketplace focus

Our technology integrates deeply with the back-end systems of marketplaces resulting in a seamless transaction convergence. This keeps us up-to-date with their policies, which, in turn, allows us to formulate appropriate strategies to benefit our brand-partners.

Our logistics partner focus

We facilitate order fulfillment on our platform by combining the reach of national carriers with the efficiency of local carriers, and offer brand-partners the benefits of scale. We use our technology to track weather, accidents and other anomalies to support fulfillment accuracy.

LEARNING, ADAPTING AND GROWING THROUGH THE DISRUPTION

At IntraSoft,

we knew that e-commerce was becoming a way of life. The extensive marketing that popular shopping websites undertook accelerated the offline-to-online migration of consumers. The size of the US e-commerce market and its immense growth potential was indisputable. The transformation of these shopping destinations into marketplaces was thus a tremendous opportunity, and we entered the market as a multi-channel e-retailer.

As is the case with any young and promising industry, players flocked to build the supply side on these marketplaces and tap the exponentially growing demand.

However, we knew that as the industry moved along its life cycle, this growth would transpire into a shakeout and settle into a mature phase comprising players who adapted as they went along, responded with speed, learnt from strategies that didn't work and grew what succeeded.

We also knew that technology, our core strength honed over more than a decade, would place us among the seasoned sectoral veterans.

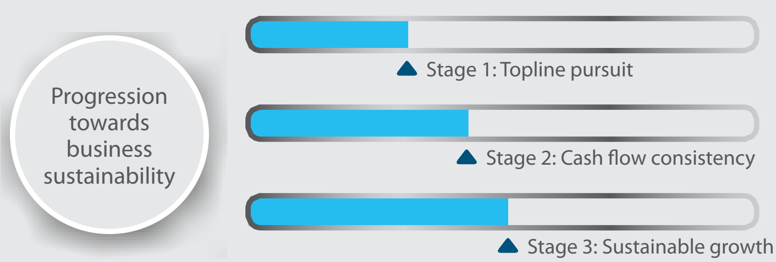
THREE-PHASED PROGRESSION TOWARDS BUSINESS SUSTAINABILITY

We grew

with the industry and firmly planted our roots. Thereafter, we embarked on a long-term strategy to achieve business sustainability.

At IntraSoft, we never lost sight of the fact that this sustainability would be achieved over a span of time.

- It required topline pursuit to amass data and establish marketplace credentials in stage one;
- Consolidation of learnings to generate cash-flow consistency in stage two, and
- Finally, sustainable growth through robust cash flows in stage three.



Revenue (US$ million)

21	53
FY2013-14	FY2014-15

STRENGTHENING OUR COMPETITIVE ADVANTAGE IN THE ONLINE ECO-SYSTEM

"As a logistics partner of Stores, we are increasing business every year. We have found our interaction with them to be seamless and smooth. The relationship has been largely win-win for both of us."

Shawn McNiff,
Senior Account Manager, UPS

107
FY2015-16

137
FY2016-17

179
FY2017-18

During stage one,

we built volumes with the premeditated objective that scale would translate into trust, visibility, engagement economies, and data for our proprietary engine.

We grew at 70% CAGR and the result was that we integrated brands across dozens of categories at one end and top marketplaces (Amazon, eBay, Rakuten, Newegg and Jet) at the other.

We obtained a substantial share of these brand partners' wallets, which firmly positioned us, providing them proof of our marketplace capabilities, our ability to handle scale and our credibility as a brand.

We obtained a critical mass of data pertaining to factors such as demand, packaging, logistics, and marketplace-customer service.

The economies of scale generated for us the operating leverage to achieve a lean cost structure. The related economies also translated into a sequence of value propositions for the brand partners, the logistics service providers and the marketplaces, that strengthened our overall competitive advantage in the online eco-system.

GRADUATING TO PREFERRED-SELLER STATUS ON MARKETPLACES

We established our

marketplace credentials reflected by unambiguous measures.

We shipped out more than ten million orders, delivering top-tier performance across various parameters – inventory management (stocking of the right SKUs in the right quantities), shipping (timely delivery of products to the marketplace-customers), and marketplace-customer service (matching marketplace benchmarks).

Reviews and ratings against these orders rewarded us with a premium placement in product search listings. We emerged as a Platinum Seller on Amazon.com with a Lifetime Rating of 97% based on a large mass of more than 250,000 reviews; we also emerged as a Preferred Seller on eBay with a 99% rating.

This validated the perception that when marketplace-customers buy from us, they get a seamless experience and the best overall value proposition.

The following statement dated 19th July 2017 from Marketplace Plus, an e-commerce intelligence firm, pertaining to sellers on Amazon, further endorses our credentials:

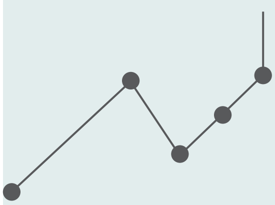
"…there are roughly 100,000 sellers with sales over US$ 100,000, roughly 10,000 sellers with sales over US$ 1 million, roughly 500 sellers with sales over US$ 10 million, and roughly **10 sellers with sales over US$ 100 million."**

Our presence among the top 10, underlines our position as a seasoned sectoral veteran.

"The core promise of Jet is to create a system that allows retailers to offer products in a way that's more cost effective for them, while also incenting the customer to shop in ways that remove costs from the system – to their mutual benefit. Jet plans to offer a huge selection, and bring unprecedented value to the consumer – we see Stores as a key partner in realizing this goal."

Scott Hilton,
Chief Revenue Officer, Jet.com

SHIFTING GEARS IN FY19



Beginning FY19,

we took stock of our progress towards learnings, data and credentials. We were confident that it was the appropriate time to consolidate these into a model that would organically sustain growth year after year.

The result is that, we took a conscious decision to temporarily shift our focus from scaling towards incorporating our learnings and attaining cash-flow consistency.

This recalibration marked the completion of what we had set out for phase one, and the beginning of phase two of our long-term journey.

DEVELOPING OUR ROBUST DELIVERY ENGINE

Aggregated learnings

and data were consolidated into rich industry knowledge and data-driven algorithms. The results being our Marketplace Expertise and our Delivery Engine, respectively, that together offer end-to-end solutions for online selling.

The robustness of this delivery engine is reflected by the extent of automation which has minimised manual intervention, enhanced uptime, increased transaction speed, and possesses the manoeuvrability to respond with speed to changes in the external environment.

We analyse mountains of data with the objective to identify patterns, address opportunities and enhance efficiency. The engine enables us to translate even the most marginal percentage improvements, in cost or efficiency, into attractive value by extending it across the large volume of our operations.

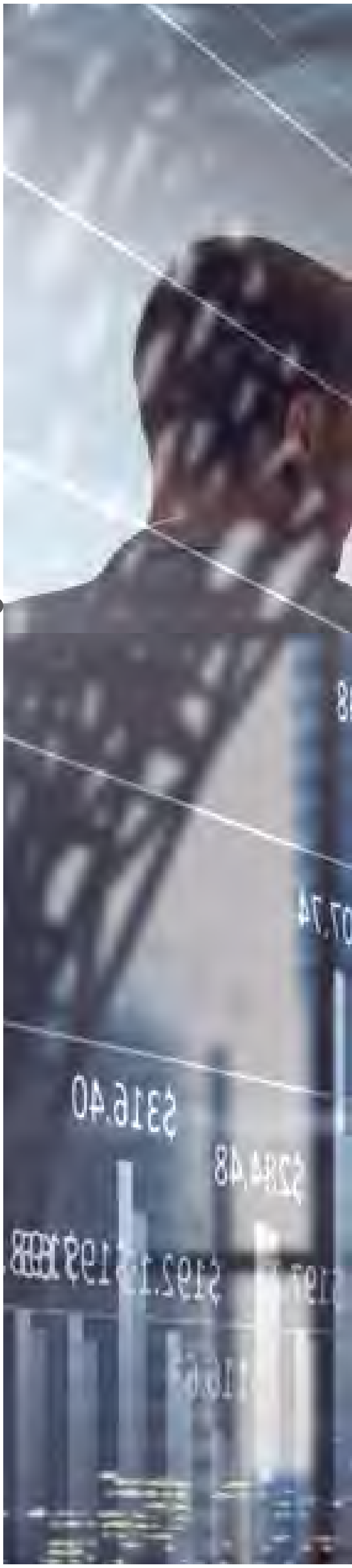
The engine empowered us to unfailingly deliver thousands of packages every single day – the right product, delivered to the right customer, at the right time, in the right packaging, and at the most competitive price.

In a market marked by hundreds of sellers there is a recognition attached to such seamless execution. The level of automation ensures scalability going into FY20 and beyond.

"Our partnership with Stores continues to generate high sales volumes for us. Their technology and services have definitely helped strengthen the popularity of our brand."

Vivien Zheng
Key Account Manager, Hapetoys

EXPANDING OUR BRAND-PARTNER RELATIONSHIPS FROM THE TRANSACTIONAL TO THE INTEGRATIONAL



We simultaneously realised that the brand partners are actually the ones we need to service vis-à-vis the marketplace customers, who are primarily serviced by the front-ended marketplaces.

Our credentials, our expertise, and our engine combined into a comprehensive value proposition for our brand partners to sell their products online through our interface.

Given our marketplace credentials, when brands associate with us they strengthen their online brand image. This is best reflected by the fact that when we are selling their product, the product gets premium placement in the search listing, which, in turn, helps increase sales.

Given our end-to-end capability, they get online presence without the need for dedicated resources.

They get a view of demand and feedback using our data and analytics, which facilitates their inventory management and allows them to focus on their core competence i.e. product development; while we maintain our focus on marketplace management, fulfilment, and marketplace-customer service. In essence, our relationship has evolved from transactional to integrational, creating a compelling win-win proposition for both entities.

"We value our partnership with Stores as they have provided strong marketing and back-end support of our brands and products. We look forward to continued growth and success with them."

Michelle Fenlon
National Sales Manager, Spectra Merchandising Intl.

SCALING WITHOUT WORKING CAPITAL CONSTRAINTS

This past FY truly encapsulates our belief that moving up the learning curve is a combination of business experiments and process perfection.

The resulting terms

of trade, with our brand partners, circumvent working capital constraints on the number of products we can list. At the heart of this lies the asset-lightness of our model, which offers tremendous growth potential in a manner that is capital efficient and cash flow accretive.

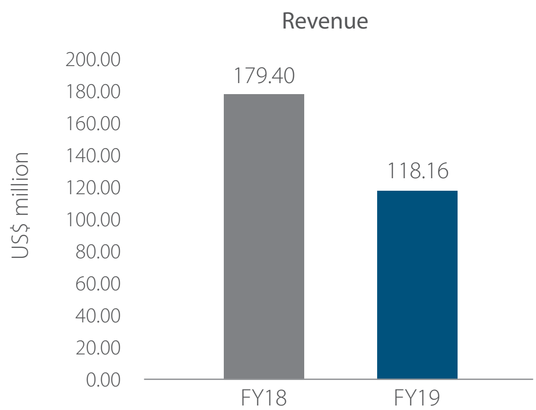
This is further strengthened by the fact that our engine is ready, cash in-flow is greater than the cash outlay required to sustain the operations, and the operating cash-flows would be adequate to fund any further expenditure towards bolstering our engine and brand-outreach team.

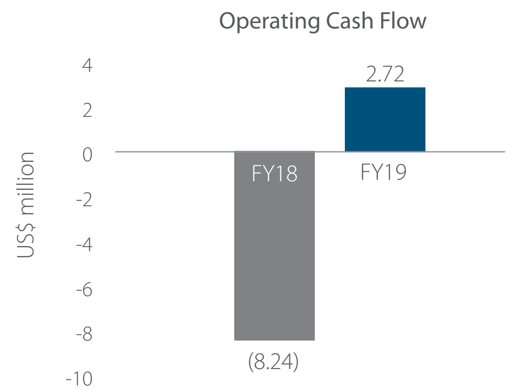
This past FY truly encapsulates our belief that moving up the learning curve is a combination of business experiments and process perfection. FY20 and beyond, our focus will be to bring more and more brand partners on-board to kick-start a virtuous cycle of growth and cash-flow generation, creating compelling value for our investors.

In other words, as we work towards the completion of phase two of our long-term journey, we empower ourselves to scale the business without the need to infuse additional capital, delivering robust RoE year after year.

HIGHLIGHTS OF 2018-19

E-Commerce financial highlights





Consolidated financial highlights

836.55
Revenue
(₹ crores)
Down 28.49% YoY

15.96
Operating Cash Flow
(₹ crores)
Up from ₹(54.56) crores

69.38
Borrowings
(₹ crores)
Down from ₹79.47 crores

81.63
Net Working Capital
(₹ crores)
Down from ₹95.36 crores

142.16
Net Worth
(₹ crores)
Up 1.56% YoY

96.50
Book Value per Share
(₹)
Up 1.56% YoY

5.66
PAT
(₹ crores)

20
Dividend Payout
(%)

Operational highlights

#232 in the Top 1000 Online Retailers as per the Internet Retailer Top 1000 Report, 2019

Platinum Seller on Amazon

Preferred Seller on eBay

Preferred Seller on Rakuten

CORPORATE INFORMATION

Board of Directors

Arvind Kajaria - *Managing Director*

Sharad Kajaria - *Whole-time Director*

Rupinder Singh - *Independent Director*

Anil Agarwal - *Independent Director*

Savita Agarwal - *Independent Director*

Ashok Bhandari - *Independent Director*

Auditors

M/s Walker Chandiok & Co LLP

Chartered Accountants

Kolkata

Company Secretary & Compliance Officer

Pranvesh Tripathi

Registrar and Share Transfer Agents

Link Intime India Private Limited

C-101, 247 Park, L.B.S. Marg,

Vikhroli (W), Mumbai – 400 083

Tel: +91-22-4918-6000, Fax: +91-22-4918-6060

Email: rnt.helpdesk@linkintime.co.in

Bankers

1. HDFC Bank Ltd
2. State Bank of India

Registered Office

502A, Prathamesh, Raghuvanshi Mills Compound,

Senapati Bapat Marg, Lower Parel,

Mumbai – 400 013

Tel: +91-22-4004-0008, Fax: +91-22-2490-3123

Email: intrasoft@itlindia.com

Corporate Office

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145, Rash Behari Avenue,

Kolkata – 700 029

Tel: +91-33-4023-1234, Fax: +91-33-2464-6584

Email: intrasoft@itlindia.com

Corporate Identification Number

L24133MH1996PLC197857

MANAGEMENT DISCUSSION & ANALYSIS

US ECONOMIC OVERVIEW

The US is the Company's principal market.

The country accounts for about 20% of global production, making it the largest economy. Its developed and technologically-advanced services sector accounts for about 80% of national output, comprising technology, financial services, healthcare and retail. More than a fifth of the companies on the Fortune Global 500 are from the US.

The U.S. is the second largest global manufacturer and a leader in higher-value industries like automobiles, aerospace, machinery, telecommunications and chemicals. US manufacturing (US$ 2.33 trillion, 2018) accounted for 11.6% of U.S. economic output and half of U.S. exports. Every dollar spent in manufacturing added US$ 1.89 in the growth of other sectors.

The US economic growth is sustained by continuous innovation, research and development combined with capital investment.

(Source: Focus Economics, The Balance, GSMA)

US economy in numbers

GDP size	GDP growth	Inflation
20.49 US$ trillion, US GDP, 2018	**2.9** %, GDP growth, 2018	**2.4** %, US inflation, December 2018
62,641 US$, US GDP per capita, 2018	**2.3** %, projected GDP growth, 2019	**2.0** %, projected US inflation, 2019

(Source: Country economy, World economic outlook, April 2019, World Bank, IMF)

GLOBAL E-COMMERCE INDUSTRY

E-commerce has been possibly the most dramatic retail development in decades, making it possible to buy without stepping out of one's premises and paying for the purchase without using cash.

The other advantages of online commerce include the ability to examine a virtually unlimited array of merchandise compared to the limitations of a brick and mortar store, transact with speed and get products delivered home.

The world's two largest economies — United States and China— dominate global online retailing, accounting for more than half the worldwide e-commerce sales of physical goods.

In 2018, global e-retail sales were estimated to be US$ 2.8 trillion, and likely to outperform brick-and-mortar retail offtake across the foreseeable future.

Top categories by purchase, 2018

(% of global online consumers having purchased)

Fashion	61%
Travel	59%
Books & Music	49%
IT & Mobile	47%
Event Tickets	45%

By 2019, for the first time, global m-commerce transactions could exceed e-commerce transactions, establishing the mobile phone as not only the primary communication platform of the world, but also the leading digital commerce channel.

(Source: Nielson, Statista, Marketing charts)

The global e-commerce revolution

~2.8 US$ trillion, global online consumer spending in 2018	**~10.2** %, digital commerce's share of global B2C sales, 2018	**~48.6** %, user penetration of e-commerce, 2018
~5.8 US$ trillion, global digital commerce sales by 2022	**>17** %, e-retail sales of all global retail sales by 2022	**~57** %, projected user penetration of e-commerce, 2022

(Source: eMarketer, Forbes, Statista)

Drivers of e-commerce

Assured connectivity: The increased penetration of smartphones and related innovation (Wi-Fi, social media and data sharing) have made e-commerce a preferred transaction choice for millions.

Advanced technologies: Advanced digital platforms have brought about a seamless consumer experience (from access, viewing, selection, payment and delivery). Increased digitalization and innovation (biometrics and retailer wallets) are likely to enhance consumer experience.

Customer priority: E-commerce provides round-the-clock product and services availability through connected devices.

Logistical support: E-commerce has grown following significant improvements in logistical support, helping deliver products quicker with high packaging integrity.

Mobile internet revolution: The penetration of internet in mobile phones is playing a key role in the growth of e-commerce.

Millennials' role: Millennials make up around a quarter of the US population and could overtake Baby Boomers as America's largest population segment in 2019 (73 million vs 72 million).

Gen Z's influence: By 2020, Gen Z could be the third largest generation group in USA, making it a leading online buyer.

E-commerce technology developments

Blockchain: The customer's growing need for transparency led to the blockchain technology, reducing the incidence of counterfeit products.

Machine learning: Machine learning allows enhanced and upgraded visual searching by making a wide range of products available.

IoT: IoT is a sought-after technology in reducing theft, optimising store operations and maximising cross-purchases.

Artificial intelligence: Artificial intelligence provides improved recommendations when it comes to items frequently bought together. By automating the customer service experience through chatbots and sending engagement mails, service providers are able to make strong recommendations.

Data analytics: Data analytics help provide reliable, accurate and timely access to vast data volumes, accelerating processes and inducing customer delight.

Investments: Artificial intelligence-related investments grew by ~72% in 2018 compared to 2017, with the possibility that 85% of all customer interactions could be addressed without human intervention by 2020.

(Source: Forbes, Gartner, Pew Reaseach Centre)

Outlook

The digital commerce segment is expected to grow at a CAGR of 20% till 2022. Global e-retail sales are also set to grow up to US$ 5.8 trillion by 2022. In light of all the aforementioned factors, it is clear that shopping is still evolving and fast, paving the way for strong e-commerce growth.

(Source: Forbes, Business Wire, Digital Commerce 360, Statista)

> "The department store is online now... I have no illusion that 10 years from now will look the same as today, and there will be a few things along the way that surprise us…The world has evolved, and it's going to keep evolving, but the speed is increasing"
>
> Warren Buffett

THE US E-COMMERCE INDUSTRY

Growth in 2018

3.9

%, increase in total retail sales, 2018

14.2

%, increase in online retail sales, 2018

User penetration

82.1

%, estimated user penetration, February 2019

90.8

%, projected user penetration by 2023

Sectoral churn

~5,864

US retail stores that announced closure, 2018

~5,994

US retail store closures already announced, 2019

Online spending with US merchants

~449.88

US$ billion, consumer online spending with US merchants, 2017

~517.36

US$ billion, consumer online spending with US merchants, 2018

Mobile transaction preference

53.7

%, US shoppers who start and finish purchases on their mobile phones

Faster deliveries

24

% of US consumers willing to pay extra for faster delivery

47

% of US consumers who paid extra for either same day or next day delivery

Marketplaces*

330	40	16	40
US$ billion, sold on US marketplaces to US customers, 2018	%, median sales from mobile, 2018	%, YoY GMV growth, 2018	Marketplaces that shipped outside US, 2018

**Data based on top 59 US marketplaces*

(Source: 2019 Internet retailer Top 1000, Digitalcommerce360, eMarketer, Statista, Journalnews, Microsoft-2019-Retail trends report, Edition CNN, PR web as on March 2018)

US e-commerce trends

Black Friday and Cyber Monday: These are two of the biggest sales days of the year, marked by attractive discounts and large purchases. In 2018, US$ 6.2 billion was spent on Black Friday alone, which is up 23.6% from last year.

Reduced month-end offtake: Customers buy less towards the end of the month as they wait for their next pay cheque.

Busiest and weakest months: November and December are usually the busiest months while February is the slowest for ecommerce. Holiday season in the United States generated appoximately US$ 122 billion in 2018, an increase of 17.4% as compared to 2017.

Reduction in delivery time: The maximum delivery time an average customer is willing to accept for an online order is just 4.5 days as of March 2018, down from 5.5 days in 2012.

Retail as a service: People seek a personalised experience; they expect a wide product range available round-the-clock with minimal delivery time. The number of US Prime members crossed 100 million in 2018.

Growth of sharing economy: Millennials value access to goods and services over ownership, prompting the growth of a sharing economy.

Smartphone penetration: In North America, smartphone adoption was estimated at 80% in 2018 and projected to rise to 90% by 2025, strengthening prospects for e-commerce.

Emergence of Virtual Personal Assistants (VPA): Smart home assistants and voice recognition systems are emerging as an e-commerce game-changer. By 2019, 20% smartphone interactions could take place via Virtual Personal Assistants.

Sales moves online: Companies are not only investing in proprietary e-commerce sites but also selling through other online channels, including company-owned stores and large marketplaces.

(Source: Forbes, Digital trends, Statista, Microsoft 2019 Retail Trends Report, GSMA, Gartner, Alix Partners survey of more than 1,000 US consumers)

Online growth by merchandise category

Merchandise category	Number of retailers	Growth (%) in 2018
Food/Beverage	36	28.1
Housewares/Home Furnishings	98	27.0
Health/ Beauty	53	22.5
Sporting Goods	73	19.9
Hardware/Home Improvement	83	19.7
Mass Merchant	58	19.7
Apparel/Accessories	252	17.3
Consumer Electronics	97	14.5
Jewelry	44	13.6
Automotive Parts/Accessories	38	11.1
Speciality	79	10.3
Flowers/Gifts	17	3.6
Office Supplies	26	1.2
Toys/ Hobbies	46	(2.0)

(Source: 2019 Internet Retailer Top 1000)

THE COMPANY'S OVERVIEW

IntraSoft Technologies Limited operates as a multi-channel e-retailer in USA. The Company enjoys a credible presence across major online marketplaces like Amazon, eBay, Rakuten, Jet and Newegg. The Company works with brand partners across all major categories (garden & outdoor, beauty & personal care, baby products, home & kitchen, toys & games, tools & home improvement, and others).

The Company's operations are centred around the prudent use of technology, the culmination of learnings aggregated through the years. The Company invested in APIs and web-based ERP solutions to service brand partners with speed and dependability.

The Company's marketplace credentials, wide product assortment, competitive pricing, efficient demand fulfilment and prompt marketplace customer service enhanced our brand recognition in the US e-commerce ecosystem.

BUSINESS PERFORMANCE, 2018-19

The Company reported a year of positive cash flows following conscious revenue reduction and correspondingly enhanced revenue quality.

Operating cash flow of US$ 2.72 million was generated during the year under review compared to an operating cash outflow of US$ 8.24 million during the previous year. This financial recalibration was accompanied by operational recalibration, where the Company consolidated its knowledge capital aggregated during years of strong CAGR revenue growth.

The resulting delivery engine and marketplace expertise strengthened the Company's value proposition for brand partners. The Company's deep understanding of the sector and tech-driven orientation made it a preferred partner for online marketplaces. This competitive positioning translated into superior terms of trade that enhanced working capital efficiency and long-term sustainability.

In line with its established momentum, the Company featured in Internet Retailer's list of the largest online retailers in the US, ranked #232 in the Top 1000 Report. As the Company heads into FY20 with the financial and operational learnings in place, it is focused on working towards a growth trajectory that is self-funded and delivers strong value.

FINANCIAL HIGHLIGHTS

The Company's consolidated Profit and Loss Account for the year ended 31 March 2019 is provided below:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from Operations	83,655.42	116,986.78
Cost of Goods Sold (Incl. Shipping)	70,700.49	96,673.62
Gross Profit	12,954.93	20,313.16
Sales & Marketing Expenses	9,514.98	14,952.79
Employee Benefit Expenses	1,523.92	2,039.06
General & Administrative Expenses	1,426.14	1,417.83
Earnings/(Deficit) from Operations	489.89	1,903.48
Other Income (Net)	496.18	510.88
Earnings Before Interest, Tax, Depreciation & Amortization	986.07	2,414.36
Depreciation & Amortization	176.19	195.57
Earnings Before Interest & Tax	809.88	2,218.79
Finance Costs	497.95	264.33
Profit Before Tax (PBT)	311.93	1,954.46
Tax Expense	(254.52)	581.31
Profit After Tax (PAT)	566.45	1,373.15

On a standalone basis, Net Profit Margin increased from 13.11% in FY18 to 21.38% in FY19; reasons being the fall in Employee Benefits Expense and Professional Services due to automation. Debtors Turnover increased from 7.26 to 12.78; reason being the fall in Trade Receivables. Current ratio fell from 31.05 to 13.16; reasons being the fall in Trade Receivables, excess refund received against Advance Tax, and increase in Liability for financial guarantee to subsidiary.

RISK MANAGEMENT

Seasonal business The U.S. festive season falls in the third quarter of our financial year, leading to e-commerce revenue and accordingly that of the Company being concentrated towards the same quarter.	**Mitigation** The Company's investments in proprietary technology strengthened order management and fulfillment. This allowed the Company to scale in line with the increased festive season demand. The data-driven demand forecasting capability serves as a critical input for brand partners to manage inventory during this busy season.
Managing growth The Company is required to continuously strengthen processes and systems, which could prove challenging.	**Mitigation** The year under review was marked by two initiatives. One, the integration of years of learnings and data into the technology backbone. Two, establishing cash flow consistency resulting in the consolidation of a working capital-efficient and sustainable financial model. In view of these initiatives, the Company strengthened its business to respond efficiently across operational and financial fronts.
Operational challenges The Company is required to build and maintain a vast network of brand partners, strengthening its eco-system.	**Mitigation** The brand-partners are our customers whom we service with our technology and marketplace expertise. Our investments in proprietary technology give us the end-to-end capability to solidify our network of brand-partners. A dedicated brand-outreach team engages with them across all levels of the online selling process, and participation in industry events like trade-shows, marketplace promotional events and conferences further strengthens our relationship with the brand-partners. These, along with our consistent marketplace credentials, facilitate the management of our network of brand-partners.

HUMAN RESOURCES MANAGEMENT

The Company believes that employees are its most valuable asset, who play a pivotal role in interactions with brand-partners and in technological development. The Company's invigorating work culture complements talent resulting in the creation of teams comprising talented and motivated individuals with the right skill sets. Through regular investments in training initiatives, the Company creates a platform to catalyse employees' personal and professional development.

The Company's success is the result of a team of talented, skilled and hard-working professionals. The Company continues to hire the right employees and provide them with a workplace environment to grow and learn.

The Company has in place a programme of rewards and recognition to motivate talented employees. The result is that employee productivity has consistently grown. The Company employed 41 individuals as of 31 March 2019.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Our robust and intricate internal control systems ensure that there is efficient use and protection of resources, and compliance with policies, procedures and statutory requirements. We have developed well-documented guidelines and procedures for authorisation and approvals. Internal audit, which is a critical pillar of the internal control systems, is conducted regularly to check and verify whether all systems and processes are in compliance with the applicable requirements and adequate in safeguarding the assets from unauthorised use or losses.

An Audit Committee keeps a check on the existing systems and undertakes corrective actions as required. The management also regularly reviews all vital processes and control systems that further strengthen the organisation.

The emphasis on internal controls is implemented across all units, functions, departments and processes. All measures are taken to ensure that the controls put in place are both adequate and commensurate with the size and nature of our operations.

Directors' Report

To
The Shareholders
IntraSoft Technologies Limited

We are pleased to present the Twenty Fourth Annual Report of IntraSoft Technologies Limited ("the Company") together with the Audited Financial Statements for the financial year ended 31 March 2019.

Financial Statements & Results

a. Financial Results:

The consolidated and standalone performance during the year ended 31 March 2019 as compared to the previous financial year is summarized below:

Consolidated Financials

Particulars	Amount (₹ in Lakhs)	
	2018-19	2017-18
Total Income	84,151.60	117,497.66
Profit before Interest and Depreciation	986.07	2,414.36
Less: Finance Cost	497.95	264.33
Less: Depreciation	176.19	195.57
Profit before Tax	311.93	1,954.46
Less : Provision for Income Tax	(254.52)	581.31
Profit after Tax	566.45	1,373.15

On Standalone basis, Total Income of the Company recorded at ₹1,376.80 Lacs in FY 2018-19 against ₹1,533.53 Lacs in FY 2017-18. EBITDA is recorded at ₹338.33 Lacs in FY 2018-19 against ₹270.53 Lacs in FY 2017-18. PBT for the financial year under review is recorded at ₹196.37 Lacs against ₹119.90 Lacs in FY 2017-18. The net profit for the financial year under review is ₹163.89 Lacs as compared to ₹125.02 Lacs of the previous financial year.

b. Business:

The Company and its subsidiaries achieved an Operating Cash Flow of ₹1,596.09 Lacs in FY 2018-19, as compared to ₹(5,456.14) Lacs in the previous financial year. Consolidated Total Income was ₹84,151.60 Lacs, as compared to ₹117,497.66 Lacs. Consolidated Net Profit was ₹566.45 Lacs, as compared to ₹1,373.15 Lacs.

The consistent cash flow performance is attributable to the changes that our E-Commerce division underwent this year. On the operational front, we used this year to incorporate all our data and learnings. The results being our Delivery Engine and Marketplace Expertise, which deliver strong value to our brand-partners.

On the financial front, we saw all this materialise into terms of trade that established our cash flow consistency, as we outperformed YoY across all four quarters. We saw an increase in Accounts Payable Days from 12.90 to 15.30. Long-term Debt fell from ₹7,946.77 Lacs to ₹6,937.63 Lacs.

We believe that this working capital efficiency would make growth sustainable in the coming years, and deliver strong value to you year after year.

There was no change in nature of the business of the Company, during the year under review.

c. Performance of Subsidiaries, Associates and Joint Venture Companies

The Company has, as on 31 March 2019, three wholly owned subsidiaries and two step down subsidiaries, viz. 123Greetings.com, Inc (USA), IntraSoft Ventures Pte. Ltd (Singapore) & One Two Three Greetings (India) Private Limited (India) wholly owned subsidiaries, 123Stores, Inc (USA), wholly owned subsidiary of IntraSoft Ventures Pte. Ltd (Singapore) and 123Stores E Commerce Private Limited (India), wholly owned subsidiary of 123Stores, Inc. The entire group focuses on the E-Commerce business by consolidating all operations related to E-Commerce and online greeting activities to achieve financial and operational efficiencies.

Apart from the information provided in the foregoing paragraph, there was no Companies which have become or ceased to be subsidiaries, associates and joint venture company during the financial year under review.

In accordance with Section 129 of the Companies Act, 2013, consolidated financial statements of the Company along with its subsidiaries have been prepared which forms part of this Annual Report. Further, the performance and financial position of each of the subsidiaries for the year ended 31 March 2019 is attached and marked as Annexure I (FormAOC-1) and forms part of this Report.

Appropriations

a. Dividend

The Board of Directors of the Company has recommended a final dividend of ₹2/- (20%) (previous year ₹2/- per equity share) per equity share of face value of ₹10/- for the financial year 2018-19, which if approved would absorb ₹355.20 Lacs including dividend distribution tax of ₹60.56 Lacs (Previous year ₹355.20 Lacs including dividend distribution tax of ₹60.56 Lacs).

There was no Interim Dividend declared by the Company during the financial year.

Dividend Distribution policy is not applicable to the Company.

b. Amount and shares transferred to IEPF with details of Nodal officer

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 the Company has transferred 582 shares to the designated account of the IEPF Authority during the financial year 2018-19 on which the dividend was unclaimed/ unpaid for a period of seven (7) consecutive years from the year of its declaration in financial year 2010-11. Company had already transferred 4379 shares of different shareholders to IEPF Authority in the financial year 2017-18 , of the shareholders on whose shares the Dividend was unpaid/ unclaimed for a period of seven (7) consecutive years starting from the unpaid/unclaimed dividend of the Financial Year 2009-10 and also of the earlier years.

Details of the Nodal Officer:

Pranvesh Tripathi
Company Secretary and Compliance Officer
Email ID- pranvesh.tripathi@itlindia.com
Phone Nos. - 022 4004-0008

During the Financial year 2018-19, Unpaid / Unclaimed Dividend of ₹51,648 was transferred to IEPF Account towards Interim Dividend (₹30,596) and Final Dividend (₹21,052) which was declared in the financial year 2010-11 and remained unpaid/unclaimed for 7 years.

c. Transfer to Reserves

The Board of Directors has not recommended transfer of any amount of profit to reserves during the year under review. Hence, the entire amount of profit for the year under review has been carried forward to Retained Earnings.

Financial Statements as per IND-AS.

Financial Statements for the year ended 31 March 2019 are in accordance with the Indian Accounting Standards (IND-AS) notified by the Ministry of Corporate Affairs, Government of India, which have already become applicable to the Company from the accounting period beginning on 01 April 2017.

During the year under review, there was no revision of financial statements pertaining to previous financial year.

Deposits

The Company has not accepted or renewed any amount 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 which are not in compliance with the Chapter V of the Act is not applicable.

Disclosures under Section 134(3)(l) of the Companies Act, 2013

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this report.

Disclosure of Internal Financial Controls

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are found adequate. During the year under review, no material or serious observation has been received on inefficiency or inadequacy of such controls, from the Internal Auditors of the Company.

Disclosure of Orders passed by Regulators or Courts or Tribunal

Your Directors would like to inform that no orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and on the Company's operations in future.

Particular of Contracts or Arrangement with Related Parties

All contracts / arrangements / transactions entered into by the Company during the financial year with its wholly owned subsidiaries were in the ordinary course of business and at an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered as material related party transaction in accordance with the policy of the Company on related party transactions read with SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Policy on related party transactions as approved by the Board may be accessed on the Company's website www.itlindia.com.

Your Directors draw attention of the members to Note no. 27 of Standalone financial statements which sets out disclosures on related parties and transactions entered into with the said parties.

Particulars of Loans, Guarantees, Investments and Securities

Full particulars of loans given, investments made, guarantees given and securities provided along with the purposes for which the loans or guarantees or securities are proposed to be utilized by the recipient(s) thereof are provided in Note nos. 6, 7, 8 and 25 of standalone financial statements.

Share Capital

During the year under review, the Company has not issued any shares with differential voting rights and sweat equity shares and hence, disclosures under Section 43(a)(ii) and Section 54(1)(d) of the Companies Act, 2013 read with relevant rules are not required to be furnished. The Company does not have a scheme of ESOP and hence disclosures pursuant to Section 67(3) of the Companies Act, 2013 are also not required to be furnished.

Matters Related to Directors and Key Managerial Personnel:

a. Board of Directors & Key Managerial Personnel

The term of appointment of Mrs. Savita Agarwal, Independent Director will come to an end on 29 June 2019 and term of appointment of Mr. Rupinder Singh and Mr. Anil Agarwal, Independent Directors will come to an end on 28 August 2019.

Mrs. Savita Agarwal, Mr. Rupinder and Mr. Anil Agarwal have given declaration to the Board that they meet with the criteria of independence as provided under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (Listing Regulations) and amendments thereto. They have also confirmed that they are not disqualified from being re-appointed as Director in terms of Section 164 of the Act and have consented for such Re-appointments.

In the opinion of the Board, Mrs. Savita Agarwal, Mr. Rupinder Singh and Mr. Anil Agarwal fulfil the conditions specified in the Act, its rules framed thereunder and SEBI Listing Regulations, 2015 for re-appointment as Non-executive Independent Directors and they are independent of the management.

The Board of Directors at their Meeting held on 28 May 2019, as per the recommendation of the Nomination and Remuneration Committee of the Company, has approved their respective re-appointment for a second consecutive term of a five (5) year, subject to the approval of the members of the Company in the ensuing Annual General Meeting of the Company, in the category of Independent Director of the Company (not liable to retire by rotation).

Brief profile and the information as required under the relevant provisions of the Act, Regulation 36 of the SEBI Listing Regulations and Secretarial Standards SS-2 are disclosed in the notice of the ensuing Annual General Meeting and forms part of the Annual Report.

In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sharad Kajaria shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his appointment.

b. Declaration by Independent Directors

The Independent Directors of the Company have given a declaration confirming that they continue to meet with the criteria of the independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 as further amended by the Companies Amendment Act, 2017 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they have also confirmed that they are independent of the Management.

The Independent Directors also confirmed that they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

There has been no change in the circumstances which may affect their status as Independent director during the year under review.

c. Company's Policy on Director's appointment and remuneration

The Board has as per the recommendation of the Nomination and Remuneration Committee, framed a policy on selection and appointment of Directors and Senior Managerial personnel and their remuneration which was further amended by the Board in their Meeting held on 30 March 2019 in terms of the Amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 . The details of said policy are given in the Corporate Governance Report which forms part of this Annual Report.

Disclosures Related to Board, Committees and Policies:

a. Board Meetings

The Board of Directors met 5 (Five) times during the financial year 2018-19 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. Detailed information on the Board Meetings is provided in the Corporate Governance Report which forms part of this Annual Report.

b. Director's Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31 March 2019, the Board of Directors hereby confirms that:

i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

ii. such accounting policies have been selected and applied consistently and the Directors 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 as at 31 March 2019 and of the profit of the Company for that year;

iii. proper and sufficient care was taken 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;

iv. the annual accounts of the Company have been prepared on a going concern basis;

v. 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;

vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

c. Committees of the Board

There are five Committees of the Board of Directors of the Company viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Business Advisory Committee. Detailed information on all the Committees is provided in the Corporate Governance Report along with the details of extract from Nomination and Remuneration Policy of the Company with respect to remuneration of Executive Directors, Key Managerial Personnel and other senior employees of the Company. Policies framed by the Committees / Board pursuant to the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are available on the Company's Website www.itlindia.com.

Disclosure in respect of composition of Committees, Committee Meetings held, attendance of members, Reference of the Committee and other related matters are made in the Corporate Governance Report attached and forms part of this Annual Report.

Policies

a. Vigil Mechanism Policy for the Directors and Employees

The Board of Directors of the Company have pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed a "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right to report their concern/grievance to the Chairman of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

b. Risk Management Policy

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

c. **Policies and Procedures (Mechanism)**

The Board of Directors of the Company has laid down policies and procedures in case of Leak of Unpublished price sensitive information or suspected leak of Unpublished price sensitive information in their Meeting held on 30 March 2019 in terms of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

Annual Evaluation of Directors, Committee and Board

The Board of Directors has carried out annual evaluation of its own performance, Committees of the Board and individual directors pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed under Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015.

A statement indicating the manner for evaluation of performance of the Board, its committees and individual Directors is stated in the Corporate Governance Report forming part of this Annual Report.

Internal Control Systems

Adequate internal control systems commensurate with the nature of the Company's business, size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

Payment of Remuneration / Commission to Directors from Holding or Subsidiary Companies

None of the managerial personnel i.e. Managing Director and Whole-time Director of the Company are in receipt of remuneration/ commission from the Subsidiary Companies of the Company.

Auditors and Reports:

The matters related to Auditors and their Reports for the year ended 31 March 2019 are as under:-

a. **Report of Statutory Auditors on Accounts for the Year ended 31 March 2019:**

The Report submitted by the Statutory Auditors for the financial year ended 31 March 2019 is free from any observations or qualifications.

b. **Secretarial Audit Report:**

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates, the Company to obtain a Secretarial Audit Report in the Form MR-3 from a Practicing Company Secretary. M/s. Rathi and Associates, Company Secretaries had been appointed as Secretarial Auditors to issue Secretarial Audit Report for the financial year 2018-19.

Secretarial Audit Report issued by M/s. Rathi and Associates, Company Secretaries in Form MR-3 for the financial year 2018-19 forms part of this report as Annexure V.

c. **Auditors:**

Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) were appointed as Statutory Auditors of the Company at the 21st Annual General Meeting held on 8 September 2016, for consecutive term of 5 (five) years to hold office up to the conclusion of the 26th Annual General Meeting of the Company. Companies Amendment Act, 2017, withdrawn the provisions related to ratification of the appointment of Auditors and accordingly no ratification of appointment of Statutory Auditors by members would be necessary.

d. **Fraud Reporting:**

During the year under review, there were no serious frauds being detected.

Copy of Annual Return 2018 and Extract of Annual Return 2019

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of Annual Return in the prescribed format for the financial year ended 31 March 2019 is uploaded on the website of the Company and the link for the same is http://www.itlindia.com/statutory.html. The Annual Return for the year ended 31 March 2018 in Schedule-V which was filed with the Registrar of the Companies is also uploaded on the Website of the Company and the link for the same is http://www.itlindia.com/statutory.html.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in Annexure II which forms part of this Report.

Annual Report on Corporate Social Responsibility

Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, during the financial year under review, the Company was not required to spend any amount towards Corporate Social Responsibility activities.

Further, Annual Report on CSR as required to be disclosed under the above mentioned rules for the Financial Year 2018 -19 is attached to this report as Annexure III.

Particulars of Employees as per Section 197 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

The information required pursuant to Section 197 read with Rule 5 (1) and 5 (2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is attached to this report as Annexure IV.

The Managing Director and Whole time Director of the Company had not received any commission from the Company and also not received any remuneration or commission from its subsidiary company.

Compliance with Secretarial Standards

During the Financial year under review, in terms of Section 118 (1) of the Companies Act, 2013, the Company has observed and complied with the Secretarial Standards SS-1 and SS-2 on Board Meetings and Annual General Meeting specified by the Institute of Company Secretaries of India (ICSI).

Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has taken sufficient measures and adopted a policy in terms of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder. During the year under review, no complaints in relation to sexual harassment at workplace have been reported.

Management's Discussion and Analysis

A detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis is attached and forms part of this Report.

Corporate Governance Report

The Company is committed to uphold the values of transparency, integrity, accountability and ethical corporate citizenship across all its business activities. This commitment lays down the foundation of its governance practices which focus on creating sustainable value for the stakeholders.

The Company has laid down Code of Conduct to which the board and senior management have affirmed compliance. The Code is displayed on the official website of the Company at www.itlindia.com.

The Company has complied with the provisions of Corporate Governance requirements, as stipulated under Regulation 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on Corporate Governance forming part of the Directors' Report and the certificate from a Practicing Company Secretary pursuant to the said Regulation is attached with the Corporate Governance Report.

Acknowledgements and Appreciation

Your Directors take this opportunity to place on its gratitude to customers, shareholders, suppliers, bankers, business partners/associates and financial institutions for their consistent support and encouragement to the Company.

For and on behalf of the Board

	Arvind Kajaria	**Sharad Kajaria**
Place: Kolkata	Managing Director	Whole-time Director
Date: 28 May 2019	(DIN 00106901)	(DIN 00108036)

Registered Office:
CIN: L24133MH1996PLC197857
502A, Prathamesh, Raghuvanshi Mills Ltd. Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013
Tel: 022 4004-0008 Fax: 022 2490 3123
Email: intrasoft@itlindia.com Website: www.itlindia.com

ANNEXURE - I

Form AOC-1

PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

Part A Subsidiaries

(Amount ₹ in Lacs)

1	Name of the subsidiary/Joint Venture/Associate Companies	**123 Greetings. com, Inc.**	**Intrasoft Ventures Pte. Ltd. (Standalone)**	**One Two Three Greetings (India) Private Limited**	**123Stores, Inc. * (Consolidated)**
2	Date since when Subsidiary was acquired (DOA)	27 May 1999	12 April 2007	31 January 2007	05 September 2015
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company	Same as Holding Company	Same as Holding Company	Same as Holding Company
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	USD, 1 USD = ₹69.15	SGD, 1 SGD = ₹51.02	INR	USD, 1 USD = ₹69.15
5	Share capital	69.15	739.76	200.00	691.50
6	Reserves and Surplus	85.55	(34.39)	7.89	3,112.67
7	Total Assets	187.67	707.67	283.66	14,159.58
8	Total Liabilities	32.97	2.30	75.77	10,355.41
9	Investments	-	690.05	-	-
10	Turnover	1,063.13	-	2.17	82,584.33
11	Profit before taxation	4.12	(6.66)	(3.14)	229.67
12	Provision for taxation	1.32	-	(0.03)	(255.40)
13	Profit after taxation	2.80	(6.66)	(3.11)	485.07
14	Proposed Dividend	-	-	-	-
15	% of shareholding	100	100	100	100
16	Contribution to the overall performance of the Company during the period under report (%)	107.25%	(4.45)%	(0.42)%	82.78%

* 123Stores, Inc. is a Wholly Owned Subsidiary of Intrasoft Ventures Pte. Ltd (DOA - 01 October 2014). The Consolidated Performance consists of 123Stores, Inc. and its wholly owned subsidiary 123Stores Ecommerce Private Limited (DOA – 05 September 2015).

Part B Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

There is no Company which is an Associate or Joint Venture of the Company.

Note:

1. There is no subsidiary of the Company which is yet to commence operations.
2. No associates or joint ventures have been liquidated or sold during the year.

ANNEXURE - II

Particulars pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

I. Conservation of Energy

The Company is engaged in development and delivery of e-commerce and e-cards through internet platform. Considering the nature of the business in which the Company is engaged, energy cost forms an insignificant portion of the total expenses and hence the financial impact of the said cost is not material. Adequate measures have, however, been taken to conserve energy at optimum level.

II. Research and Development

1. Specific areas in which R&D is carried out by the Company:

The Company operates in the Internet / Information Technology based industry, wherein new developments and phasing out of technologies occur rapidly on a continuous basis. Evaluation of developments in the industry are undertaken by the Company on a regular basis with a view of adopting and adapting such developments based on their suitability analyzed in light to the business in which the Company is engaged in. These actions help the Company to improve the areas in which the Company and/or its wholly owned subsidiaries are engaged.

2. Benefits derived as a result of the above R&D:

Research and Development activities undertaken for the purpose of ensuring consistency with the changing business environment allows us to enhance quality, productivity and customer satisfaction which ultimately results in increased number of users assessing the website of the Company and thus benefits the Company.

3. Future Plan of action:

To enable to make its website much more customer-centric, the Company is continuously working on findings and evaluating new technologies, processes, frameworks and methodologies.

4. Expenditure on R&D:

The Company's R&D activities are part of its normal commercial operations. There is no separate R&D department. Hence, there is no specific budget earmarked for R&D expenditure. Considering the continuous expenditure on such account, it is also not practical to identify R&D expenditure out of total expenditure incurred by the Company.

III. Technology absorption, adaptation and innovation

1. Efforts in brief, made towards technology absorption, adaptation , innovation and benefits derived:

For the purpose of ensuring productivity and improvement in the quality on a continual basis the technical resources of the Company attend several seminars and workshops organized by various institutions as required from time to time in accordance with the change in the technological environment.

2. Information regarding technology imported during last 5 years:

The Company meets its technology requirement through developing it in-house and/ or through purchasing it on domestic basis and hence there are no imports in the last 5 years.

3. Foreign Exchange Earnings and Outgo:

i) Activities relating to exports:

The Company is engaged in development and delivery of e-commerce and e-cards globally through internet platform. Constant endeavor is made to ensure increase in usage of Company's services by the end users in different countries.

ii) Total foreign earnings used and earned:

Information on foreign exchange earnings and outgo is furnished below:

	Year Ended 31 March 2019 (₹ in Lacs)
Earnings	
IT enabled services	766.43
Expenditure	
Travelling	31.71
Subscription and membership fees	4.10
Others	0.05
	35.86

ANNEXURE - III

Annual Report on CSR Activities

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programs.	Company's CSR policy is framed within the purview of the Schedule VII of the Companies Act, 2013 and the same is available on the Company's website.
2	Composition of the CSR Committee	a) Mr. Arvind Kajaria, Chairman b) Mr. Anil Agarwal, Member c) Mr. Rupinder Singh, Member d) Mr. Ashok Bhandari, Member
3	Average Net Profit of the Company for last three financial years	The Average net profit for the last three preceding financial years does not exceed ₹500 Lacs
4	Prescribed CSR Expenditure	NIL
5	Details of CSR spent during the financial year;	
	a) Total amount to be spent for the financial year	The Company was not required to spend any amount during the Financial Year 2018-19.
	b) Amount unspent if any	Nil

(c) Manner in which the amount spent during the financial year is detailed below: N.A.

6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

   We hereby declare that the implementation and monitoring of the CSR Policy are in compliance with CSR objectives and Policy of the Company.

Sd/-	Sd/-
Sharad Kajaria	Arvind Kajaria
(Whole-time Director)	(Chairman CSR Committee)
DIN: 00108036	DIN: 00106901

ANNEXURE - IV

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director / KMP	% increase in remuneration in the FY 2018-19	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Mr. Arvind Kajaria Managing Director	NIL	6.92	PAT increased by 31.09% from FY 2017-18
2	Mr. Sharad Kajaria Whole-time Director	NIL	6.48	
3	Mr. Rupinder Singh Independent Director#	Nil	0.29	NA
4	Mr. Anil Agarwal Independent Director#	Nil	0.29	NA
5	Mrs. Savita Agarwal Independent Director#	NIL	0.21	NA
6	Mr. Ashok Bhandari Independent Director#	Nil	0.29	NA
7	Mr. Mohit Kumar Jha Chief Financial Officer	4.49	3.51	PAT increased by 31.09% from FY 2017-18
8	Mr. Pranvesh Tripathi Company Secretary	4.99	2.45	

Only sitting fees is paid to the Independent Directors.

ii) Average percentile 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 if there are any exceptional circumstances for increase in the managerial remuneration: NA

iii) List of top 10 employees of the Company in terms of remuneration drawn and employees who drawn remuneration during the financial year not less than ₹1.02 Crores per annum:

Sr. No.	Name	Designation	Date of Joining	Remuneration (in ₹ Lakhs)	Age (years)	Experience (Years)	Qualification	Last employment and designation held
1.	Arvind Kajaria	Managing Director	26 June 1998	72.11	54	29	Degree in Business Administration	NA
2.	Sharad Kajaria	Whole-time Director	27 February 1996	67.61	43	20	Bachelors Degree in Commerce	NA
3.	Mukesh Kumar Goel	General Manager	01 April 1997	59.86	51	28	Masters Degree in Commerce	Cieco Securities Ltd, Accounts Executive
4.	Rajat Kapur	Sr. Manager - Sales	01 August 2012	39.33	39	18	Diploma in Business Administration	S. K. Products, Operations Manager
5.	Mohit Kumar Jha	CFO	18 February 2013	36.58	41	16	Chartered Accountants	HDFC Bank Ltd, Sr. Manager

Sr. No.	Name	Designation	Date of Joining	Remuneration (in ₹ Lakhs)	Age (years)	Experience (Years)	Qualification	Last employment and designation held
6.	Sajal Kumar Basu	Technical Head	22 December 2003	27.76	37	15	Master of Science in Information Technology	NA
7.	Pranvesh Tripathi	Company Secretary & Compliance Officer	10 May 2016	25.52	44	18	Company Secretary	Gabriel India Limited- Company Secretary & Legal Head
8.	Anibha Tulsian	Sr. Manager – Administration	01 March 2007	22.29	44	20	Bachelor of Arts	Archieve Advisory Services Pvt. Ltd. – Overall Incharge
9.	S Pradeep	Sr. Specialist	17 February 2005	16.38	37	14	Bachelors Degree in Science	NA
10.	Partha Pratim Sarkar	Sr. Specialist	04 October 2004	16.32	41	19	MCA (Computers), B.Com	CMC Limited – Senior Faculty and Software Programmer

iv) Employees employed for the part of the year and drawn remuneration during the financial year 2018-19 at a rate which in aggregate was not less than ₹8.50 Lakhs per month: NA

v) The median remuneration of the employees of the Company during the financial year was ₹10.41 Lakhs.

vi) In the financial year 2018-19, there was an increase of 8.96% in the median remuneration of employees.

vii) There were 41 permanent employees on the rolls of the Company as on 31 March 2019.

viii) Explanation on the Relationship between average increase in remuneration and Company performance:

As compared to the Profit of the Company for the FY 2018-19 which was increased by 31.09%, the average increase in remuneration was 1.75%.

ix) Comparison of remuneration of the KMP against the performance of the Company:

The total remuneration of KMP was increased by 1.40% compared to PAT which was increased by 31.09%.

x) Variations in the market capitalization of the Company: The market capitalization as on 31 March 2019 was ₹191.63 Cr. (₹1016.63 Cr. as on 31 March 2018)

xi) Price Earnings ratio of the Company as at 31 March 2019 was 115.06 as against 796.48 as at 31 March 2018.

xii) Percent increase over decrease in the market quotation of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:

Particulars	31 March 2019	12 April 2010 (Date of Listing)	% increase/(Decrease)
Market Price (BSE)	₹128.00	₹159.35	(19.67)
Market Price (NSE)	₹130.08	₹159.10	(18.24)

xiii) Average percentage increase made in the salaries of employees other than the KMP in the FY 2018-19 was 1.93% whereas the increase in the KMP remuneration for the same FY was 1.40%.

xiv) There are no variable component of remuneration availed by the directors.

xv) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable

xvi) It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company for its Directors, Key Managerial Personnel and other Employees.

For IntraSoft Technologies Ltd

Arvind Kajaria
Managing Director
DIN: 00106901

Sharad Kajaria
Whole-time Director
DIN: 00108036

ANNEXURE - V

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

[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
INTRASOFT TECHNOLOGIES LIMITED
502A, Prathamesh, Raghuvanshi Mills Compound
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013

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

Based on our verification of the Company's Books, Papers, Minutes 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31 March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure I, for the financial year ended on 31 March 2019, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under, to the extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and

   iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-

i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

iv. 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;

v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and

vi. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings were not applicable to the Company under the financial year under report.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company:

1. Software Technology Park of India;
2. Foreign Exchange Management (Export of Goods and Services) Regulations, 2000;
3. West Bengal Policy on Information and Communication Technology, 2012;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above except for delay in submission of Annual Report to the Stock Exchanges, where the shares of the Company are listed, pursuant to the provisions of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the financial year under report.

Adequate notice is 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.

None of the members have communicated dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

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

We further report that during the year under report, the Company has not undertaken any event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **RATHI & ASSOCIATES**
Company Secretaries
Jayesh M. Shah
Partner

Date: 28 May 2019 FCS No. 5637
Place: Mumbai COP No. 2535

Note: This report should be read with our letter of even date which is annexed and forms an integral part of this report.

List of documents verified

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the financial year ended 31 March 2018;
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Independent Director's meeting of the Company along with the respective Attendance Registers for meetings held during the financial year under report;
4. Minutes of General Body Meeting held during the financial year under report;
5. Copies of Notice, Agenda and Notes to Agenda circulated to all the directors / members for the Board Meetings and Committee Meetings.
6. Proof of circulation and delivery of notice, agenda and notes to agenda for Board and Committee meetings.
7. Proof of circulation of draft as well as certified signed Board & Committee meetings minutes as per Secretarial Standards.
8. Policies framed by the Company under the Companies Act, 2013 / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
9. Statutory Registers viz.
   - Register of Directors & Key Managerial Personnel and their shareholding
   - Register of loans, guarantees and security and acquisition made by the Company (Form No. MBP-2),
   - Register of Contracts with related party and contracts and Bodies etc. in which directors are interested (Form No. MBP-4), and
   - Register of Charge (Form No. CHG-7).
10. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2) and Section 149(7) of the Companies Act, 2013;
11. Intimations received from directors and other insiders under the prohibition of Insider Trading Code;
12. E-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
13. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year under report;
14. Filings made with Reserve Bank of India under the Foreign Direct Investment Guidelines and for Overseas Direct Investments made by the Company;
15. Documents related to payments of dividend made to its shareholders during the financial year under report;
16. E-mails evidencing dissemination of information related to closure of Trading window;
17. Internal Code of Conduct for prevention of Insider Trading by Employees / Directors / Designated Persons of the Company;
18. Statement of Related Party Transactions entered into by the Company during the financial year under report;
19. Compliance Certificate placed before the Board of Directors from time to time;
20. Details of Sitting Fees paid to all directors for attending the Board Meetings and Committees.

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

Corporate Governance is the framework by which the Company ensures transparency in all its dealings and whereby various stakeholders' interests are balanced. The Company's philosophy on Corporate Governance is to achieve business excellence by enhancing the long term welfare of all its stakeholders. Through the Governance mechanism in the Company, the Board together with its Committees undertakes its fiduciary responsibilities to all its stakeholders, including shareholders, employees, the government, lenders and society by ensuring trusteeship, transparency, accountability and equality, in all phases of its operations and decision making.

2. Board of Directors

a) Composition of the Board:

The Board has an ideal combination of Executive and Non-Executive Independent Directors, which is in conformity with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). As on 31 March 2019, the Board comprises of 6 (Six) Directors of which 2 (Two) are Executive Directors representing promoters and 4 (Four) are Non-Executive Independent Directors including one Woman Independent Director. Both the Executive Directors are liable to retire by rotation.

All the independent directors meet with the criteria as provided in the Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management of the Company. Their respective tenure is in accordance with the provisions of the Companies Act, 2013. The terms of appointment of the Independent Directors is disclosed on the website of the Company.

There is no such non-executive Director on the Board of the Company who has attained the age of 75 years and is subject to re-appointment in the financial year 2019-20.

The Company has received disclosures from all the directors about their Directorship and membership on the Board & Committees of other companies. As per disclosure received from Director(s), none of the Directors holds membership in more than 10 (Ten) Committees and Chairmanship in more than 5 (Five) Committees. The composition of the Board during the year ended 31 March 2019 and other relevant details relating to Directors are given below:

Name of the Director	Designation	Category of Director-ship	Other Companies		
			Board Directorship**	Committee Membership#	Committee Chairmanship#
Mr. Arvind Kajaria DIN: 00106901	Managing Director	Promoter; Executive	-	-	-
Mr. Sharad Kajaria DIN: 00108036	Whole-time Director	Promoter; Executive	-	-	-
Mrs. Savita Agarwal DIN: 00062183	Director	Non-Executive; Independent	-	-	-
Mr. Rupinder Singh DIN: 02815733	Director	Non-Executive; Independent	-	-	-
Mr. Anil Agarwal DIN: 00122053	Director	Non-Executive; Independent	-	-	-
Mr. Ashok Bhandari DIN: 00012210	Director	Non-Executive; Independent	9	6	-

** Directorships in Private and Foreign Companies, if any are excluded.

Memberships/Chairmanship of only Audit Committee and Stakeholders' Relationship Committee have been considered

Directorships held by the Directors in the other Listed Entities:

Name of the Director	Designation	Directorships in other Listed Companies	Category of Directorship in Other Listed Companies
Mr. Arvind Kajaria	Managing Director	-	-
Mr. Sharad Kajaria	Whole-time Director	-	-
Mr. Rupinder Singh	Independent Director	-	-
Mr. Anil Agarwal	Independent Director	-	-
Mrs. Savita Agarwal	Independent Director	-	-
Mr. Ashok Bhandari*	Independent Director	(1) Maithan Alloys Ltd.	Independent Director
		(2) Skipper Limited	Independent Director
		(3) IFB Industries Limited	Independent Director
		(4) Rupa & Company Limited	Independent Director
		(5) Mcleod Russel India Limited**	Independent Director
		(6) Maharashtra Seamless Limited	Independent Director

* Mr. Ashok Bhandari is not serving as a Managing Director or a Whole-time Director in any listed entity.

** Ceased to be a Director w.e.f. 29 April 2019.

Declaration by the Independent Directors:

The Independent Directors have confirmed in their declaration that 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 judgement and without any external influence.

Except Mr. Arvind Kajaria and Mr. Sharad Kajaria being brothers related to each other, none of the Directors have any inter-se relation among themselves.

b) Appointment/Re-appointment of Directors:

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Sharad Kajaria, Whole-time Director of the Company is liable to retire by rotation in the ensuing Annual General Meeting and being eligible he has offered himself for re-appointment. The necessary agenda for the approval and the details of Director seeking re-appointment at the ensuing Annual General Meeting as required under Regulation 36 of SEBI Listing Regulations, 2015 is mentioned in the Notice convening the Annual General Meeting.

c) Board Meetings and Annual General Meeting:

During the financial year 2018-19, 5 (Five) Board Meetings were held on the following dates: 28 May 2018, 14 August 2018, 9 November 2018, 12 February 2019 and 30 March 2019. The previous Annual General Meeting of the Company was held on 12 September 2018. The details of attendance of the Directors in Board Meetings and the previous Annual General Meeting are as follows;

Name of the Director	No. of Board Meetings Attended	Attendance at Last Annual General Meeting
Mr. Arvind Kajaria	5	Yes
Mr. Sharad Kajaria	3	No
Mrs. Savita Agarwal	5	Yes
Mr. Rupinder Singh	5	Yes
Mr. Anil Agarwal	5	No
Mr. Ashok Bhandari	5	No

The Board meets at least once in every quarter to review the quarterly financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues relating to the business. The tentative annual calendar of Board Meetings for approving the accounts for the ensuing year is given in this report.

The gap between any two meetings was not in excess of hundred and twenty days. The necessary quorum was present in all the meetings.

Agenda papers containing all necessary information/ documents were made available to the Board Members in advance to enable them to discharge their responsibilities effectively and take informed decisions. In cases where it was not practicable to attach or send the relevant information as a part of Agenda papers, the same were tabled at the Meetings with the permission of the Chairman.

The Board also reviews the compliance report of all laws applicable to the Company and also steps are taken by the Company to rectify instances of non-compliance, if any.

d) Code of Conduct:

The Board has laid down a Code of Conduct for all the Board Members and the Senior Management Personnel of the Company. The said Code is posted on the website of the Company at http://www.itlindia.com/investor relations/ corporate governance report. All the Board Members and the Senior Management personnel have affirmed compliance to the Code as on 31 March 2019. The declaration on compliance of the Company's Code of Conduct duly signed by Mr. Arvind Kajaria, Managing Director of the Company, is annexed to and forms part of this Annual Report.

e) Familiarisation Programme

The Independent Directors of the Company are made familiar with their roles, responsibilities and duties towards the Company, nature of industry in which the Company operates, business model of the Company etc. on need basis or whenever there is induction of a new director. The detail of the last 3 familiarisation programme is available on the web link at http://www.itlindia.com/docs/Familiarisation_Programme.pdf.

f) A Chart setting out the Skills/Expertise/competence of the Board of Directors:

Skills/Expertise/Competence	Definitions of Directors Qualification
Financial	Leadership of a financial firm or management of the finance functions of an enterprise, resulting in proficiency in complex financial management, capital allocation, Treasury Operations, financial reporting processes, Chartered Accountant, Auditor.
Gender diversity with independent views and judgement	Representation of gender that expand the Board's understanding of the needs and viewpoints of Company's different stakeholders having an account and finance background with management and leadership qualities.
Global Business	Experience in driving business success in different markets in the world, particularly in United States. Regulatory framework and broad perspective on global market opportunities.
Leadership , Board Services and Governance	Leadership experience of significant enterprise/organisation its operations, business expansion, strategic planning and risk management. A management professional with experience of driving business growth. Experience of Board Management and as well managing shareholders' interests.
Technology	A significant background in technology including internet and new technology, resulting in knowledge of general disruptive innovations in internet technology and E-commerce business. Responsible for taking new technology initiatives in the Company.

Skills/Expertise/Competence	Definitions of Directors Qualification
Sales and Marketing	Experience in developing strategies to grow sales and market, vendor relations and negotiations, contracts management, enhance business and reputation of the organisation.
Public Relations and Brand awareness	Build brand awareness through events management, marketing programmes, media management and enhance business and reputation of the organisation. Having experience to have worked in Public Relations area.
Capital Market Expertise	Experience of Capital markets and stock exchange operations and knowledge of regulatory framework and compliances of laws and regulations related to SEBI and capital market.
Restructuring (M&A)	Experience of leading growth through restructuring of businesses, acquisitions and other business combinations in line with Company's strategy and culture, knowledge of FEMA and RBI Laws.

3. Audit Committee

a) Constitution of Audit Committee:

As on 31 March 2019, the Audit Committee comprise of 3 (three) Non-Executive Independent Directors and 1 (one) Executive Director. All the members of the Audit Committee are financially literate. The Chairperson of the Committee is Mrs. Savita Agarwal, Independent Director, a member of the Institute of Chartered Accountants of India.

The Company Secretary acts as Secretary of the Committee.

b) Composition of Audit Committee and Number of Meetings Attended:

The Audit Committee of the Company is constituted as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. During the Financial Year 2018-19, 4 (four) Meetings of the Audit Committee were held on the following dates: 28 May 2018, 14 August 2018, 14 November 2018 and 12 February 2019. The composition of the Audit Committee during the year ended 31 March 2019 and the details of number of meetings attended by members of the Committee are as under:

Committee Members	Designation	No. of Meetings Attended
Mrs. Savita Agarwal	Chairperson	4
Mr. Rupinder Singh	Member	4
Mr. Arvind Kajaria	Member	4
Mr. Anil Agarwal	Member	4

c) Attendees:

Mr. Pranvesh Tripathi, Company Secretary and Mr. Mohit Kumar Jha, Chief Financial Officer were in attendance in all the 4 (four) Audit Committee Meetings held during the financial year 2018-19. The Audit Committee invited such other executives and personnel, as it considered appropriate to be present at its meetings. The necessary quorum was present at all the Meetings.

d) The Terms of Reference of the Audit Committee:

The terms of reference of the Audit Committee are in accordance with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and it inter alia includes:

i) To interact with the auditors periodically about internal control systems, the scope of audit including the observations of auditors and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.

ii) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

iii) Recommending to the Board, the appointment, re-appointment and removal of the statutory auditors, fixation of their remuneration and other terms of reference of their appointment

iv) Approve payment for any other services rendered by the statutory auditors.

v) Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:

   (a) 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;

(b) Changes, if any, in accounting policies and practices and reasons for the same;

(c) Major accounting entries based on the exercise of judgment by management;

(d) Significant adjustments made in the financial statements arising out of audit findings;

(e) Compliance with listing and other legal requirements relating to financial statements;

(f) Disclosure of any Related party transactions; and

(g) Qualifications in the draft audit report.

vi) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

vii) Reviewing, with the management, the statement of uses/ application of fund raised through an Initial Public Offer (IPO) on a quarterly basis as a part of quarterly review of financial results.

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

ix) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

x) 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.

xi) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

xii) Approval or any subsequent modifications of transactions with the related parties.

xiii) Scrutiny of inter-corporate loans and investments.

xiv) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.

xv) Valuation of undertakings or assets of the Company, wherever it is necessary.

xvi) Evaluation of internal financial controls and risk management systems.

xvii) Reviewing the functioning of whistle blower mechanism.

xviii) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience & Background etc. of the candidate

xix) Reviewing the utilization of loans and/or advances from/ investment by the Holding Company in the Subsidiary Company exceeding Rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments.

xx) Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors.

e) Powers of Audit Committee:

The Audit Committee has the following powers:

I. To investigate any activity within its terms of reference as above.

II. To seek information from any employee.

III. To obtain outside legal and professional advice, if necessary.

IV. To secure attendance of outsiders with relevant expertise, if considered necessary.

4. Nomination and Remuneration Committee

a) Constitution and Composition:

The Company has constituted Nomination and Remuneration Committee as per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of four non-executive Independent Directors as its members. Mr. Rupinder Singh, Independent Director is the Chairman of the Committee and Mr. Anil Agarwal, Mrs. Savita Agarwal and Mr. Ashok Bhandari are the members of the Committee. The Committee recommends policy relating to the remuneration for the directors, key managerial personnel and other senior level employees. The said Policy is approved by the Board and the same is placed on the Company's website at http://www.itlindia.com/corporate.html. During the FY 2018-19, 1 (One) meeting was held. i.e. on 30 March 2019.

Committee Members	Designation	No. of Meetings Attended
Mr. Rupinder Singh	Chairman	1
Mrs. Savita Agarwal	Member	1
Mr. Anil Agarwal	Member	1
Mr. Ashok Bhandari	Member	1

b) Terms of reference:

The terms of reference of the Committee inter alia includes;

i) Identifying and selection of candidates for appointment as Directors / Independent Directors based on criteria fixed by the Committee;

ii) Identifying potential individual for appointment as Key Managerial Personnel and to other Senior Management positions, if any;

iii) Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration;

iv) Formulate the criteria and Specify the manner for effective evaluation of performance of Board, its Committees, individual directors and independent 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.

v) To recommend to the Board, all remuneration, in whatever form, payable to Senior Management."

vi) Board Diversity and criteria for the independence, positive attributes, qualifications and experience of directors

c) Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance and as well as that of its Committees and individual Directors including the Independent Directors and the Chairperson of the Company.

The Board evaluation covered a structural evaluation process based on the criteria formulated and the manner specified by the Nomination and Remuneration Committee of the Company. It covered various aspects of the Board and its Committees such as composition, experience & competencies, Meetings of the Board and Committees, Circulation of Agenda and the quality of Agenda, discussions and deliberations at the Board Meetings and the Committee Meetings, recording of Minutes, performance of specific duties & obligations, contributions received and active participation by the Members of the Board and respective Committees, Structure, effectiveness and Independence of the Committees.

A separate exercise was carried out by the Chairman of Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors including the Chairperson based on the criteria formulated and the manner specified by the Nomination and Remuneration Committee of the Company. The evaluation was done on different parameters such as qualification, experience, knowledge and competency, ability to function as a team, initiative, integrity, commitment and contributions. Additionally, Independent Directors were also evaluated for their Independent views and judgement. The Evaluation process was based on the affirmation received from the Independent Directors that they met the independence criteria and are independent of the Management, as specified in the Listing Regulations. The Chairperson was evaluated for effectiveness of leadership and ability to steer the meetings, impartiality and ability to keep shareholders' interests in mind etc.

The evaluation of the Chairperson and the Non-Independent Directors were carried out by the Independent Directors at their separate meeting on the basis of duties, obligations, traits and attributes and other required parameters.

d) Remuneration Policy:

I. The Committee formulates and recommends to the Board a policy relating to the remuneration for the directors, key managerial personnel, senior management and other employees and while formulating the Policy, the Committee ensured that :

a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

II. Executive Directors/Key managerial Personnel and other senior level Employees:

The Committee annually reviews the corporate goals and objectives applicable to the Executive Directors/ Key Managerial Personnel and other senior level employees, evaluate at least annually the Executive Directors' Key Managerial Personnel's and other senior level employees' performance in light of those goals and objectives and shall also annually review:

(a) annual base salary,

(b) annual incentive bonus, including the specific goals and amount,

(c) equity compensation, if any

(d) employment agreements, severance arrangements, and change in control agreements / provisions, and

(e) any other benefits, compensation or arrangements, based on this evaluation.

The committee is responsible for administering the Company's equity incentive plans, if any, including the review and grant of awards to eligible employees under the plans and the terms and conditions applicable to such awards, subject to the provisions of each plan.

Mr. Arvind Kajaria and Mr. Sharad Kajaria are Executive Directors. The remuneration of the aforesaid Executive Directors is in accordance with the recommendation of the Nomination & Remuneration Committee and approvals obtained from the Board of Directors and shareholders.

Details of remuneration paid to Executive Directors for the year ended 31 March 2019 are given below:

(₹ in Lacs)

Name of the Executive Director	Designation	Salary & Allowances (₹)	Perquisites (₹)	Total (₹)
Mr. Arvind Kajaria	Managing Director	72.00	0.11	72.11
Mr. Sharad Kajaria	Whole-time Director	67.50	0.11	67.61

The Executive Directors have not been issued any Stock Options, pension benefits etc. and they are also not entitled for performance linked incentives and severance fees.

The Company or the Executive Director can with the notice of period of three (3) months terminate the contract with the Executive Director.

III. Non-Executive Directors:

Non-Executive Directors of the Company are paid ₹20,000 for attending each Board Meeting and Committee Meeting. Except sitting fees no other payments have been made to the Non- Executive Directors.

Details of the Sitting fees paid during the year 2018-19 for attending the Board Meetings and Committee Meetings are as under:

Name of the Non-Executive Director	Sitting Fees paid (₹ in Lacs)
Mrs. Savita Agarwal	2.20
Mr. Rupinder Singh	3.00
Mr. Anil Agarwal	3.00
Mr. Ashok Bhandari	3.00
Total	**11.20**

5. Stakeholders Relationship Committee

a) Constitution and Composition

The Company has constituted Stakeholders' Relationship Committee as per Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The Stakeholder Relationship Committee comprises of four directors of which majority of them are Independent Directors and the Chairman of the Committee is Mr. Anil Agarwal, an Independent Director. Mr. Arvind Kajaria, Mr. Rupinder Singh and Mr. Ashok Bhandari are the other members of the Committee. The said Committee primarily looks into various issues relating to shareholders viz. transfer and transmission of shares, non-receipt of dividend and any other grievances of the investors and take necessary steps for redressal thereof.

During the year under review, 4 (Four) meetings of Stakeholders' Relationship Committee were held on 28 May 2018, 14 August 2018, 14 November 2018 and 16 January 2019. The composition of the Stakeholders' Relationship Committee and details of number of meeting attended by the members of the Committee are as under:

Name of Director	Designation	No. of Meetings Attended
Mr. Anil Agarwal	Chairman	4
Mr. Rupinder Singh	Member	4
Mr. Arvind Kajaria	Member	4
Mr. Ashok Bhandari	Member	4

b) Mr. Pranvesh Tripathi, Company Secretary of the Company acts as the Compliance Officer of the Company.

The Company has designated the Email Id of the Compliance Officer for investor relation, and the same is prominently displayed on the Company's website: intrasoft@itlindia.com

c) The details of complaints received, complaints resolved during the year 2018 -19 and pending as at the end of the year is as follows:

Nature of Requests/ Grievances/Complaints	Opening Balance as on 1 April 2018	Received during the year	Resolved during the year	Closing Balance as on 31 March 2019
Transfer/Transmission/ Dividend	0	1	1	0
Total				0

d) Terms of Reference:

- 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 and 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.

6. Corporate Social Responsibility Committee

a) Constitution and Composition

The composition of Corporate Social Responsibility Committee is as per the provisions of the Companies Act, 2013 and rules made thereunder. The CSR Committee formed by the Company formulates the policy and recommends to the Board to undertake various activities mentioned under Schedule VII of the Companies Act, 2013. No meeting of the Corporate Social Responsibility Committee was held during the financial year 2018 -19. The composition of the Corporate Social Responsibility Committee is as under:

Name of Director	Designation	No. of Meeting Attended
Mr. Arvind Kajaria	Chairman	_
Mr. Rupinder Singh	Member	_
Mr. Anil Agarwal	Member	_
Mr. Ashok Bhandari	Member	_

b) Terms of Reference:

i) To frame CSR policy and review it from time to time.

ii) To ensure implementation and monitoring of the CSR activities as per the approved policy, plans and budget.

iii) To ensure the compliance with the laws, rules & regulations governing the CSR.

iv) To monitor the amount spent under CSR.

7. Business Advisory Committee

a) Constitution and Composition

The Board has constituted a Business Advisory Committee with Mr. Arvind Kajaria, Managing Director of the Company, as its Chairman and Mr. Ashok Bhandari, Independent Director as the member of the Committee to look after and facilitate day to day business related decisions and also to monitor and guide the matters in between the two Board Meetings which are required to be reported to the Board. During the FY 2018-19, 4 (Four) meetings were held. I.e. on 28 May 2018, 14 August 2018, 14 November 2018 and 12 February 2019. The Constitution of the Business Advisory Committee is as under:

Name of Director	Designation	No. of Meetings Attended
Mr. Arvind Kajaria	Chairman	4
Mr. Ashok Bhandari	Member	4

b) Terms of reference:

The terms of reference for the Business Advisory Committee is as follows:

I. To advise on Business matters of the Company

II. To guide the management on fortnightly/monthly basis business decisions and concerned matters.

III. To foresee monthly budgets and updates.

IV. To foresee treasury related issues on fortnightly/ monthly basis.

8. Independent Directors' Meeting

The Independent Directors held their Meeting on 30 March 2019. The meeting was attended by all four Independent Directors of the Company. Mrs. Savita Agarwal was the Chairperson of the Meeting. The Independent Directors in their meeting discussed inter alia about performance of the entire Board as well as the Non- Independent Directors, the quality, content and timelines of flow of information in order to enable the Board to effectively and reasonably perform its duties. The Independent Directors also discussed the performance of Managing Director, the Whole-time Director, and of the Chairperson of the Company

9. General Body Meetings

i) Location, time and date of Annual General Meetings (AGM) of the Company held during previous 3 years, are given below:

Financial Year	Date	Time	Location of the Meeting
2015-16	8 September 2016	3.00 P.M.	Royal Room, Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai- 400 018
2016-17	22 August 2017	3.00 P.M.	Orchid Room, Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2017-18	12 September 2018	3.00 P.M.	Orchid Room, Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018

ii) Details of Special Resolutions approved in the Annual General Meetings held during previous 3 years are as under:

Financial Year	Particulars of Special Resolution Passed
2015-16	No Special Resolution.
2016-17	1. Re-appointment of Mr. Arvind Kajaria as Managing Director; and 2. Re-appointment of Mr. Sharad Kajaria as Whole-time Director of the Company.
2017-18	No Special Resolution

iii) Resolutions through Postal Ballot:

During the financial year 2018-19 no resolutions were passed by way of Postal Ballot process in terms of the provisions of Section 108, 110 and other applicable provisions, if any of the Companies Act, 2013 read with rules made thereunder.

10. Other Disclosures

a. Related Party transactions:

All the transactions entered into during the financial year ended 31 March 2019 with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were in the ordinary course of business and on arm's length pricing basis. All the Related Party Contracts were entered into with its Wholly Owned Subsidiaries and do not attract the provisions of Section 188 of the Companies Act, 2013. The details are included in the Notes to financial statements of the Annual Report. There were no materially significant transactions with related parties during the financial year ended 31 March 2019 that may have potential conflict with the interests of the Company.

Policy on Related party transaction is reviewed by the Board of Directors at least once in every three (3) years. The Board of Directors of the Company at their meeting held on 30 March 2019, reviewed and approved the amendments in the Company's "Related Party Transaction Policy" in terms of the Companies Amendment Act, 2017 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

The amended Related Party Transaction Policy as approved by the Board is available on Company's website http://www.itlindia.com/docs/Policy_on_Related_Party_Transactions.pdf.

The Board also approved a policy for determining material subsidiaries which is available on the Company's website. http://www.itlindia.com/docs/Policy_on_Material_Subsidiaries.pdf

b. Whistle Blower Policy / Vigil Mechanism:

The Board of Directors of the Company has pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 framed a "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of genuine concerns under any of the Acts, Laws and Regulations as applicable to the Company. The details of Vigil Mechanism framework is posted on the website of the Company.

The employees of the Company have the right/option to report their concern/grievance to the Chairperson of the Audit Committee. No personnel have been denied access to the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Whistle Blower Policy is available on the Company's website http://www.itlindia.com/corporate.html

c. **Shareholdings of the Non-Executive Directors as on 31 March 2019 is as under;**

   None of the non- executive directors hold any shares of the Company.

d. The Company has complied with the requirements of Regulatory Authorities on Capital Markets and no strictures or penalties were imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority during the last three years.

e. The Company has complied with all the mandatory requirements under Part A of Schedule II of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments thereto pertaining to Corporate Governance compliances.

f. The Company has complied, wherever applicable, with the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

g. Since the Company is not engaged in the field of manufacturing goods, disclosures on commodity price risks and commodity hedging activities are not applicable.

h. During the FY 2018-19, no complaints were filed and disposed of and no complaints were pending as on the end of the financial year in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

i. A Certificate from M/s. Rathi & Associates, Company Secretaries, is annexed to the report certifying that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

j. During the financial year 2018-19, no such recommendations of any Committees of the Board were made, which was mandatorily required and which had not been accepted by the Board of the Company.

k. During the financial year 2018-19, the Company paid a total fees amounting to ₹15.32 Lacs for all services rendered to the Company and its Subsidiaries, on a consolidated basis,

11. Discretionary Requirements under Regulation 27(1) read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The status of compliance with discretionary recommendations prescribed in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided below:

A. Shareholders' Rights: As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

B. Statement on Impact of Audit Qualifications in Auditors Report/ Modified opinion(s): The Company's financial statement for the year 2018-19 does not contain any Audit qualifications or a modified audit opinion.

12. Means of Communication:

(i) The quarterly results of the Company are published in English newspaper-"The Economic Times" having nationwide circulation and "The Maharashtra Times "regional language (Marathi) newspaper-. The quarterly results are submitted to the BSE Limited and the National Stock Exchange of India Limited immediately after the conclusion of the Board Meeting. The Company also displays all financial results and other information as required on its website www.itlindia.com. Also, as and when the Company publishes a press release; the stock exchanges are intimated accordingly.

(ii) Following presentations were made to institutional investors or to the analysts during the financial year 2018-19.

   1. To Valorem One Conference, 2018 on 4 October 2018 in Mumbai, conducted by Valorem Advisors.

(iii) The Management Discussion and Analysis Report pursuant to SEBI Listing Regulations is attached and forms part of this Annual Report.

13. General Shareholder Information

i. Annual General Meeting:

Day, Date and Time: Tuesday, 10 September 2019 at 3:00 P.M.

Venue: Sunville, Orchid Room, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018

ii. Financial Calendar:

The Company follows April-March as its financial year.

Reporting for Un-audited / Audited Financial Results for the quarter ended:

30 June 2019	:	By 14 August 2019
30 September 2019	:	By 14 November 2019
31 December 2019	:	By 14 February 2020
31 March 2020	:	By 30 May 2020

AGM for the year ending

31 March 2020	:	By 30 September 2020

iii. Book Closure:

04 September 2019 to 10 September 2019 (both days inclusive)

iv. The Payment date of dividend for the year 2018 -19, if declared at the meeting will be on or after 11 September 2019 but latest by 10 October 2019.

v. Listing on Stock Exchanges:

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.	"Exchange Plaza", C – 1, G - Block, Bandra-Kurla Complex, Bandra(East) Mumbai - 400 051.

Note: Annual Listing fees for the year 2019-20 has been paid to both the Stock Exchanges as aforementioned.

vi. Stock Code/Symbol:

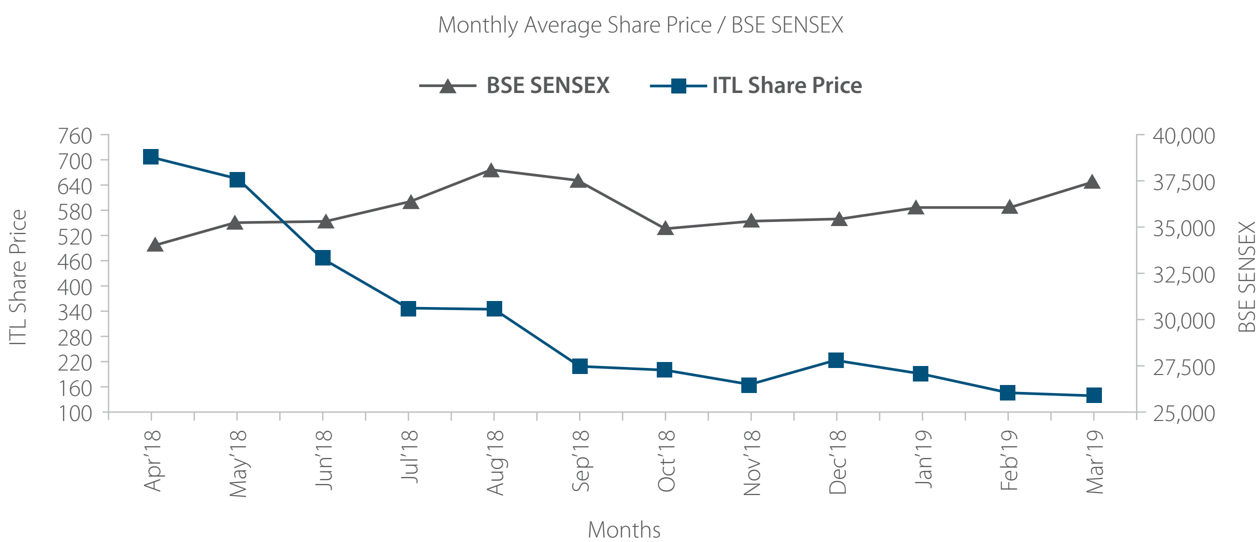
BSE – 533181 NSE – ISFT

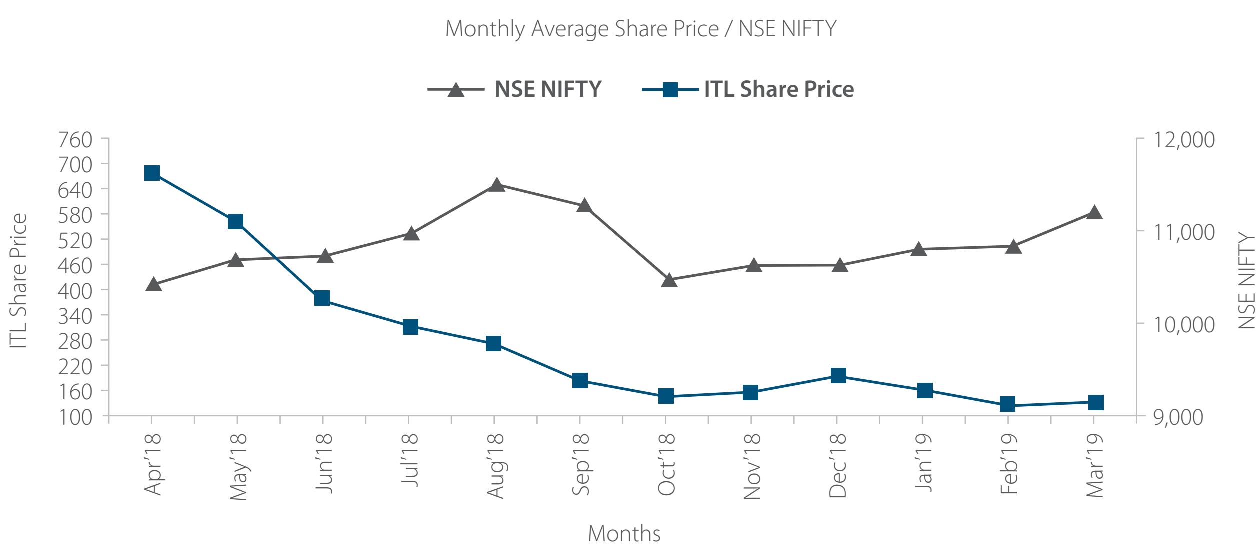
vii. Market Price Data:

Monthly High and Low of the closing price and trading volume on BSE/ NSE depicting liquidity of the Company's Equity Shares on the said Exchanges is given herewith:

Month	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares Traded
Apr-18	714.45	630.05	21,336	713.00	635.00	370,834
May-18	660.00	455.05	33,244	659.15	455.00	371,146
Jun-18	474.55	283.45	88,834	473.10	283.00	1,364,734
Jul-18	349.15	281.00	35,592	356.50	280.00	465,172
Aug-18	368.70	199.25	190,116	355.15	198.00	1,699,858
Sep-18	225.00	159.75	77,630	225.90	159.00	755,420
Oct-18	207.00	107.70	69,974	192.00	108.00	514,247
Nov-18	209.20	119.20	67,432	210.30	117.90	389,977
Dec-18	230.00	173.10	52,131	228.90	172.80	184,624
Jan-19	196.90	146.00	41,722	194.00	141.70	76,462
Feb-19	150.20	113.50	14,946	150.00	114.00	153,643
Mar-19	153.80	122.10	23,354	155.90	120.00	166,609

viii. Performance of the share price of the Company in comparison to the BSE Sensex and NSE NIFTY are as under:





*ITL represents IntraSoft Technologies Limited

ix. The Company has only Equity Shares listed on the Stock Exchanges and they were not suspended from trading by the Stock Exchanges during the year

x. Share Transfer System:

Transfer of shares held in demat form is done through the depositories without any involvement of the Company. As regards shares received for physical transfer, those are processed and registered within a period of 15 days from the date of receipt, if the documents comply with all necessary requirements and are in order.

xi. **Category wise Shareholding as at 31 March 2019 :**

Sr. No.	Category	No. of Shares held	% of Total Shares
1.	Promoter and Promoter Group	7,000,014	47.52
2.	Financial Institutions (NBFCs Registered with RBI)	9,520	0.06
3.	Mutual Fund	-	0.00
4 .	Insurance Companies	114	0.00
5.	Investor Education and Protection Fund (IEPF Authority)	4,961	0.03
6.	Foreign Portfolio Investors	2,019,973	13.71
7.	Overseas Body Corporate	-	0.00
8.	Bodies Corporate	1,501,023	10.19
9.	Clearing Members	104,908	0.72
10.	NRIs/NRNs	118,379	0.80
11.	Others	3,972,786	26.97
	Total	**14,731,678**	**100.00**

xii. Distribution of Shareholding as at 31 March 2019 :

No. of Shares	No. of Shareholders	% of Total Shareholders	Shares Held	% of Total Shares
1 - 500	7,170	88.02	593,565	4.03
501 - 1,000	384	4. 71	300,362	2.04
1,001 - 5,000	450	5.53	1,036,537	7.03
5,001 - 10,000	63	0.77	440,519	2.99
10,001 and above	79	0.97	12,360,695	83.91
TOTAL	**8,146**	**100.00**	**14,731,678**	**100.00**

xiii. Dematerialization of Shares and Liquidity:

The Company's shares are traded in dematerialized form. The equity shares of the Company are traded at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

Equity Shares of the Company representing 99.83 % of the Company's share capital are under demat mode as on 31 March 2019. Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE566K01011.

xiv. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.

The Company has neither issued any such instruments nor are they outstanding during the financial year 2018-19.

xv. Disclosure of Demat Suspense Account / Unclaimed Suspense Account and Undelivered Share Certificates as per Schedule V of the Listing Regulations

The Company does not have any demat Suspense Account/ Unclaimed Suspense Account. The Company does not hold any undelivered share certificates.

xvi. Secretarial Audit for Reconciliation of Capital

M/s. Rathi & Associates, Company Secretaries, carried out Secretarial Audit to reconcile the total admitted capital with the two depositories namely NSDL and CDSL and in physical form against the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the aggregate of total number of shares in physical form and the total number of shares in dematerialized form held with the two depositories namely NSDL and CDSL.

xvii. List of credit ratings obtained by the Entity along with any revisions thereto during the financial year 2018-19.

During the financial year 2018-19, there have been no revisions in Credit Rating obtained by the Company, if any.

xviii. Unclaimed Dividend:

The members are informed that pursuant to provision of Section 124 & 125 of the Companies Act, 2013, the dividend declared by the Company from time to time and which remains unclaimed for a period of seven years, shall be transferred by the Company to Investor Education & Protection Fund (IEPF) established by the Central Government under the provisions of the said sections.

Pursuant to Investor Education and Protection Fund (Uploading of information regarding Unpaid and Unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded list of shareholders whose dividend are unpaid / unclaimed as on last Annual General Meeting on its website. Members who have not claimed the dividend are requested to lodge their claim with the Company or the Registrar of the Company, as no claim shall be entertained for the unclaimed dividend after transfer of the said unpaid / unclaimed dividend to IEPF.

xix. Details of unclaimed shares and shares on which Dividend is unpaid/unclaimed for seven (7) consecutive years.

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 the Company has transferred 582 shares during the financial year 2018-19 on whose shares the dividend was unclaimed/ unpaid for a period of seven (7) consecutive years from the year of its declaration in financial year 2010-11. Company had already transferred 4,379 shares of different shareholders to IEPF Authority in the financial year 2017-18 , of the shareholders on whose shares the Dividend wad unpaid/ unclaimed for a period of seven (7) consecutive years starting from the unpaid/unclaimed dividend of the Financial Year 2009-2010 or also of the earlier years.

As on end of the Financial Year 31 March 2019 there are no shareholders whose share certificates are lying in physical form with our Registrar.

i. Registrar and Share Transfer Agents:

Link Intime India Private Limited
C-101, '247 Park',
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083
Tel.: 022-49186000
Fax: 022-49186060

ii. Plant Locations:

The Company is not engaged in the manufacturing activities and hence does not have any Plant.

iii. Address for Correspondence:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares:

Link Intime India Private Limited
C-101, '247 Park',
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083
Tel.: 022-49186000
Fax: 022-49186060
Email: rnt.helpdesk@linkintime.co.in

For general correspondence:

IntraSoft Technologies Limited
502A, Prathamesh,
Raghuvanshi Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013
Tel No. 022-40040008
Fax No. 022- 24903123

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
IntraSoft Technologies Limited

We have examined the compliance of conditions of Corporate Governance by IntraSoft Technologies Limited ("the Company") for the year ended 31 March 2019 as stipulated Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management; our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

Sd/-
JAYESH SHAH
PARTNER
CP No. 2535

Place: Mumbai
Date: 28 May 2019

CODE OF CONDUCT DECLARATION

Pursuant to Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Company has obtained affirmative compliance with the Code of Conduct from all the Board Members and Senior Management Personnel of the Company.

Sd/-
Arvind Kajaria
Managing Director

Place: Kolkata
Date: 28 May 2019

Independent Auditor's Report

To the Members of

IntraSoft Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of IntraSoft Technologies Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Recoverability of Minimum Alternate Tax (MAT) Credit: (Refer Note 27(e) to the accompanying consolidated financial statements) As at 31 March 2019, the Company has recognised Minimum Alternate Tax (MAT) credit amounting to ₹1,784.49 Lacs, within deferred tax assets. On that date, the Company also has unabsorbed depreciation amounting to ₹877.12 Lacs.	Our procedures in relation to assessment of MAT credit recognised as at reporting date included, but were not limited to, the following: • Obtained and updated understanding of the management's process of computation of future accounting and taxable profits of the Company, and expected utilisation of available MAT credit within specified time period as per provision of the IT Act. • Evaluated the design of and tested the operating effectiveness of controls around the preparation of underlying business plans, future taxable profit computation, and assessment of recognition of MAT credit at year end. • Reconciled the business results projections to the future business plans approved by the Company's board of directors.

Key audit matter	How our audit addressed the key audit matter
The recognition of a deferred tax asset in the form of MAT credit is based on management's estimate of taxable and accounting profits in future, which are underpinned by the Company's price assumptions and business plans, and tax adjustments required to be made in the taxable profit computations, as per the provisions of Income-tax Act, 1961 (IT Act). Estimating recoverability of MAT credit also requires significant judgements, including the timing of reversals of unabsorbed business losses and depreciation. Considering the materiality of the amounts involved and inherent subjectivity requiring significant judgement involved in the determination of utilisation of MAT credit through estimation of future taxable profits, this area was considered to be of most significance to the audit and determined to be a key audit matter.	• Evaluated the management's assessment of underlying assumptions used for the business results projections including implied growth rates and expected prices considering evidence available to support these assumptions and our understanding of the business. Tested such growth rates used in the forecast by comparing them to past trends and to economic and industry forecasts, where appropriate. • Evaluated the sensitivity analysis performed by management in respect of the key assumptions such as growth rates to ensure there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the timing of reversal of unabsorbed depreciation and unabsorbed business losses and utilisation of MAT credit. • Tested the computations of future taxable profits, including testing of the adjustments made in such computations with respect to tax-allowed and tax-disallowed items, other tax rebates and deductions available to the Company, and tested the computation of MAT liability in such future years, in accordance with the provisions of the IT Act. • Evaluated the historical accuracy of the estimates made in the prior periods with respect to business projections and aforesaid tax computations. • Tested the mathematical accuracy of management's projections and tax computations. • Based on aforesaid computations, assessed the appropriateness of management's estimate of likelihood of utilisation of MAT credit within the time period specified and in accordance with the provisions of the IT Act. • Evaluated the appropriateness and adequacy of the disclosures related to MAT credit in the financial statements in accordance with the applicable accounting standards.
Capitalisation of development costs for development of freight engine for 123Stores, Inc. (Refer Note3(b) to the accompanying consolidated financial statements for accounting policy and for related disclosure) 123Stores, Inc. is in process of developing a freight optimisation model to optimise outward freight costs (termed as "freight engine"). The development costs incurred for the same have been treated as capital expenditure to be capitalised as Intangible Asset under Ind AS 38, Intangible Assets (Ind AS 38). Till 31 March 2019, the Group has capitalised ₹944.04 Lacs as part of development costs for development of freight engine which has been disclosed as intangible asset.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the assessment of cost to be capitalised through procedures that included, but were not limited to, the following: • Obtained an understanding of the management process of identifying and measuring costs incurred towards development of freight engine, allocation of such costs to the development phase, and determining the appropriate accounting treatment of such items. • Evaluated the accounting policy for appropriateness in accordance with Ind AS 38, Intangible Assets. • Discussed with management, including development personnel, the nature and amount of work completed and their assessment of the areas of judgement for each, in particular the stage of technical development and economic feasibility, and their assessment of recognition criteria of intangible assets under Ind AS 38.

Key audit matter	How our audit addressed the key audit matter
Significant judgements relevant for capitalisation of development costs include determining whether the recognition criteria under Ind AS 38 have been met which includes assessment of technical and economic feasibility of completing the intangible asset, the entity's intention and ability to sell the intangible asset in order to generate future economic benefits, and the entity's ability to measure reliably the expenditure attributable to the intangible asset during its development. Our audit focused on this area due to the value of the development costs incurred by the Group, the developments costs to be capitalised, the allocation of cost and the judgement involved in assessing recognition criteria for capitalisation of development costs as per Ind AS 38 requirements. Accordingly, this matter has been determined to be a key audit matter for the current year audit.	• On a sample basis, tested the underlying costs by inspection of supporting documents such as agreements with logistics service providers, invoices and delivery evidence. • Evaluated management's basis of allocation and other assumptions used by the management to allocate costs towards the intangible asset for appropriateness basis our understanding of the business. • Evaluated the appropriateness of the disclosures made in the financial statements with respect to intangible assets under development in accordance with the requirements of the accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report 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 will 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.

   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.

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

7. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. 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 the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

10. 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 Standards on Auditing 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.

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

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group have adequate internal financial controls system in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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.

    - 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.

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

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements / financial information of three subsidiaries and one step-down subsidiary, whose financial statements / financial information reflects total assets of ₹1,671.02 Lacs and net assets of ₹1,329.38 Lacs as at 31 March 2019, total revenues of ₹1,067.80 Lacs and net cash outflows amounting to ₹45.32 Lacs 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 has 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 sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

    Further, of these subsidiaries, two subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, and matters identified and disclosed under key audit matters section above, in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company, covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that two subsidiary companies covered under the Act have not paid or provided for any managerial remuneration during the year.

17. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditor s on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 29 to the consolidated financial statements.;

ii. the Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

iii. there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies covered under the Act, during the year ended 31 March 2019;

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Anamitra Das
Partner
Membership No.: 062191

Place: Gurugram
Date: 28 May 2019

Annexure "A" to the Independent Auditor's Report

Annexure A to the Independent Auditor's Report of even date to the members of IntraSoft Technologies Limited on the consolidated financial statements for the year ended 31 March 2019

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

1. In conjunction with our audit of the consolidated financial statements of IntraSoft Technologies Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, and its subsidiary companies, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's 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

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its two subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

5. 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 Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its two subsidiary companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. We did not audit the IFCoFR in so far as it relates to two subsidiary companies, which are companies covered under the Act, whose financial statements/financial information reflect total assets of ₹775.69 Lacs and net assets of ₹469.31 Lacs as at 31 March 2019, total revenues of ₹3.97 Lacs and net cash outflows amounting to ₹7.64 Lacs for the year ended on that date, as considered in the consolidated financial statements. The IFCoFR in so far as it relates to such subsidiary companies, have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Anamitra Das
Partner
Membership No.: 062191

Place: Gurugram
Date: 28 May 2019

Consolidated Balance Sheet as at 31 March 2019

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	1,665.38	1,812.41
Capital work-in-progress		82.33	-
Intangible assets	3 (b)	1,296.24	341.85
Financial assets			
(i) Investments	4 (a)	1,495.36	1,372.34
(ii) Loans	5 (a)	6.58	10.50
Deferred tax assets (net)	27(e)	1,941.92	1,738.65
Non-current tax assets (net)	27(d)	58.60	65.70
Other non-current assets	7 (a)	556.33	490.04
Total non-current assets		**7,102.74**	**5,831.49**
Current assets			
Inventories	8	9,907.64	12,389.94
Financial assets:			
(i) Investments	4 (b)	5,912.35	5,816.42
(ii) Trade receivables	9	1,160.65	1,230.29
(iii) Cash and cash equivalents	10(a)	1,073.75	2,128.81
(iv) Other bank balances	10(b)	150.38	209.35
(v) Loans	5 (b)	72.13	10.50
(vi) Others	6	0.27	118.50
Current tax assets (net)	27 (d)	4.15	53.06
Other current assets	7 (b)	272.00	150.64
Total current assets		**18,553.32**	**22,107.51**
Total Assets		**25,656.06**	**27,939.00**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	1,473.17	1,473.17
Other equity	12	13,096.94	12,712.53
Total equity		**14,570.11**	**14,185.70**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13 (a)	6,937.63	7,946.77
(ii) Others	15 (a)	2.01	20.08
Provisions	17 (a)	108.97	107.83
Deferred tax liabilities (net)	27(f)	94.94	95.47
Other non-current liabilities	16 (a)	103.49	105.49
Total non-current liabilities		**7,247.04**	**8,275.64**
Current liabilities			
Financial liabilities			
(i) Trade payables	14	2,308.12	3,504.42
(ii) Other financial liabilities	15 (b)	498.32	1,028.19
Other current liabilities	16 (b)	1,018.07	352.24
Provisions	17 (b)	4.17	3.76
Current tax Liabilities (net)	27(d)	10.23	589.05
Total current liabilities		**3,838.91**	**5,477.66**
Total liabilities		**11,085.95**	**13,753.30**
Total Equity and Liabilities		**25,656.06**	**27,939.00**
The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.			

This is the Consolidated Balance Sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 28 May 2019

For and on behalf of the Board of Directors of
IntraSoft Technologies Limited

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Mohit Kumar Jha
Chief Financial Officer
(PAN: AFQPJ3755G)

Pranvesh Tripathi
Company Secretary
(PAN: ACWPT9367K)

Place: Kolkata
Date: 28 May 2019

Consolidated Statement of Profit and Loss for the year ended 31 March 2019

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
INCOME			
Revenue from operations	18	83,655.42	116,986.78
Other income	19	496.18	510.88
Total income		**84,151.60**	**117,497.66**
EXPENSES			
Cost of goods sold	20	60,547.70	79,145.31
Shipping and handling expenses	21	10,152.79	17,528.31
Sales and marketing expenses	22	9,514.98	14,952.79
Employee benefits expense	23	1,523.92	2,039.06
Finance costs	24	497.95	264.33
Depreciation and amortisation expense	25	176.19	195.57
Other expenses	26	1,426.14	1,417.83
Total expenses		**83,839.67**	**115,543.20**
Profit before tax		**311.93**	**1,954.46**
Tax expense:			
-Current tax	27	58.02	650.74
-Deferred tax	27	(210.05)	(62.44)
-Prior year taxes	27	(102.49)	(6.99)
Total tax expense		**(254.52)**	**581.31**
Profit for the year		**566.45**	**1,373.15**
Other comprehensive income:			
(a) Items not to be reclassified to profit or loss in subsequent periods:			
- Remeasurements benefit of post-employment benefit obligations		17.64	14.51
- Exchange differences on translation of financial statements of foreign operations		165.81	24.96
- Tax relating to these items		(4.54)	(3.73)
(b) Items to be reclassified to profit or loss in subsequent periods:			
- Net fair value loss on investment in debt instruments through OCI		(9.89)	(4.25)
- Tax relating to these items		2.76	1.17
Total other comprehensive income for the year		**171.78**	**32.66**
Total comprehensive income for the year		**738.23**	**1,405.81**
Earnings per share:			
Basic and diluted (₹)	28	3.85	9.32
The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.			

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 28 May 2019

For and on behalf of the Board of Directors of
IntraSoft Technologies Limited

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Mohit Kumar Jha
Chief Financial Officer
(PAN: AFQPJ3755G)

Pranvesh Tripathi
Company Secretary
(PAN: ACWPT9367K)

Place: Kolkata
Date: 28 May 2019

Consolidated Statement of Cash Flows for the year ended 31 March 2019

(All amounts in ₹ Lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	311.93	1,954.46
Adjustments for:		
Depreciation and amortisation expense	176.19	195.57
(Gain)/loss on sale of property, plant and equipment	4.29	(3.40)
Dividend income	-	(6.39)
Net gain on sale of investments measured at FVTPL	(329.38)	(397.27)
Net (gain)/ loss arising on remeasurement of investments measured at FVTPL	(3.06)	14.45
Foreign exchange (gain)/loss	(4.24)	6.91
Finance costs	497.95	264.33
Interest income	(148.58)	(81.58)
Operating profit before working capital changes	**505.10**	**1,947.08**
Adjustments for working capital changes:		
Decrease/(increase) in trade receivables	211.26	(287.66)
Decrease/(increase) in inventories	2,482.30	(8,264.90)
Decrease/(increase) in loans	(57.71)	169.91
Decrease/(increase) in financial assets	184.27	(4.26)
(Increase) in other assets	(192.29)	(119.68)
Increase in provisions	19.19	28.75
(Decrease) in financial liabilities	(549.23)	(105.36)
(Decrease)/increase in other liabilities	663.83	(74.25)
(Decrease)/increase in trade payables	(1,196.30)	1,760.80
Cash generated from / (used in) operating activities	**2,070.42**	**(4,949.57)**
Income tax paid (net of refunds)	(474.33)	(506.57)
Net cash generated from / (used in) operating activities (A)	**1,596.09**	**(5,456.14)**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of investments	(7,855.05)	(2,738.79)
Sale of investments	7,958.46	3,160.77
Purchase of property, plant and equipment	(107.76)	(79.54)
Purchase of intangible assets	(948.44)	(307.06)
Proceeds from sale of property, plant and equipment and intangible assets	(13.32)	13.76
Interest received	153.22	44.71
Dividend received	-	6.39
Investment in fixed deposits	(7.07)	(30.00)
Net cash generated from/ (used in) investing activities (B)	**(819.96)**	**70.24**

Consolidated Statement of Cash Flows for the year ended 31 March 2019

(All amounts in ₹ Lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds / (repayment) of long-term borrowings	(1,009.14)	6,325.52
Dividend paid (including taxes thereon)	(352.53)	(354.02)
Interest and finance costs	(497.95)	(264.33)
Net cash generated from / (used in) financing activities (C)	**(1,859.62)**	**5,707.17**
Net increase in cash and cash equivalents (A+B+C)	**(1,083.49)**	**321.27**
Cash and cash equivalents at the beginning of the year	**2,128.81**	**1,782.58**
Effect of currency translation on cash and cash equivalents	28.43	24.96
Cash and cash equivalents at the end of the year	**1,073.75**	**2,128.81**
Components of cash and cash equivalents:		
Cash on hand	0.79	0.41
Balances with banks in current account	1,072.96	2,128.40
	1,073.75	**2,128.81**

Notes:

(i) The above consolidated statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".

(ii) Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities are as under:

	Balance as on 31 March 2019	Balance as on 31 March 2018
Long term borrowings:		
- Opening balance	7,946.77	1,621.25
- Received during the year	-	6,325.52
- Repayment made during the year	(1,009.14)	-
	6,937.63	**7,946.77**
Total liabilities from financing activities	**6,937.63**	**7,946.77**

This is the consolidated Statement of Cash Flows referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 28 May 2019

For and on behalf of the Board of Directors of
IntraSoft Technologies Limited

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Mohit Kumar Jha
Chief Financial Officer
(PAN: AFQPJ3755G)

Pranvesh Tripathi
Company Secretary
(PAN: ACWPT9367K)

Place: Kolkata
Date: 28 May 2019

Consolidated Statement of Changes in Equity for the year ended 31 March 2019

A. EQUITY SHARE CAPITAL

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	No. of Shares	Amount
Equity shares of ₹10 each issued, subscribed and fully paid		
As at 01 April 2017	1,4731,678	1,473.17
Changes during the year	-	-
As at 31 March 2018	**14,731,678**	**1,473.17**
Changes during the year	-	-
As at 31 March 2019	**14,731,678**	**1,473.17**

B. OTHER EQUITY

Particulars	Reserves and Surplus				Other comprehensive income		Total
	Securities premium account	General reserve	Capital reserve	Retained earnings	Foreign currency translation difference	Debt instruments through OCI	
As at 01 April 2017	**5,527.11**	**169.15**	**96.14**	**5,801.78**	**66.84**	**0.31**	**11,661.33**
Profit for the year	-	-	-	1,373.15	-	-	1,373.15
Foreign currency translation difference for the year	-	-	-	-	24.96	-	24.96
Items of other comprehensive income, net of tax:							
Remeasurements benefit of post-employment benefit obligations, net of tax	-	-	-	10.78		-	10.78
Net loss in debt instruments through other comprehensive income	-	-	-	-	-	(3.08)	(3.08)
Dividends paid (including dividend tax)	-	-	-	(354.61)	-	-	(354.61)
As at 31 March 2018	**5,527.11**	**169.15**	**96.14**	**6,831.10**	**91.80**	**(2.77)**	**12,712.53**
Changes in equity for the year ended 31 March 2019							
Profit for the year	-	-	-	566.45	-	-	566.45
Foreign currency translation difference for the year	-	-	-	-	165.81	-	165.81
Items of other comprehensive income, net of tax:							-
Remeasurements benefit of post-employment benefit obligations, net of tax	-	-	-	13.10		-	13.10
Net loss in debt instruments through other comprehensive income	-	-	-	-	-	(7.13)	(7.13)
Dividends paid (including dividend tax)	-	-	-	(353.82)	-	-	(353.82)
Balance as at 31 March 2019	**5,527.11**	**169.15**	**96.14**	**7,056.83**	**257.61**	**(9.90)**	**13,096.94**

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 28 May 2019

For and on behalf of the Board of Directors of
IntraSoft Technologies Limited

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Mohit Kumar Jha
Chief Financial Officer
(PAN: AFQPJ3755G)

Pranvesh Tripathi
Company Secretary
(PAN: ACWPT9367K)

Place: Kolkata
Date: 28 May 2019

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lacs, unless otherwise stated)

1 GROUP'S BACKGROUND

IntraSoft Technologies Limited ('the Parent Company') is a public limited company domiciled in India and registered under the provisions of the Companies Act, 1956. The Parent Company is listed on Bombay Stock Exchange and National Stock Exchange of India Limited.

The consolidated financial statements relate to IntraSoft Technologies Limited and its subsidiaries (collectively referred as "the Group") as per details given below:

Name of the subsidiary or step-down subsidiary	Country of incorporation	% holding as on 31 March 2019
IntraSoft Ventures Pte. Limited	Singapore	100%
123Greetings.com, Inc.	United States of America	100%
One Two Three Greetings (India) Private Limited	India	100%
123Stores, Inc.	United States of America	100%
123Stores E Commerce Private Limited	India	100%

The Group is primarily engaged in the business of providing a multi-channel e-commerce retail platform, with a strong technology backbone that primarily serves the US market.

The consolidated financial statements of the group for the year ended 31 March 2019 were approved for issue in accordance with the resolution of the Board of Directors on 28 May 2019.

(a) General information and statement of compliance with Indian Accounting Standards

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

(i) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries. Control is achieved when the Group has:

- Power over the investee;

- Is exposed or has rights to variable returns from its involvement with the investee, and

- Has the ability to use its power over the investee to affects its return.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

The consolidated financial statements have been prepared on accrual and going concern basis. They are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

(ii) Consolidation procedure

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

The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra Group balances and intra Group transactions have been eliminated.

Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary.

Eliminate in full intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-Group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-Group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intra-Group transactions.

The translation of financial statements of the foreign subsidiaries from the local currency to the functional currency of the parent is performed for the Balance Sheet items using the exchange rate in effect at the Balance Sheet date and for revenue, expenses items using a weighted average exchange rate for the respective periods and the resulting difference is presented as foreign currency translation reserve included in "Other Equity".

The financial statements of the subsidiaries have been incorporated in the consolidated financial statements of the Group based on audited financial statements as drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP') and have been audited by other auditors duly qualified to act as auditors in those countries and the conversion adjustments prepared by the management.

(b) Recent accounting pronouncements

Information on new standards, amendments and interpretations that are expected to be relevant to the consolidated financial statements is provided below.

Ind AS 116 Leases

Ind AS 116 Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 01 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is currently assessing the impact of adopting Ind AS 116 on the Company's financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 01 April 2019. The Company will adopt the standard on 01 April 2019.

The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12 – Income taxes:

On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequence of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 01 April 2019. The Company is evaluating the impact on account of this amendment.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after 01 April 2019. The Company is evaluating the impact on account of this amendment.

Use of estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Critical accounting estimates

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Income taxes

The Group's two major tax jurisdiction are India and the U.S., though the Group also files tax returns in other jurisdictions. Significant judgements are involved in determining the provision for income taxes including amounts expected to be paid or recovered for uncertain tax positions. Refer note 27.

Useful lives of depreciable or amortisable assets

Management reviews its estimate of the useful lives of depreciable or amortisable assets at each reporting date, based its expected utility of those assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Measurement of defined benefit obligation (DBO)

The costs of providing post-employment benefits are charged to the consolidated Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 23.

Fair value measurements

When the fair value of financials assets and financial liabilities recorded in the consolidated Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Refer note 33 for details.

Provisions and liabilities

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 that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared using the accounting policies and measurement basis summarised below:

(a) Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases that are in effect at 31 March 2019, as summarised below.

(b) Current versus non-current classification

The Group presents all its assets and liabilities in the Consolidated Balance Sheet based on current or non-current classification.

An asset is classified as current when:

- it is expected to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it is held the asset primarily for the purpose of trading;
- it is expected to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of the assets and liabilities.

(c) Foreign currency transactions and translations

Functional currency

The functional currency of IntraSoft Technologies Limited, One Two Three Greetings (India) Private Limited and 123Stores E Commerce Private Limited is Indian Rupees ('INR'). The functional currencies of 123Stores, Inc., IntraSoft Ventures Pte. Limited and 123Greetings.com, Inc. are the respective local currencies. These consolidated financial statements are presented in Indian Rupees ('INR'), which is the functional currency of the Group. Functional currency is the currency of the primary economic environment in which the Group operates.

Transaction and translation

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognised in the Consolidated Statement of Profit and Loss.

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees ('INR') at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Foreign currency monetary items are reported using the year-end rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

(d) Fair value measurements

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to 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. Fair value for measurement and or disclosure purposes in these consolidated financial statements is determined on such basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods and services is recognised when the Group performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of services, in the period in which such services are rendered.

Sale of services

Revenue from services consists of revenue earned from contracts or agreements with the customers, which are recognised as and when related services are performed and when no significant uncertainty exists regarding the collectability of revenue. The timing of such recognition in case of services, in the period in which such services are rendered.

Sale of goods

Revenue from sale of goods is recognised when control of goods are transferred to the buyer which is generally on delivery for domestic sales and on dispatch/ delivery for export sales.

The Group recognises revenues on the sale of products, net of returns, discounts (sales incentives/rebates), amounts collected on behalf of third parties (such as GST) and payments or other consideration given to the customer that has impacted the pricing of the transaction.

Accumulated experience is used to estimate and accrue for the discounts (using the most likely method) and returns considering the terms of the underlying schemes and agreements with the customers. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice. A liability is recognised where payments are received from customers before transferring control of the goods being sold

Interest income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options). The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

Dividend income:

Dividends are recognised in profit or loss on the date on which the Group's right to receive payment is established.

(f) Property, plant and equipment

Recognition:

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

Subsequent measurement (depreciation and useful lives):

The Group depreciates property, plant and equipment on a pro-rata basis over their estimated useful lives using the straight-line method. The estimated useful lives of the assets prescribed under Schedule II of the Act are as follows:

Category of asset	Useful life (years)
Buildings	60
Leasehold Improvements	Shorter of lease period or estimated useful lives
Furniture and fixtures	7-10
Computer equipment	3-6
Office equipment	5
Vehicles	8

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Advances paid towards the acquisition property, plant and equipment outstanding as at each balance sheet date is classified as capital advance under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that the future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in net profit in the Consolidated Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or upon retirement of the asset and resultant gains or losses are recognised in the consolidated Statement of Profit and Loss.

De-recognition:

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss, when the asset is de-recognised.

Transition to Ind AS

Upon first-time adoption of Ind AS, the Group has elected to measure all its property, plant and equipment recognised as at 01 April 2016, as per the previous GAAP, and used the carrying amount as its deemed cost on the date of transition to Ind AS.

(g) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. They are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors, including the affects of obsolescence, demand, competition and other economic factors (such as stability of the industry and know technological advances) and the level of maintenance expenditures required to obtain the future cash flows from the asset. Residual value, useful lives and amortisation method are reviewed annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Intangible assets – internal-use software

Certain costs related to computer software developed or obtained for internal-use are capitalised or expensed in accordance with the applicable accounting standards. During the year, the Group has recognised the costs associated with developing an artificial intelligence-based system developed to capture the demand data and adjust the storage and fulfilment locations with the help of combination of algorithms so as to optimise the number of locations and also able to optimise the quantities to be stored to reduce the storage and fulfilment costs. The Group will start amortising this cost once the development of the artificial intelligence-based system is complete.

Transition to Ind AS

Upon first-time adoption of Ind AS, the Group has elected to measure all its intangible assets recognised as at 01 April 2016, as per the previous GAAP, and used the carrying amount as its deemed cost on the date of transition to Ind AS.

(h) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those 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). Where 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. Where 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 to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects 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 recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where 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 recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Financial instruments:

Classification:

The Group classifies its financial assets in the following measurement categories depending on the Group's business model for managing such financial assets and the contractual cash flow terms of the asset:

(i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

(ii) those subsequently measured at amortised cost.

For assets measured at fair value, gains or losses are either recorded in the Consolidated Statement of Profit and Loss or Other Comprehensive Income. Investments in debt instruments are classified depending on the business model managing such investments. The Group re-classifies the debt investments when and only when there is a change in business model managing those assets.

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 consolidated statement of profit and loss) are added to or deducted 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 Consolidated Statement of Profit and Loss.

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

- The Group's business model for managing the financial asset and,

- The contractual cash flow characteristics of the financial asset.

Financial assets carried at amortised cost - A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset 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.

Financial assets at fair value through other comprehensive income - A financial asset is subsequently measured at fair value through other comprehensive income if it 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 assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

This category applies to investments by the Group in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Other Comprehensive Income (OCI). However, the Group recognises interest income and impairment losses and its reversals in the Consolidated Statement of Profit and Loss. On Derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is reclassified from equity to Consolidated Statement of Profit and Loss.

Financial assets at fair value through profit and loss - A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Consolidated Statement of Profit and Loss.

This category applies to investments by the Group in non-convertible debentures, perpetual bonds.

Investments in mutual funds:

Investments in mutual funds are measured at fair value through profit and loss.

De-recognition of financial assets

A financial asset is de-recognised when:

(i) Contractual right to receive cash flows from such financial asset expires;

(ii) Group transfers the contractual right to receive cash flows from the financial asset; or

(iii) Group retains the right to receive the contractual cash flows from the financial asset, but assumes a contractual obligation to pay such cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards associated with the ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Group has neither transferred nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group does not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in such financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted-average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL area portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

Subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

De-recognition of financial liabilities

A financial liability is de-recognised when the underlying 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(j) Inventories

Inventory consists of finished goods, for sale to customers, held at various third party warehouses. The Group values inventory at the lower of cost and net realisable value. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. These costs include purchase costs of inventory (net of vendor volume discounts) and shipping and handling costs. Net realisable value is determined at market value less selling costs. The "lower of cost and net realisable value", criteria is evaluated for each item of inventory as on balance sheet date.

(k) Taxation

Tax expense recognised in Consolidated Statement of Profit or Loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current tax

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Current income tax for current and prior periods is recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The Group off-sets current tax assets and liabilities, where it has a legally enforceable right to set-off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum alternate tax (MAT)

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. MAT Credits are in the form of unused tax credits that are carried forward by the Group for a specified period of time. Accordingly, MAT Credit Entitlement has been Grouped with Deferred Tax Asset (net). Correspondingly, MAT credit entitlement has been Grouped with deferred tax in the Statement of Profit and Loss.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets (including MAT credits) are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

(l) Employee benefits expense

Expenses and liabilities in respect of employee benefits expense are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plans:

Gratuity

The defined benefit obligation for post employment benefit plan is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the Consolidated Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of Changes in Equity and in the Consolidated Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Consolidated Statement of Profit or Loss as past service cost.

Other long-term employee benefits:

Compensated absences

The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using projected unit credit method on the additional amount expected to be paid or availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

The measurement of other long-term employee benefits is not usually subject to the same degree of uncertainty as the measurement of post-employment benefits. Hence the remeasurements are not recognised in Other Comprehensive Income.

(m) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cash at bank, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(n) Provisions and contingent liabilities and contingent assets.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

(o) Earnings per equity share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year. Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. As on the consolidated balance sheet dates, the Group has no dilutive potential equity shares.

(p) Lease

As a lessee

Finance Lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Consolidated Statement of Profit and Loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule II to the Act whichever is lower. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Act.

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Consolidated Statement of Profit or Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(q) Government grants and subsidies

The Parent Company is entitled to grants from state government in respect of state incentive scheme. Such subsidies are measured at amounts receivable from the government which are non-refundable and are recognised as income when there is a reasonable assurance that the Parent company will comply with all necessary conditions attached to them.

Government grants related to revenue are recognised on a systematic basis in net profit in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

(r) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated Statement of Profit and Loss as other gains or (losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying asset are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get itself ready for the intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

(t) Dividends

The final dividend on equity shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

(u) Events after reporting date

Where events occurring after the Consolidated Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the Consolidated Balance Sheet date of material size or nature are only disclosed.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. As per requirements of Ind AS 108, 'Segment Reporting', no disclosures are required to be made since the Group's activities consists of a single business segment (primary segment) of Internet based delivery of products and services.

(All amounts in ₹ Lacs, unless otherwise stated)

3(a) PROPERTY, PLANT AND EQUIPMENT

Particulars	Buildings	Furniture and fixtures	Computer equipment	Leasehold Improvements	Office equipment	Vehicles	Total
Gross block							
Balance as at 01 April 2017	**1,282.79**	**412.73**	**138.84**	**-**	**193.99**	**92.56**	**2,120.91**
Additions	-	4.91	32.84	-	15.28	12.60	65.63
Disposals	-	4.46	13.30	-	2.34	-	20.10
Balance as at 31 March 2018	**1,282.79**	**413.18**	**158.38**	**-**	**206.93**	**105.16**	**2,166.44**
Additions	-	7.49	0.84	15.00	2.10	-	25.43
Disposals	-	7.93	21.38	-	6.33	-	35.64
Balance as at 31 March 2019	**1,282.79**	**412.74**	**137.84**	**15.00**	**202.70**	**105.16**	**2,156.23**
Accumulated depreciation							
Balance as at 01 April 2017	**21.71**	**52.23**	**54.25**	**-**	**36.13**	**18.23**	**182.55**
Depreciation charge for the year	21.71	51.46	46.91	-	42.91	18.27	181.26
Disposals	-	0.92	7.00	-	1.86	-	9.78
Balance as at 31 March 2018	**43.42**	**102.77**	**94.16**	**-**	**77.18**	**36.50**	**354.03**
Depreciation charge for the year	21.71	51.74	29.78	1.98	37.99	19.59	162.79
Disposals	-	2.10	19.34	-	4.53	-	25.97
Balance as at 31 March 2019	**65.13**	**152.41**	**104.60**	**1.98**	**110.64**	**56.09**	**490.85**
Net block							
Balance as at 31 March 2018	**1,239.37**	**310.41**	**64.22**	**-**	**129.75**	**68.66**	**1,812.41**
Balance as at 31 March 2019	**1,217.66**	**260.33**	**33.24**	**13.02**	**92.06**	**49.07**	**1,665.38**

3(b) INTANGIBLE ASSETS

Particulars	Softwares	Total
Gross block		
Balance as at 01 April 2017	**64.48**	**64.48**
Additions	307.06	307.06
Disposals	-	-
Balance as at 31 March 2018	**371.54**	**371.54**
Additions (#)	948.44	948.44
Disposals	(20.45)	(20.45)
Balance as at 31 March 2019	**1,340.43**	**1,340.43**
Accumulated amortisation		
Balance as at 01 April 2017	**15.38**	**15.38**
Charge for the year	14.31	14.31
Disposals	-	-
Balance as at 31 March 2018	**29.69**	**29.69**
Charge for the year	13.40	13.40
Disposals	(1.10)	(1.10)
Balance as at 31 March 2019	**44.19**	**44.19**
Net block		
Balance as at 31 March 2018	**341.85**	**341.85**
Balance as at 31 March 2019	**1,296.24**	**1,296.24**

(#) - Additions, includes cost associated with developing an artificial intelligence based system developed to capture the demand data and adjust the storage and fulfillment locations with the help of combination of algorithms so as to optimise the no. of locations and also the quantities to be stored to reduce the storage and fulfillment cost. The cost capitalised during the year amounts to ₹944.04 Lacs. The Company will start amortisation of this cost once the development of this Artifical Intelligence System is complete.

(All amounts in ₹ Lacs, unless otherwise stated)

4. INVESTMENTS

	As at 31 March 2019	As at 31 March 2018
(a) Non-current investments		
I Investments in bonds and debentures		
A) Non-convertible debentures		
Quoted		
(Designated at Amortised Cost)		
(i) Srei Infrastructure Finance Limited (10.20% NCD)	500.15	499.91
(50 units having face value of ₹1,000,000 each fully paid-up)		
(ii) Edelweiss Retail Finance Limited (8.75% NCD)	250.54	250.54
(25,000 units having face value of ₹1,000 each fully paid-up)		
(iii) DHFL (8.90% NCD)	26.83	-
(2,500 units having face value of ₹1,000 each fully paid-up)		
(iv) ECL Finance Limited (9.45% NCD)	53.08	-
(5,000 units having face value of ₹1,000 each fully paid-up)		
(v) Shiram Transport Finance Company Limited (9.10% NCD)	53.28	-
(5,000 units having face value of ₹1,000 each fully paid-up)		
B) Investments in perpetual bonds		
Quoted		
(Designated at Fair Value Through Other Comprehensive Income)		
(i) State Bank of India (8.15% AT1 Bond Issue Series IV)		
(20 units having face value of ₹1,000,000 each)	199.50	203.88
(ii) Axis Bank Limited (8.75% Additional Tier 1 Bonds Series 26)		
(20 units having face value of ₹1,000,000 each)	198.16	200.32
(iii) HDFC Bank Limited (8.85% Perpetual Bonds Series 1/2017-18)		
(20 units having face value of ₹1,000,000 each)	213.82	217.69
Total non-current investments	**1,495.36**	**1,372.34**
Other disclosures for non-current investments:		
Aggregate amount of quoted investments;	1,495.36	1,372.34
Aggregate amount of unquoted investments and	-	-
Aggregate amount of impairment in value of investments	-	-
(b) Current investments		
Investment in mutual funds		
Quoted		
(Measured at Fair Value Through Profit and Loss)		
Mutual funds (refer details below)	5,912.35	5,816.42
Total current investments	**5,912.35**	**5,816.42**
Other disclosures for current investments:		
Aggregate amount of quoted investments and	5,912.35	5,816.42
Aggregate amount of impairment in value of investments	-	-

(All amounts in ₹ Lacs, unless otherwise stated)

4. INVESTMENTS *(contd...)*

Investments in Mutual Funds

Particulars	Units	Amount
(a) Balance as at 31 March 2019:		
Axis Liquid Fund Direct (Growth)	3,381	70.11
Axis Ultra Short Term Fund Direct Growth	2,600,345	273.15
Aditya Birla Sun Life Credit Risk Fund Direct Growth Plan	7,706,220	1,094.71
DSP BlackRock Credit Risk Fund (Direct Growth)	1,530,383	445.75
Franklin India Credit Risk Fund (Direct Growth)	2,648,320	545.44
Franklin India Low Duration Fund (Direct Growth)	2,786,244	617.68
Franklin India Short Term Income Plan (Direct Growth)	12,668	531.49
ICICI Prudential Credit Risk Fund Regular (Growth)	805,551	160.05
ICICI Prudential Credit Risk Fund Direct (Growth)	2,696,392	567.08
ICICI Prudential Medium Term Bond Fund (Direct Growth)	1,887,127	566.00
L&T Credit Risk Fund (Growth)	502,239	105.92
Reliance Credit Risk Fund (Growth)	1,655,402	426.73
Reliance Credit Risk Fund Direct (Growth)	395,146	107.46
Reliance Low Duration Fund Direct Growth Plan	15,179	400.78
		5,912.35
(b) Balance as at 31 March 2018 :		
Birla Sun Life Corporate Bond Fund (Growth)	4,371,903	565.75
Franklin India Low Duration Fund (Dividend)	358,850	72.83
Franklin India Short Term Income Plan (Growth)	12,668	484.31
HDFC Regular Saving (Growth)	2,162,253	744.55
HDFC Corporate Debt Opportunities Fund (Growth)	1,533,588	229.02
HDFC Cash Management Fund Savings Plan (Growth)	2,959	107.24
ICICI Prudential Corporate Bond Fund (Growth)	1,975,881	534.35
ICICI Prudential Regular Saving Fund (Growth)	805,545	149.63
ICICI Prudential Regular Saving Fund (Growth)	1,163,357	226.56
IDFC Super Saver Income Fund Investment Plan (Growth)	848,263	350.14
L&T Resurgent India Corporate Bond Fund (Growth)	7,391,564	960.87
Reliance Corporate Bond Fund (Dividend)	8,987,119	961.50
Reliance Dynamic Bond Fund (Dividend)	4,001,953	415.06
UTI Income Opportunity Fund Direct Plan (Growth)	86,536	14.61
		5,816.42

(All amounts in ₹ Lacs, unless otherwise stated)

5. LOANS

	As at 31 March 2019	As at 31 March 2018
(a) Non-current:		
(Unsecured, considered good)		
Security deposits	6.58	10.50
	6.58	**10.50**
(b) Current:		
(Unsecured, considered good)		
Security deposits	65.61	9.91
Loans and advances to employees	6.52	0.59
	72.13	**10.50**

The Company does not have any loans which have been credit impaired or significant increase in credit risk.

6. OTHER FINANCIAL ASSETS

	As at 31 March 2019	As at 31 March 2018
Current:		
(Unsecured, considered good)		
Restricted cash [refer note (i) below]	-	65.17
Interest receivable on fixed deposits	-	3.32
Other receivables	0.27	0.01
Advance against financial assets	-	50.00
	0.27	**118.50**

Notes:

(i) As of 31 March 2018, an amount of ₹65.17 Lacs was restricted from withdrawal, held as guarantee against commercial card services provided.

7. OTHER ASSETS

(a) Non-current

	As at 31 March 2019	As at 31 March 2018
Balances with Government Authorities (Refer note below)	553.88	481.95
Prepaid expenses	2.45	8.09
	556.33	**490.04**

Note: Balances with Government Authorities primarily include amounts realisable from goods and services tax and transitional credit carried forward under the goods and services tax regime. These are expected to be realised in the future by off-setting the same against the output services tax liability on services rendered by the group and also by claiming refund from government authorities. Accordingly these balances have been classified as non current assets.

(b) Current

	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Advance to suppliers	129.01	21.20
Prepaid expenses	35.49	37.48
Receivable from Government Authorities	94.94	68.85
Other advances	12.56	18.47
Other accrued interest	-	4.64
	272.00	**150.64**

(All amounts in ₹ Lacs, unless otherwise stated)

8. INVENTORIES

	As at 31 March 2019	As at 31 March 2018
(valued at lower of cost and net realisable value)		
Stock-in-trade (*) (#)	9,907.64	12,389.94
	9,907.64	**12,389.94**

(*) Includes ₹4,907.07 (31 March 2018: ₹6,447.37) in transit.

(#) The Company has provided for a valuation allowance ₹76.78 Lacs (31 March 2018: 48.51 Lacs) in respect of dimunition in the value of inventory.

9. TRADE RECEIVABLES

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good	1,160.65	1,230.29
	1,160.65	**1,230.29**

The Company does not have any loans which have been credit impaired or significant increase in credit risk.

10. CASH AND BANK BALANCES

	As at 31 March 2019	As at 31 March 2018
(a) Cash and cash equivalents		
Balances with banks:		
- In current accounts	1,072.96	2,078.40
- Cheques on hand	-	50.00
Cash on hand	0.79	0.41
	1,073.75	**2,128.81**
(b) Other bank balances		
Unpaid dividend account [refer note (i) below]	7.58	6.29
Balances with payment gateways	83.72	127.08
Employees deposit account	-	1.82
Commitment deposits	2.01	24.16
Deposits being maturity more than 3 months but less than 12 months (refer note (ii) below)	57.07	50.00
	150.38	**209.35**

Notes:

(i) The Parent Company has transferred an amount of ₹0.52 Lacs of unpaid dividend to the Investor Education and Protection fund for the financial year 2010-11.

(ii) The Parent Company has deposited ₹30 Lacs against fixed deposit with HDFC Bank for bank guarantee issued in favour of Santosh Promoters Pvt. Ltd. as per the order of Supreme Court dated 01 May 2017. Also an amount of ₹20 Lacs is pledged with bank against credit card for subsidiary company.

(All amounts in ₹ Lacs, unless otherwise stated)

11. EQUITY SHARE CAPITAL

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹10 each	25,250,000	2,525.00	25,250,000	2,525.00
Issued, subscribed and fully paid up				
Equity shares of ₹10 each	14,731,678	1,473.17	14,731,678	1,473.17
	14,731,678	**1,473.17**	**14,731,678**	**1,473.17**

(a) Reconciliation of equity share capital

There is no movement in the equity share capital during the current and comparative period.

(b) Terms and rights attached to equity shares

The Parent Company has only one class of equity shares having a par value of ₹10 per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Parent Company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts if any. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract without payment being received in cash during the last five years. Further, none of the shares were bought back by the Parent Company during the last five years.

(d) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of the shareholders	As at 31 March 2019		As at 31 March 2018	
	Number	Percentage	Number	Percentage
Fully paid-up equity shares of ₹10 each:				
Arvind Kajaria	2,800,014	19.01%	2,800,014	19.01%
Sharad Kajaria	2,800,000	19.01%	2,800,000	19.01%
Padma Kajaria	1,400,000	9.50%	1,400,000	9.50%
University of Notre Dame Du Lac	880,565	5.98%	728,982	4.95%

(e) The Board of Directors at its meeting held on 28 May 2019 proposed a dividend of ₹2 per equity share (31 March 2018: ₹2 per equity share) amounting to ₹355.20 Lacs (31 March 2018: ₹355.20 Lacs) including dividend distribution tax of ₹60.57 Lacs (31 March 2018: ₹60.57 Lacs). The proposed dividend by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(All amounts in ₹ Lacs, unless otherwise stated)

12. OTHER EQUITY

	As at 31 March 2019	As at 31 March 2018
(a) Capital reserve	96.14	96.14
(b) General reserve	169.15	169.15
(c) Securities premium	5,527.11	5,527.11
(d) Retained earnings		
Opening balance	6,831.10	5,801.78
Profit for the year	566.45	1,373.15
Remeasurements benefit of post-employment benefit obligations, net of tax	13.10	10.78
Less-: Appropriations		
Dividend on equity shares (including dividend tax)	(353.82)	(354.61)
Closing balance	7,056.83	6,831.10
(e) Foreign curreny translation difference		
Opening balance	91.80	66.84
Change during the year (net)	165.81	24.96
Closing balance	257.61	91.80
(f) Debt instruments through OCI		
Opening balance	(2.77)	0.31
Net fair value loss on investment in debt instruments through OCI, net of tax	(7.13)	(3.08)
Closing balance	(9.90)	(2.77)
	13,096.94	**12,712.53**

(f) Nature and purpose of reserves

Capital reserve

The Parent Company has transferred the net surplus arising from amalgamation in accordance with the terms of Scheme of amalgamation.

General reserve

The Group has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

Foreign exchange translation difference

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

Debt Instruments through Other Comprehensive Income:

The debt instruments are measured at fair value and the change is recognised through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.

(All amounts in ₹ Lacs, unless otherwise stated)

13. BORROWINGS

(a) Non-current

	As at 31 March 2019	As at 31 March 2018
(Secured)		
Term loans		
Foreign currency loan from bank [refer note (b)(i) below]	5,186.25	3,258.50
Working capital facility		
Foreign currency loan from others [refer note (b)(i) below]	1,751.38	4,688.27
	6,937.63	**7,946.77**

(b) Nature of security and terms of repayment for secured borrowings availed from banks and others

(i) Foreign currency loan

The foreign currency loan is in the nature of a senior secured committed revolving line of credit, obtained from Citi bank N.A., with a limit of USD 7.5 million. The credit facility has been obtained at an interest rate of LIBOR plus 1.25% (LIBOR index being one month, floating daily) and has a maturity of twelve months from the closing date renewable annually. The credit facility is supported by a stand-by Letter of Credit Facility (SBLC), of ₹5,550 Lacs issued by Citi Bank, N.A., India branch. The credit facility has been availed for meeting short-term working capital needs.

The working capital facility in the form of revolving line of credit availed from Citi Bank, N.A., having maturity of 12 months from the closure date, has been refinanced by a long-term debt obligation from UPS Capital Corporation. The Company obtained a revolving line of credit from UPS Capital Corporation, with a limit of US$ 8,000,000. The credit facility has been obtained at an agreed upon interest rate of Base Rate plus 1.25%, with the base rate linked to US prime rate as shown in The Wall Street Journal in US and has a maturity of three years from the closing date. The credit facility is supported by a lien on inventories and accounts receivables. The same has been classified as long-term debt.

14. TRADE PAYABLES

	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,308.12	3,504.42
	2,308.12	**3,504.42**

15. OTHER FINANCIAL LIABILITIES

	As at 31 March 2019	As at 31 March 2018
(a) Non-current		
Deposit from employees	2.01	20.08
	2.01	**20.08**
(b) Current		
Accrued expenses	167.32	845.70
Dues to employees	139.84	174.38
Unpaid dividend	7.58	6.29
Deposit from employees	-	1.82
Excess income tax received refundable	183.58	-
	498.32	**1,028.19**

(All amounts in ₹ Lacs, unless otherwise stated)

16. OTHER LIABILITIES

	As at 31 March 2019	As at 31 March 2018
(a) Non-current:		
Deferred revenue arising from government grant	103.49	105.49
	103.49	**105.49**
(b) Current:		
Advances		
- Advance from customers	115.47	8.56
- Unearned revenues	55.90	234.74
Others		
- Statutory dues	169.06	65.82
- Other liabilities	675.64	41.12
- Deferred revenue arising from government grant	2.00	2.00
	1,018.07	**352.24**

17. PROVISIONS

	As at 31 March 2019	As at 31 March 2018
(a) Non-current		
Provision for employee benefits:		
- Provision for gratuity (refer note 23)	80.59	84.11
- Provision for compensated absences	28.38	23.72
	108.97	**107.83**
(b) Current		
Provision for employee benefits:		
- Provision for gratuity (refer note 23)	2.17	2.20
- Provision for compensated absences	2.00	1.56
	4.17	**3.76**

(All amounts in ₹ Lacs, unless otherwise stated)

18. REVENUE FROM OPERATIONS

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products (net)	83,655.42	1,16,986.78
	83,655.42	**1,16,986.78**

19. OTHER INCOME

	Year ended 31 March 2019	Year ended 31 March 2018
Interest income:		
- Financial assets carried at amortised cost	-	15.14
- Investments in debt instruments measured at amortised cost	132.78	57.80
- Others	15.80	8.64
Dividend income:		
- Dividends from mutual funds	-	6.39
Other gains and losses:		
- Net gain on sale of investments measured at FVTPL	329.38	397.27
- Net gain/(loss) arising on remeasurement of investments measured at FVTPL	3.06	(14.45)
Others		
- Net foreign exchange gain (other than considered as finance cost)	4.24	-
- Net gain on disposal of property, plant and equipments	-	3.40
- Other miscellaneous income	10.92	36.69
	496.18	**510.88**

20. COST OF GOODS SOLD

	Year ended 31 March 2019	Year ended 31 March 2018
Opening stock	12,389.94	4,125.04
Add-: Purchases	58,065.40	87,410.21
	70,455.34	91,535.25
Less-: Closing stock	9,907.64	12,389.94
Cost of goods sold	**60,547.70**	**79,145.31**

21. SHIPPING AND HANDLING EXPENSES

	Year ended 31 March 2019	Year ended 31 March 2018
Shipping and handling expenses	10,152.79	17,528.31
	10,152.79	**17,528.31**

22. SALES AND MARKETING EXPENSES

	Year ended 31 March 2019	Year ended 31 March 2018
Marketplace, marketing and referral fees	9,508.83	14,832.81
Advertisement expenses	6.15	119.98
	9,514.98	**14,952.79**

(All amounts in ₹ Lacs, unless otherwise stated)

23. EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and allowances	1,422.26	1,974.47
Contribution to provident and other funds [refer note (a) below]	42.78	25.45
Staff welfare expenses	58.88	39.14
	1,523.92	**2,039.06**

(a) Defined contribution plans

Eligible employees of the Parent and Indian subsidiaries receive benefits under the provident fund which is a defined contribution plan wherein both the employee and the Group make monthly contributions equal to a specific percentage of covered employees' salary. These contributions are made to the fund administered and managed by the Government of India and the Group has no further obligation beyond making its contribution. The Group's monthly contributions are charged to consolidated Statement of Profit and Loss in the period in which they are incurred.

(b) Defined benefits plan

Gratuity is a post employment benefit and is a defined benefit plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972 ('the Act'). The liability recognised in the balance sheet represents the present value of the defined benefit obligation at the balance sheet date, together with adjustment for unrecognised actuarial gains or losses and past service cost. Independent actuaries calculate the defined benefit obligation annually using the Projected Unit Credit Method. Actuarial gains and losses are credited/ charged to the Statement of Other Comprehensive Income in the year in which such gains or losses arise.

Particulars	**Gratuity**	
	Year ended 31 March 2019	**Year ended 31 March 2018**
(i) Defined benefits obligations recognised:		
Present value of obligation:		
- Current	2.17	2.20
- Non-current	80.59	84.11
	82.76	**86.31**
(ii) Movement in the present value of defined benefit obligations:		
Balance at the beginning of the year	86.31	67.76
Current service cost	19.18	24.40
Past service cost	-	11.36
Interest cost	6.64	5.00
Actuarial (gain)/loss arising from assumption changes	1.00	(3.48)
Actuarial (gain)/loss arising from experience adjustments	(18.64)	(11.03)
Benefits paid	(11.73)	(7.70)
Obligations at the end of the year	**82.76**	**86.31**
(iii) Components of the net cost charged to the Statement of Profit and Loss:		
Current service cost	19.18	24.40
Past service cost	-	11.36
Interest cost	6.64	5.00
	25.82	**40.76**

(All amounts in ₹ Lacs, unless otherwise stated)

23. EMPLOYEE BENEFITS EXPENSE *(contd...)*

Particulars	Gratuity	
	Year ended 31 March 2019	Year ended 31 March 2018
(iv) Remeasurement of the net defined benefit plans		
Actuarial (gain)/loss arising from assumption changes	1.00	(3.48)
Actuarial (gain)/loss arising from experience adjustments	(18.64)	(11.03)
	(17.64)	**(14.51)**
(v) Assumptions		
Discount rate (refer note below)	7.60%	7.70%
Salary escalation rate	6.00%	5.00%
Withdrawal rate per annum	2.00%	2.00%
Expected average remaining working lives of employees (years)	22.53	22.46
Mortality rate	IALM 06-08 Ultimate	IALM 06-08 Ultimate
Retirement age	58 years	58 years

Note: The assumption of discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities. Future salary increase rate takes into account the inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	Gratuity	
	Year ended 31 March 2019	Year ended 31 March 2018
(vi) Sensitivity analysis		
Discount rate - Decrease by 1%	92.24	96.27
Discount rate - Increase by 1%	74.62	77.77
Salary escalation rate - Decrease by 1%	75.73	78.75
Salary escalation rate - Increase by 1%	90.61	94.52

Methods and assumptions used in preparing sensitivity analysis and their limitations:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality.

(vii)Maturity analysis of the benefit payments:

Weighted average duration of gratuity plan is 13 years. Expected benefits payments for each such plans over the years is given in table below:

Particulars	Gratuity	
	Year ended 31 March 2019	Year ended 31 March 2018
Year 1	2.17	2.20
2 to 5 years	14.10	14.12
6 to 10 years	34.47	41.46
More than 10 years	143.88	143.15

(All amounts in ₹ Lacs, unless otherwise stated)

23. EMPLOYEE BENEFITS EXPENSE *(contd...)*

(c) Aforesaid post-employment benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

24. FINANCE COST

	Year ended 31 March 2019	Year ended 31 March 2018
Interest on financial liabilities measured at amortised cost	438.40	223.78
Other borrowing costs	59.55	40.55
	497.95	**264.33**

25. DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on tangible assets [refer note 3 (a)]	162.79	181.26
Amortisation of intangible assets[refer note 3 (b)]	13.40	14.31
	176.19	**195.57**

26. OTHER EXPENSES

	Year ended 31 March 2019	Year ended 31 March 2018
Electricity charges	55.78	52.18
Rent (refer note 30)	218.00	114.67
Repairs and maintenance		
- Others	98.24	71.35
Insurance	18.05	8.33
Rates and taxes	15.94	20.56
Travelling expenses	108.23	159.93
Office expenses	50.47	70.47
Legal and professional charges	150.08	234.54
Technology expenses	460.01	474.44
Auditor's remuneration	49.13	45.63
Director's sitting fees	11.20	9.80
Telephone and other communication expenses	25.22	31.58
Loss on disposal of property, plant and equipment, net	4.29	-
Net foreign exchange loss (other than considered as finance cost)	-	6.91
Miscellaneous expenses	161.50	117.44
	1,426.14	**1,417.83**

(All amounts in ₹ Lacs, unless otherwise stated)

27. TAX EXPENSES

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Income tax in the Consolidated Statement of Profit and Loss:		
Current tax	58.02	650.74
Deferred taxes:		
- Deferred tax credit	(164.21)	(35.25)
- MAT Credit entitlement	(45.84)	(27.19)
Tax adjustments pertaining to previous years	(102.49)	(6.99)
	(254.52)	**581.31**
(b) Income tax recognised in other comprehensive income:		
Deferred tax on remeasurement of post-employment benefit obligations	(4.54)	(3.73)
Deferred tax on fair value gains on investments in debt instruments through OCI	2.76	1.17
	(1.78)	**(2.56)**
(c) Reconciliation of income tax expense and the accounting profit for the year:		
Profit before tax	311.93	1,954.46
Enacted tax rates (%)	27.82%	27.55%
Computed expected tax expense	86.78	538.50
Due to change in enacted tax rate	1.14	132.93
Difference in tax rates of subsidiary companies	(62.38)	(79.38)
Effect due to non-deductible expenses	2.83	(52.93)
Change in adjustment of deferred tax assets	-	29.00
Effect due to non-taxable income for Indian Tax purpose	-	27.78
Effect due to adjustment of unabsorbed losses	(170.57)	(12.72)
Effect of tax on account of Ind AS adjustments	-	(2.13)
Adjustment for tax relating to earlier years	(102.49)	-
Others	(9.83)	0.26
Total income tax expense as per the consolidated Statement of Profit and Loss	**(254.52)**	**581.31**

	As at 31 March 2019	As at 31 March 2018
(d) Income tax balances		
Non-current tax assets		
Opening balance	65.70	36.27
Add: Taxes paid	571.85	76.41
Less: Current tax payable for the year	-	(46.98)
Less: Re-classification to current tax liabilities	(578.95)	-
Closing balance	**58.60**	**65.70**
Current tax assets		
Opening balance	53.06	98.84
Add: Taxes paid	0.03	0.21
Less: Current tax payable for the year	-	(0.10)
Less: Income tax refund received	(48.94)	(45.89)
Closing balance	**4.15**	**53.06**

(All amounts in ₹ Lacs, unless otherwise stated)

27. TAX EXPENSES *(contd...)*

	As at 31 March 2019	As at 31 March 2018
(d) Income tax balances *(contd)*		
Current tax liabilities		
Opening balance	589.05	474.20
Add: Provision for tax	45.03	604.89
Add: Re-classification to current tax liabilities	(672.46)	-
Add-: Income tax refund received	69.13	-
Less: Taxes paid	(20.52)	(490.04)
Closing balance	**10.23**	**589.05**
(e) Deferred taxes		
Deferred tax assets, net		
Unutilised MAT Credit	1,784.49	1,738.65
Unabsorbed losses of foreign subsidiary	157.43	-
	1,941.92	**1,738.65**
(f) Deferred tax liabilities, net		
Deferred tax liabilities arising on account of:		
- Difference between written down value of property, plant and equipments as per books of accounts and Income Tax Act, 1961	129.21	140.36
- Fair valuation on debt instruments through OCI	(3.33)	(0.57)
- Fair valuation on mutual fund investments measured at FVTPL	1.39	0.53
	127.27	**140.32**
Deferred Tax asset arising on account of:		
- Expenses allowable on payment basis	5.18	31.53
- Fair valuation of security deposits	0.41	0.25
- Provision for employee benefits	21.79	8.76
- Others	4.95	4.31
	32.33	**44.85**
Deferred tax liabilities, net	**94.94**	**95.47**

Note:

Deferred tax assets and liabilities have been offset wherever the Group has a legal enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

(All amounts in ₹ Lacs, unless otherwise stated)

27. TAX EXPENSES *(contd...)*

(g) Movement in deferred taxes

As on 31 March 2018

	As at 01 April 2017	Statement of Profit or Loss	Other Comprehensive Income	As at 31 March 2018
Deferred tax assets, net				
Unutilised MAT credit	1,711.46	27.19	-	1,738.65
	1,711.46	**27.19**	**-**	**1,738.65**
Deferred tax liabilities for taxable temporary differences on:				
- Difference between written down value of property, plant and equipments as per books of accounts and Income Tax Act, 1961	170.49	(30.13)	-	140.36
- Fair valuation on debt instruments through OCI	0.72	-	(1.29)	(0.57)
- Fair valuation on mutual fund investments measured at FVTPL	5.43	(4.90)	-	0.53
Total deferred tax liabilities	**176.64**	**(35.03)**	**(1.29)**	**140.32**
Deferred tax assets for deductible temporary differences on:				
- Expenses allowable on payment basis	32.41	(0.88)	-	31.53
- Fair valuation of security deposits	0.19	0.06	-	0.25
- Provision for employee benefits	10.64	(1.88)	-	8.76
- Others	2.68	1.63	-	4.31
Total deferred tax assets	**45.92**	**(1.07)**	**-**	**44.85**

As on 31 March 2019

	As at 01 April 2018	Statement of Profit or Loss	Other Comprehensive Income	As at 31 March 2019
Deferred tax assets, net				
Unutilised MAT credit	1,738.65	45.84	-	1,784.49
Unabsorbed losses of foreign subsidiary	-	157.43	-	157.43
	1,738.65	**203.27**	**-**	**1,941.92**
Deferred tax liabilities for taxable temporary differences on:				
- Difference between written down value of property, plant and equipments as per books of accounts and Income Tax Act, 1961	140.36	(11.15)	-	129.21
- Fair valuation on debt instruments through OCI	(0.57)	-	(2.76)	(3.33)
- Fair valuation on mutual fund investments measured at FVTPL	0.53	0.86	-	1.39
Total deferred tax liabilities	**140.32**	**(10.30)**	**(2.76)**	**127.27**
Deferred tax assets for deductible temporary differences on:				
- Expenses allowable on payment basis	31.53	(26.35)	-	5.18
- Fair valuation of security deposits	0.25	0.16	-	0.41
- Provision for employee benefits	8.76	8.49	4.54	21.79
- Others	4.31	0.64	-	4.95
Total deferred tax assets	**44.85**	**(17.06)**	**4.54**	**32.33**

(All amounts in ₹ Lacs, unless otherwise stated)

28. EARNINGS PER EQUITY SHARE (EPS)

	Year ended 31 March 2019	Year ended 31 March 2018
Net profit attributable to equity shareholders		
Net profit for the year	566.45	1,373.15
Nominal value of equity share (₹)	10.00	10.00
Weighted average number of equity shares outstanding	14,731,678	14,731,678
Basic earnings per share (₹)	3.85	9.32
Diluted earnings per share (₹)	3.85	9.32

29. CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31 March 2019	As at 31 March 2018
(a) Contingent liabilities		
Guarantees given [refer note (i) & (ii) below]	31.25	31.25
Claims against Company, not acknowledged as debt [refer note (iii) below]	17.72	17.72
	48.97	**48.97**

Notes:

(i) Guarantee given to customs for bonded warehouse ₹1.25 Lacs.

(ii) Guarantee issued in favour of Santosh Promoters Private Limited amounting ₹30 Lacs vide Supreme court order dated 01 May 2017.

(iii) S.S. Interiors of ₹17.72 Lacs for Service Tax and hire Charges on facility agreement.

30 In accordance with Indian Accounting Standard 17 - Leases, the Group does not have any non - cancellable operating lease. Expenditure incurred on account of operating lease rentals during the year are recognised in the consolidated Statement of Profit and Loss amount to ₹218.00 Lacs (31 March 2018 : ₹114.67 Lacs).

31 As per requirements of Ind AS 108, 'Segment Reporting', no disclosures are required to be made since the Group's activities consists of a single business segment (primary segment) of Internet based delivery of products and services.

(a) Other information :

	Year ended 31 March 2019		
	Within India	Outside India	Total
(i) Segment revenue	2.17	83,653.25	83,655.42

	Year ended 31 March 2018		
	Within India	Outside India	Total
(i) Segment revenue	17.66	116,969.12	116,986.78

	Year ended 31 March 2019		
	Within India	Outside India	Total
(ii) Non-current assets	2,960.18	2,200.64	5,160.82

	Year ended 31 March 2018		
	Within India	Outside India	Total
(ii) Non-current assets	2,978.99	1,113.85	4,092.84

(b) The Company has entered into transaction with a single customer, which amounts to 10% or more of the Company's total revenue from operations.

(All amounts in ₹ Lacs, unless otherwise stated)

32 RELATED PARTY DISCLOSURES

Information on related party transactions as required by Ind AS - 24 for the year ended 31 March 2019.

(a) List of related parties

(i) Key management personnel

Name of the related party	Relationship
Arvind Kajaria	Managing Director
Sharad Kajaria	Whole-time Director
Mohit Kumar Jha	Chief Financial Officer
Ashok Bhandari	Non-executive Independent Director
Savita Agarwal	Non-executive Independent Director
Anil Agrawal	Non-executive Independent Director
Rupinder Singh	Non-executive Independent Director
Pranvesh Tripathi	Company Secretary

(ii) Relative of key management personnel

Name of the related party	Relationship
Padma Kajaria	Relative of Director

(b) Transactions with related parties

Name of the party	Nature of transaction	Year ended 31 March 2019	Year ended 31 March 2018
Mr. Arvind Kajaria	Managerial remuneration (#)	72.11	72.11
	Dividend paid	56.00	56.00
Mr. Sharad Kajaria	Managerial remuneration (#)	67.61	67.61
	Dividend paid	56.00	56.00
Mrs. Padma Kajaria	Dividend paid	28.00	28.00
Mr. Mohit Kumar Jha	Remuneration	36.58	35.01
	Short term employee benefits	2.69	0.06
	Post employment benefits	3.02	1.24
Mr. Pranvesh Tripathi	Remuneration	25.52	24.31
	Post employment benefits	1.05	0.33
Mr. Anil Agrawal	Sitting fees	3.00	2.60
Mrs. Savita Agarwal	Sitting fees	2.20	2.20
Mr. Ashok Bhandari	Sitting fees	3.00	2.40
Mr. Rupinder Singh	Sitting fees	3.00	2.60

(#) This aforesaid amount does not includes amount in respect of gratuity and leave entitlement as the same is not determinable.

(c) Balances of related parties

Name of the party	Nature of balance	As at 31 March 2019	As at 31 March 2018
Mr. Arvind Kajaria	Year-end payables	6.00	6.00
Mr. Sharad Kajaria	Year-end payables	5.63	5.63
Mr. Mohit Kumar Jha	Year-end payables	3.18	3.75
Mr. Pranvesh Tripathi	Year-end payables	2.00	2.64

(All amounts in ₹ Lacs, unless otherwise stated)

33 FAIR VALUE MEASUREMENTS

(a) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2019 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets:					
Investments in non-convertible debentures (refer note 4)	883.88	-	-	883.88	883.88
Investments in perpetual bonds (refer note 4)	-	-	611.48	611.48	611.48
Investments in debt mutual funds (refer note 4)	-	5,912.35	-	5,912.35	5,912.35
Trade receivables (refer note 9) (*)	1,160.65	-	-	1,160.65	1,160.65
Cash and cash equivalents (refer note 10) (*)	1,073.75	-	-	1,073.75	1,073.75
Other bank balances (refer note 10) (*)	150.38	-	-	150.38	150.38
Other financial assets					
Security deposits (refer note 5) (*)	72.19	-	-	72.19	72.19
Loans (refer note 5) (*)	6.52	-	-	6.52	6.52
Others (refer note 6)	0.27	-	-	0.27	0.27
	3,347.64	**5,912.35**	**611.48**	**9,871.47**	**9,871.47**
Liabilities:					
Borrowings (refer note 13) (*)	6,937.63	-	-	6,937.63	6,937.63
Trade payables (refer note 14) (*)	2,308.12	-	-	2,308.12	2,308.12
Other financial liabilities (refer note 15) (*)	500.33	-	-	500.33	500.33
	9,746.08	**-**	**-**	**9,746.08**	**9,746.08**

As at 31 March 2018 :

Particulars	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets:					
Investments in non-convertible debentures (refer note 4)	750.45	-	-	750.45	750.45
Investments in perpetual bonds (refer note 4)	-	-	621.89	621.89	621.89
Investments in debt mutual funds (refer note 4)	-	5,816.42	-	5,816.42	5,816.42
Trade receivables (refer note 9) (*)	1,230.29	-	-	1,230.29	1,230.29
Cash and cash equivalents (refer note 10) (*)	2,128.81	-	-	2,128.81	2,128.81
Other bank balances (refer note 10) (*)	209.35	-	-	209.35	209.35
Other financial assets					
Security deposits (refer note 5) (*)	20.41	-	-	20.41	20.41
Loans (refer note 5) (*)	0.59	-	-	0.59	0.59
Others (refer note 6)	118.50	-	-	118.50	118.50
	4,458.40	**5,816.42**	**621.89**	**10,896.71**	**10,896.71**
Liabilities:					
Borrowings (refer note 13) (*)	7,946.77	-	-	7,946.77	7,946.77
Trade payables (refer note 14) (*)	3,504.42	-	-	3,504.42	3,504.42
Other financial liabilities (refer note 15) (*)	1,048.27	-	-	1,048.27	1,048.27
	12,499.46	**-**	**-**	**12,499.46**	**12,499.46**

Notes:

(*) The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amount would be significantly different from the values that would be

(All amounts in ₹ Lacs, unless otherwise stated)

33 FAIR VALUE MEASUREMENTS *(contd...)*

eventually received or settled. Management assessed that fair values of cash and cash equivalents, other bank balances, bank deposits, loans to employees, trade receivables, trade payables and other financial liabilities approximate their carrying amounts due to the short term maturities of these instruments. For long-term borrowings at fixed/floating rates, management evaluates that their fair value will not be significantly different from the carrying amount.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a stressed or liquidation sale.

(b) Fair value hierarchy

The fair value of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly market between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note (a) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value by category and level on inputs used is given below:

As at 31 March 2019	Level 1	Level 2	Level 3	Total
(i) Measured at fair value through OCI (FVOCI)				
Investments in perpetual bonds (refer note 4)	611.48	-	-	611.48
(ii) Measured at fair value through profit or loss (FVTPL)				
Investments in debt mutual funds (refer note 4)	5,912.35	-	-	5,912.35
	6,523.83	**-**	**-**	**6,523.83**

As at 31 March 2018	Level 1	Level 2	Level 3	Total
(i) Measured at fair value through OCI (FVOCI)				
Investments in perpetual bonds (refer note 4)	621.89	-	-	621.89
(ii) Measured at fair value through profit or loss (FVTPL)				
Investments in debt mutual funds (refer note 4)	5,816.42	-	-	5,816.42
Other financial assets				
- Advance against financial assets (refer note 6)	50.00	-	-	50.00
	6,488.31	**-**	**-**	**6,488.31**

(c) Computation of fair values

Investments in mutual funds are short-term investments made in liquid funds whose fair value is considered as the net asset value (NAV) declared by their respective fund houses on a daily basis. NAV represents the price at which the fund house is willing to issue further units in such fund/the price at which the fund house will redeem such units from the investors. Thus the declared NAV is similar to fair market value for these mutual fund investments since transactions between the investor and fund houses will be carried out at such prices.

The fair value of perpetual bonds is based on quoted prices and market-observable inputs.

(All amounts in ₹ Lacs, unless otherwise stated)

34 FINANCIAL RISK MANAGEMENT

The Group's business activities expose it to a variety of financial risks such as credit risks, liquidity risk and market risks. The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the consolidated financial statements.

(a) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group which results in financial loss. The group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost.

Based on business environment in which the group operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants the credit limits. Impairment of trade receivables is based on expected credit loss model (simplistic approach) depending upon the historical data, present financial conditions of customers and anticipated regulatory changes. Group does not hold any collateral in respect of such receivables.

Financial instruments and cash deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortised cost includes security deposits. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

Credit risk from balances with banks and financial institutions is managed by the Group's chief operating decision maker in accordance with the Group's policies, as approved by the Board. Investments of surplus funds are made only with approved entities and within credit limits assigned to each entity or fund.

The gross carrying amount of financial assets, net of any impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at 31 March 2019 and 31 March 2018 was as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables (refer note 9)	1,160.65	1,230.29
Investments (refer note 4)	7,407.71	7,188.76
Cash and cash equivalents (refer note 10)	1,073.75	2,128.81
Other bank balances (refer note 10)	150.38	209.35
Other financial assets		
Security deposits (refer note 5)	72.19	20.41
Loans (refer note 5)	6.52	0.59
Others (refer note 6)	0.27	118.50
	9,871.47	**10,896.71**

(All amounts in ₹ Lacs, unless otherwise stated)

Trade Receivables as at 31 March 2019:

Particulars	Neither due nor impaired	Past due			Total
		Upto 6 months	6 to 12 months	Above 12 months	
Secured	-	-	-	-	-
Unsecured	-	1,157.95	1.57	1.13	1,160.65
Gross Total	**-**	**1,157.95**	**1.57**	**1.13**	**1,160.65**
Provision for doubtful receivables	-	-	-	-	-
Net Total	**-**	**1,157.95**	**1.57**	**1.13**	**1,160.65**

Trade Receivables as at 31 March 2018:

Particulars	Neither due nor impaired	Past due			Total
		Upto 6 months	6 to 12 months	Above 12 months	
Secured	-	-	-	-	-
Unsecured	-	1,214.79	1.60	13.90	1,230.29
Gross Total	**-**	**1,214.79**	**1.60**	**13.90**	**1,230.29**
Provision for doubtful receivables	-	-	-	-	-
Net Total	**-**	**1,214.79**	**1.60**	**13.90**	**1,230.29**

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has an established liquidity risk management framework for managing its short term, medium term and long-term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

Maturities of financial liabilities

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts reported are on gross and undiscounted basis and includes contractual interest payments.

As at 31 March 2019:

Particulars	Upto 1 year	1 year to 3 year	3 year to 5 year	Total
Borrowings (refer note 13)	-	6,937.63	-	6,937.63
Trade payables (refer note 14)	2,308.12	-	-	2,308.12
Other financial liabilities (refer note 15)	498.32	2.01	-	500.33
	2,806.44	**6,939.64**	**-**	**9,746.08**

As at 31 March 2018:

Particulars	Upto 1 year	1 year to 3 year	3 year to 5 year	Total
Borrowings (refer note 13)	-	7,946.77	-	7,946.77
Trade payables (refer note 14)	3,504.42	-	-	3,504.42
Other financial liabilities (refer note 15)	1,028.19	20.08	-	1,048.27
	4,532.61	**7,966.85**	**-**	**12,499.46**

(All amounts in ₹ Lacs, unless otherwise stated)

(c) Market risk

Market risk is the risk of potential adverse change in the group's income and the value of group net worth arising from movement in foreign exchange rates, interest rates or other market prices. The group recognises that the effective management of market risk is essential to the maintenance of stable earnings and preservation of shareholder value. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the overall returns.

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises when transactions are denominated in foreign currencies.

The Group operates internationally and a major portion of the business is transacted in US$ and consequently the Group is exposed to foreign exchange risk through its sales and services in the United States, and purchases from within United States and overseas suppliers. The exchange between Indian Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/depreciates against US$.

Foreign currency risk exposure:

Particulars	As at 31 March 2019	As at 31 March 2018
Financial Assets		
Trade receivables	1,160.65	1,230.29
Financial Liabilities		
Borrowings	6,937.63	7,946.77
Trade payables	2,308.12	3,504.42

Sensitivity analysis:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
USD sensitivity:		
INR/USD - increase by 5% (31 March 2018 - 5%)	404.26	511.05
INR/USD - decrease by 5% (31 March 2018 - 5%)	(404.26)	(511.05)

(ii) Price risk

The Group is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The investments in liquid mutual funds have been disclosed in Note 4.

The Group is also exposed to the price risk for its investment in bonds and debentures. These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds are given in Note 4.

The Group is mainly exposed to change in market rates of its investments in mutual funds recognised at FVTPL. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

The Group has laid policies and guidelines which it adheres to in order to minimise pricing risk arising from investments in debt mutual funds.

Sensitivity analysis:

Particulars	As at 31 March 2019	As at 31 March 2018
Price increase by (1%) - Investments measured at FVTPL	59.12	58.16
Price decrease by (1%) - Investments measured at FVTPL	(59.12)	(58.16)

(All amounts in ₹ Lacs, unless otherwise stated)

(iii) Interest rate risk

Liabilities:

The Group's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	As at 31 March 2019	As at 31 March 2018
Variable rate borrowing	6,937.63	7,946.77
Total borrowings	**6,937.63**	**7,946.77**

Profit or loss and equity is sensitive to higher / lower interest expense from borrowings as a result of change in interest rates.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest sensitivity:		
Interest rates - increase by 0.5% (31 March 2018 - 0.5%)	(34.69)	(39.73)
Interest rates - decrease by 0.5% (31 March 2018 - 0.5%)	34.69	39.73

Assets

The Group's fixed deposits, interest bearing security deposits and loans are carrying at fixed rate. Therefore these instruments are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(d) Capital management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Profit or loss and equity is sensitive to higher / lower interest expense from borrowings as a result of change in interest rates.

Particulars	As at 31 March 2019	As at 31 March 2018
Net debts (*)	5,713.50	5,608.61
Total equity	14,570.11	14,185.70
Net debt to equity ratio	**0.39**	**0.40**

(*) Net debt = non current borrowings + current borrowings + current maturities of non-current borrowings + interest accrued - cash and bank balances

35 DIVIDENDS

	Year ended 31 March 2019	Year ended 31 March 2018
Dividend on equity shares paid during the year:		
Final dividend for FY 2017-18 [₹2 (Previous year ₹2) per equity share of ₹10 each]	294.63	294.63
Dividend distribution tax on above	60.57	60.57

Proposed Dividend

The Board of Directors at its meeting held on 28 May 2019 proposed a dividend of ₹2 per equity share (31 March 2018: ₹2 per equity share) amounting to ₹355.20 Lacs (31 March 2018: ₹355.20 Lacs) including dividend distribution tax of ₹60.57 Lacs (31 March 2018: ₹60.57 Lacs). The proposed dividend by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(All amounts in ₹ Lacs, unless otherwise stated)

36 Additional information pursuant to the guidance note on division II- Ind AS Schedule III to the Companies Act 2013 :

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Year ended 31 March 2019	As % of consolidated profit or loss	Year ended 31 March 2019	As % of consolidated profit or loss	Year ended 31 March 2019	As % of consolidated profit or loss	Year ended 31 March 2019
(a) Parent:								
IntraSoft Technologies Limited	78.21%	11,395.27	-117.61%	(666.23)	21.86%	37.55	-85.16%	(628.68)
(b) Subsidiaries								
Indian subsidiary								
One Two Three Greetings (India) Private Limited	0.05%	7.89	-0.55%	(3.11)	0.00%	-	-0.42%	(3.11)
Foreign subsidiary								
123Greetings.com, Inc.	0.59%	85.54	136.36%	772.42	11.24%	19.31	107.25%	791.73
IntraSoft Ventures Pte. Limited	-0.24%	(34.39)	-1.18%	(6.66)	-15.24%	(26.18)	-4.45%	(32.84)
123Stores, Inc. consolidated (*)	21.38%	3,115.80	82.98%	470.03	82.14%	141.10	82.78%	611.13
Minority Interests in all subsidiaries	-	-	-	-	-	-	-	-
TOTAL	**100%**	**14,570.11**	**100%**	**566.45**	**100%**	**171.78**	**100%**	**738.23**

(*) 123Stores, Inc. consolidated consists of 123Stores, Inc. and its wholly owned indian subsidiary 123Stores E Commerce Private Limited.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 28 May 2019

For and on behalf of the Board of Directors of
IntraSoft Technologies Limited

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Mohit Kumar Jha
Chief Financial Officer
(PAN: AFQPJ3755G)

Pranvesh Tripathi
Company Secretary
(PAN: ACWPT9367K)

Place: Kolkata
Date: 28 May 2019

Independent Auditor's Report

To the Members of
IntraSoft Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of IntraSoft Technologies Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

4. 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 period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Recoverability of Minimum Alternate Tax (MAT) Credit: (Refer Note 23 to the accompanying standalone financial statements) As at 31 March 2019, the Company has recognised Minimum Alternate Tax (MAT) credit amounting to ₹1,784.49 Lacs, within deferred tax assets. On that date, the Company also has unabsorbed depreciation amounting to ₹877.12 Lacs. The recognition of a deferred tax asset in the form of MAT credit is based on management's estimate of taxable and accounting profits in future, which are underpinned by the Company's price assumptions and business plans, and tax adjustments required to be made in the taxable profit computations, as per the provisions of Income-tax Act, 1961 (IT Act). Estimating recoverability of MAT credit also requires significant judgements, including the timing of reversals of unabsorbed business losses and depreciation.	Our procedures in relation to assessment of MAT credit recognised as at reporting date included, but were not limited to, the following: • Obtained and updated understanding of the management's process of computation of future accounting and taxable profits of the Company, and expected utilisation of available MAT credit within specified time period as per provision of the IT Act. • Evaluated the design of and tested the operating effectiveness of controls around the preparation of underlying business plans, future taxable profit computation, and assessment of recognition of MAT credit at year end. • Reconciled the business results projections to the future business plans approved by the Company's board of directors. • Evaluated the management's assessment of underlying assumptions used for the business results projections including implied growth rates and expected prices considering evidence available to support these assumptions and our understanding of the business. Tested such growth rates used in the forecast by comparing them to past trends and to economic and industry forecasts, where appropriate.

Key audit matter	How our audit addressed the key audit matter
Considering the materiality of the amounts involved and inherent subjectivity requiring significant judgement involved in the determination of utilisation of MAT credit through estimation of future taxable profits, this area was considered to be of most significance to the audit and determined to be a key audit matter.	• Evaluated the sensitivity analysis performed by management in respect of the key assumptions such as growth rates to ensure there was sufficient headroom with respect to the estimation uncertainty impact of such assumptions on the timing of reversal of unabsorbed depreciation and unabsorbed business losses and utilisation of MAT credit. • Tested the computations of future taxable profits, including testing of the adjustments made in such computations with respect to tax-allowed and tax-disallowed items, other tax rebates and deductions available to the Company, and tested the computation of MAT liability in such future years, in accordance with the provisions of the IT Act. • Evaluated the historical accuracy of the estimates made in the prior periods with respect to business projections and aforesaid tax computations. • Tested the mathematical accuracy of management's projections and tax computations. • Based on aforesaid computations, assessed the appropriateness of management's estimate of likelihood of utilisation of MAT credit within the time period specified and in accordance with the provisions of the IT Act. • Evaluated the appropriateness and adequacy of the disclosures related to MAT credit in the financial statements in accordance with the applicable accounting standards.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   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.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

7. 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 (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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.

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

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

17. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 28 May 2019 as per Annexure B expressed an unmodified opinion ;

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company, as detailed in note 25 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Anamitra Das
Partner
Membership No.: 062191

Place: Gurugram
Date: 28 May 2019

Annexure "A" to the Independent Auditor's Report

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (which are included under the head 'property, plant and equipment') are held in the name of the Company.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans and guarantees given. In our opinion, the Company has complied with the provisions of section 186 of the Act in respect of investments. Further, in our opinion, the Company has not entered into any transaction with respect to security covered under section 185 and 186 of the Act respectively.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Anamitra Das
Partner
Membership No.: 062191

Place: Gurugram
Date: 28 May 2019

Annexure "B" to the Independent Auditor's Report

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

1. In conjunction with our audit of the standalone financial statements of IntraSoft Technologies Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's 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

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

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

5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Anamitra Das
Partner
Membership No.: 062191

Place: Gurugram
Date: 28 May 2019

Balance Sheet as at 31 March 2019

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	5(a)	1,538.81	1,648.78
Intangible assets	5(b)	18.78	25.55
Financial assets			
(i) Investments	6(a)	2,995.73	2,441.92
(ii) Loans	7(a)	6.58	10.50
Deferred tax assets (net)	23	1,784.49	1,738.65
Non-current tax assets (net)	23	19.44	51.19
Other non-current assets	9(a)	308.68	291.34
Total non-current assets		**6,672.51**	**6,207.93**
Current assets			
Financial assets			
(i) Investments	6(b)	5,912.35	5,816.42
(ii) Trade receivables	10	16.43	103.48
(iii) Cash and cash equivalents	11(a)	9.30	69.61
(iv) Other bank balances	11(b)	39.82	42.75
(v) Loans	7(b)	81.52	75.59
(vi) Others	8	-	50.00
Current tax assets (net)	23	-	48.94
Other current assets	9(b)	22.88	14.69
Total current assets		**6,082.30**	**6,221.48**
Total Assets		**12,754.81**	**12,429.41**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	1,473.17	1,473.17
Other equity	13	9,971.05	10,170.02
Total equity		**11,444.22**	**11,643.19**
Liabilities			
Non-current liabilities			
Provisions	15(a)	75.34	74.51
Deferred tax liabilities (net)	23	168.98	138.48
Other non-current liabilities	16(a)	604.01	372.86
Total non-current liabilities		**848.33**	**585.85**
Current liabilities			
Financial liabilities			
(i) Other financial liabilities	14	294.39	135.63
Provisions	15(b)	3.00	3.06
Other current liabilities	16(b)	155.50	61.68
Current tax liabilities (net)	23	9.37	-
Total current liabilities		**462.26**	**200.37**
Total liabilities		**1,310.59**	**786.22**
Total Equity and Liabilities		**12,754.81**	**12,429.41**
The accompanying notes 1 to 32 form an integral part of these standalone financial statements.			

This is the Balance Sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 28 May 2019

For and on behalf of the Board of Directors of
IntraSoft Technologies Limited

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Mohit Kumar Jha
Chief Financial Officer
(PAN: AFQPJ3755G)

Pranvesh Tripathi
Company Secretary
(PAN: ACWPT9367K)

Place: Kolkata
Date: 28 May 2019

Statement of Profit and Loss for the year ended 31 March 2019

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	Year ended 31 March 2019	Year ended 31 March 2018
INCOME			
Revenue from operations	17	766.43	953.58
Other income	18	610.37	579.95
Total income		**1,376.80**	**1,533.53**
EXPENSES			
Employee benefits expense	19	714.83	836.25
Finance costs	20	20.21	7.82
Depreciation and amortisation expense	21	121.75	142.81
Other expenses	22	323.64	426.75
Total expenses		**1,180.43**	**1,413.63**
Profit before tax		**196.37**	**119.90**
Tax expense:	23		
Current tax		44.17	27.19
Deferred tax		(11.84)	(32.31)
Prior year taxes		0.15	-
		32.48	(5.12)
Profit after tax		**163.89**	**125.02**
Other comprehensive income:			
(a) Items that will not be reclassified subsequently to profit or loss:			
- Remeasurements benefit of post-employment defined benefit obligations		(2.68)	(0.47)
- Income tax effect on above		0.74	0.13
(b) Items that will be reclassified subsequently to profit or loss:			
- Net fair value loss on investment in debt instruments through OCI		(9.89)	(4.25)
- Income tax effect on above		2.76	1.17
Total other comprehensive income for the year		**(9.07)**	**(3.42)**
Total comprehensive income for the year		**154.82**	**121.60**
Earnings per equity share:			
Basic and diluted earnings per share (₹)	24	1.11	0.85
The accompanying notes 1 to 32 form an integral part of these standalone financial statements.			

This is the Statement of Profit and Loss referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 28 May 2019

For and on behalf of the Board of Directors of
IntraSoft Technologies Limited

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Mohit Kumar Jha
Chief Financial Officer
(PAN: AFQPJ3755G)

Pranvesh Tripathi
Company Secretary
(PAN: ACWPT9367K)

Place: Kolkata
Date: 28 May 2019

Statement of Cash Flows for the year ended 31 March 2019

(All amounts in ₹ Lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	196.37	119.90
Adjustments for:		
Depreciation and amortisation expense	121.75	142.81
(Gain)/loss on disposal of property, plant and equipment	4.29	(4.60)
Dividend income	-	(6.39)
Net gain on sale of investments measured at FVTPL	(329.38)	(397.27)
Net (gain)/loss arising on remeasurement of investments measured at FVTPL	(3.06)	14.45
Foreign exchange (gain)/loss	(8.74)	1.67
Finance costs	20.21	7.82
Interest income	(146.28)	(79.83)
Unwinding of financial guarantee	(116.68)	(72.48)
Operating loss before working capital changes	**(261.52)**	**(273.92)**
Adjustments for changes in working capital:		
Decrease in trade receivables	95.79	54.24
(Increase)/Decrease in loans	(2.01)	182.00
Decrease/(increase) in other financial assets	50.53	(49.89)
Increase in other assets	(25.52)	(9.51)
Increase in provisions	0.77	8.74
(Decrease)/increase in non current liabilities	(2.00)	101.95
Increase/(decrease) in financial liabilities	157.47	(2.07)
Increase/(decrease) in current liabilities	(7.21)	6.62
Cash generated from operating activities	**6.30**	**18.16**
Income tax paid (net of refunds)	45.74	(0.74)
Net cash generated from operating activities (A)	**52.04**	**17.42**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(15.93)	(39.61)
Purchase of intangible assets	(2.58)	(0.43)
Proceeds from disposal of property, plant and equipment	9.21	12.94
Maturity of/(investment in) fixed deposits (net)	2.40	(30.00)
Investment in subsidiaries	-	(23.08)
Interest received	145.59	80.20
Dividend received	-	6.39
Purchase of investments	(7,855.57)	(2,686.78)
Sale of investments	7,958.46	3,076.55
Net cash generated from investing activities (B)	**241.58**	**396.18**

Statement of Cash Flows for the year ended 31 March 2019

(All amounts in ₹ Lacs, unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend paid (including tax thereon)	(353.79)	(354.03)
Interest paid	(0.14)	(0.07)
Net cash used in financing activities (C)	**(353.93)**	**(354.10)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(60.31)**	**59.50**
Cash and cash equivalents at the beginning of the year	69.61	10.11
Cash and cash equivalents at the end of the year	**9.30**	**69.61**
Components of cash and cash equivalents:		
Cash and bank balances	9.30	69.61
	9.30	**69.61**

Notes:

(i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows".

This is the Statement of Cash Flows referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 28 May 2019

For and on behalf of the Board of Directors of
IntraSoft Technologies Limited

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Mohit Kumar Jha
Chief Financial Officer
(PAN: AFQPJ3755G)

Pranvesh Tripathi
Company Secretary
(PAN: ACWPT9367K)

Place: Kolkata
Date: 28 May 2019

Statement of Changes in Equity for the year ended 31 March 2019

A. EQUITY SHARE CAPITAL

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	No. of Shares	Amount
Equity shares of ₹10 each issued, subscribed and fully paid		
As at 01 April 2017	14,731,678	1,473.17
Changes during the year	-	-
As at 31 March 2018	14,731,678	1,473.17
Changes during the year	-	-
As at 31 March 2019	**14,731,678**	**1,473.17**

B. OTHER EQUITY

Particulars	Reserves and Surplus				Other comprehensive income (OCI)	Total
	Securities premium account	General reserve	Capital reserve	Retained earnings	Debt instruments through OCI	
As at 01 April 2017	**5,527.11**	**169.15**	**96.14**	**4,610.31**	**0.29**	**10,403.00**
Profit for the year	-	-	-	125.02	-	125.02
Items of other comprehensive income, net of tax:						
Remeasurements benefit of post-employment benefit obligations, net of tax	-	-	-	(0.34)	-	(0.34)
Net loss in debt instruments through other comprehensive income	-	-	-	-	(3.08)	(3.08)
Dividends paid (including dividend tax)	-	-	-	(354.58)	-	(354.58)
As at 31 March 2018	**5,527.11**	**169.15**	**96.14**	**4,380.41**	**(2.79)**	**10,170.02**
Changes in equity for the year ended 31 March 2019						
As at 31 March 2018	**5,527.11**	**169.15**	**96.14**	**4,380.41**	**(2.79)**	**10,170.02**
Profit for the year	-	-	-	163.89	-	163.89
Items of other comprehensive income, net of tax:						
Remeasurements benefit of post-employment benefit obligations, net of tax	-	-	-	(1.94)	-	(1.94)
Net gain in debt instruments through other comprehensive income	-	-	-	-	(7.13)	(7.13)
Dividends paid (including dividend tax)	-	-	-	(353.79)	-	(353.79)
As at 31 March 2019	**5,527.11**	**169.15**	**96.14**	**4,188.57**	**(9.92)**	**9,971.05**

The accompanying notes 1 to 32 form an integral part of these standalone financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anamitra Das
Partner
Membership No. 062191

Place: Gurugram
Date: 28 May 2019

For and on behalf of the Board of Directors of
IntraSoft Technologies Limited

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Mohit Kumar Jha
Chief Financial Officer
(PAN: AFQPJ3755G)

Pranvesh Tripathi
Company Secretary
(PAN: ACWPT9367K)

Place: Kolkata
Date: 28 May 2019

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lacs, unless otherwise stated)

1 GENERAL INFORMATION

a) IntraSoft Technologies Limited ('the Company') is a public limited company domiciled in India and registered under the provisions of the Companies Act, 1956. The Company is listed on Bombay Stock Exchange and National Stock Exchange of India Limited and is engaged in internet based delivery of services.

The standalone financial statements for the year ended 31 March 2019 were authorised and approved for issue by the Board of Directors on 28 May 2019.

b) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

2 BASIS OF PREPARATION

a) These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. 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. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

b) Recent accounting pronouncements

Information on new standards, amendments and interpretations that are expected to be relevant to the standalone financial statements is provided below.

Ind AS 116 Leases

Ind AS 116 Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 01 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is currently assessing the impact of adopting Ind AS 116 on the Company's financial statements

Ind AS 12 - Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 01 April 2019. The Company will adopt the standard on 01 April 2019.

The Company is currently evaluating the effect of this amendment on the financial statements.

On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequence of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 01 April 2019. The Company is evaluating the impact on account of this amendment.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after 01 April 2019. The Company is evaluating the impact on account of this amendment.

3 USE OF ESTIMATES

a) The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the standalone financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for income taxes, classification of assets and liabilities into current and non-current and the useful lives of tangible and intangible assets. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

b) Critical accounting estimates and judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the standalone financial statements.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Income taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for income taxes including amounts expected to be paid or recovered for uncertain tax positions. Refer note 23.

Useful lives of depreciable or amortisable assets

Management reviews its estimate of the useful lives of depreciable or amortisable assets at each reporting date, based its expected utility of those assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Measurement of defined benefit obligation (DBO)

The costs of post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in note 19.

Fair value measurements

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Refer note 29 for details.

Provisions and liabilities

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 that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

4 THE STANDALONE FINANCIAL STATEMENTS HAVE BEEN PREPARED USING THE ACCOUNTING POLICIES AND MEASUREMENT BASIS SUMMARISED BELOW.

(a) Foreign currency

Functional and presentation currency

The standalone financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Company.

Transactions and balances

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the fair values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services rendered, net of returns and discounts to customers. Revenue from the sale of services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable.

Sale of services

Revenue from services consists of revenue earned from contracts or agreements with the related parties, which are recognised as and when related services are performed and when no significant uncertainty exists regarding the collectability of revenue. The timing of such recognition in case of services, in the period in which such services are rendered.

Interest income

Interest income is recorded using the effective interest rate (EIR) for all debt instruments measured either at amortised cost. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

Dividend income

Dividend income is recognised when the right to receive payment is established.

(c) Property, plant and equipment

Recognition:

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

Subsequent measurement (depreciation and useful lives):

The Company depreciates property, plant and equipment on a pro-rata basis over their estimated useful lives using the straight-line method. The estimated useful lives of the assets prescribed under Schedule II of the Act, are as follows:

Category of asset	Useful life (years)
Buildings	60
Leasehold Improvements	Shorter of lease period or estimated useful lives
Furniture and fixtures	10
Computer equipment	3-6
Office equipment	5
Vehicles	8

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Advances paid towards the acquisition property, plant and equipment outstanding as at each balance sheet date is classified as capital advance under other non-current assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that the future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or upon retirement of the asset and resultant gains or losses are recognised in the Statement of Profit and Loss.

De-recognition:

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the standalone Statement of Profit and Loss, when the asset is de-recognised.

(d) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. They are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors, including the affects of obsolescence, demand, competition and other economic factors (such as stability of the industry and know technological advances) and the level of maintenance expenditures required to obtain the future cash flows from the asset. Residual value, useful lives and amortisation method are reviewed annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

(e) Impairment of non-financial assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those 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). Where 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. Where 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 to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects 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 recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where 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 recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(f) Financial instruments

Classification:

The Company classifies its financial assets in the following measurement categories depending on the Company's business model for managing such financial assets and the contractual cash flow terms of the asset:

(i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

(ii) those subsequently measured at amortised cost.

For assets measured at fair value, gains or losses are either recorded in the Statement of Profit and Loss or other comprehensive income. Investments in debt instruments are classified depending on the business model managing such investments. The Company re-classifies the debt investments when and only when there is a change in business model managing those assets.

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 statement of profit and loss) are added to or deducted 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.

Measurement:

At initial recognition, the Company measures a financial asset (other than those carried at fair value through profit or loss) at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss as and when they are incurred.

Financial assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- The Company's business model for managing the financial asset and,

- The contractual cash flow characteristics of the financial asset.

Financial assets carried at amortised cost - A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset 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.

Financial assets at fair value through other comprehensive income - A financial asset is subsequently measured at fair value through other comprehensive income if it 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 assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

This category applies to investments by the Company in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income and impairment losses and its reversals in the Statement of Profit and Loss. On Derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss.

Financial assets at fair value through profit and loss - A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the statement of profit and loss.

This category applies to investments by the Company in non-convertible debentures, perpetual bonds.

De-recognition of financial assets

A financial asset is de-recognised when:

(i) Contractual right to receive cash flows from such financial asset expires;

(ii) Company transfers the contractual right to receive cash flows from the financial asset; or

(iii) Company retains the right to receive the contractual cash flows from the financial asset, but assumes a contractual obligation to pay such cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards associated with the ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company does not retain control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in such financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL area portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

Financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

Subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

De-recognition of financial liability

A financial liability is de-recognised when the underlying 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Financial Guarantee

Financial guarantee contracts are initially measured at fair value and subsequently measured at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- The amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with principles of Ind AS.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(g) Investments in subsidiaries

Investment in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. On disposal of the investments, the difference between net disposal proceeds and the carrying amount is recognised in the Statement of Profit and Loss.

(h) Taxation

Tax expense recognised in the Statement of Profit or Loss comprises the sum of deferred tax and current tax except the ones recognised in Other Comprehensive Income or directly in Equity.

Current tax

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in Equity). Current tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in Equity.

Current income tax for current and prior periods is recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

The Company off-sets current tax assets and liabilities, where it has a legally enforceable right to set-off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum alternate tax

Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time. Accordingly, MAT Credit Entitlement has been grouped with deferred tax asset (net). Correspondingly, MAT credit entitlement has been grouped with deferred tax in the Statement of Profit and Loss.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets (including MAT credits) are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

(i) Employee benefits expense:

Expenses and liabilities in respect of employee benefits expense are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plans:

Gratuity

The defined benefit obligation for post employment benefit plan is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Profit or Loss as past service cost.

Other long-term employee benefits:

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using projected unit credit method on the additional amount expected to be paid or availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

The measurement of other long-term employee benefits is not usually subject to the same degree of uncertainty as the measurement of post-employment benefits. Hence the remeasurements are not recognised in Other Comprehensive Income.

(j) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, cash at bank, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Provisions, contingent liabilities and contingent assets

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

(l) Earnings per equity share (EPS)

Basic earnings per equity share is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

Diluted earnings per equity share is calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(m) Lease

As a lessee

Finance lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule II to the Act, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Act.

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit or Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(n) Government grant

The Company is entitled to grants from state government in respect of state incentive scheme. Such subsidies are measured at amounts receivable from the government which are non-refundable and are recognised as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to them.

Government grants related to revenue are recognised on a systematic basis in net profit in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

(o) Fair value

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to 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. Fair value for measurement and or disclosure purposes in the financial statements is determined on such basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

(p) Borrowing costs

Interest on borrowing is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable on the borrowing. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortised over the tenure of the respective borrowings. An unamortised borrowing cost remaining, if any, is fully expensed off as and when the related borrowing is prepaid or cancelled.

(q) Dividends

The final dividend on equity shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

(r) Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. As per requirements of Ind AS 108, 'Segment Reporting', no disclosures are required to be made since the Company's activities consists of a single business segment of internet based delivery of services.

(t) Transfer pricing

In accordance with international transfer pricing regulations of the Income Tax Act, 1961, the Company is required to use certain specific methods in computing arm's length prices of international transactions with associated enterprises and maintain documentation in this respect. These regulations require that such information and documentation be to contemporaneous, including conducting a benchmark study to determine whether any transactions with associated enterprises undertaken are on an "arm's length basis". The Company is in the process of updating its transfer pricing study for the Financial year ended 31 March 2019. Management is of the opinion that the Company's international transactions are at arm's length. Consequently, no adjustments, if any, that may arise from this study are presently recorded in the standalone financial statements.

(All amounts in ₹ Lacs, unless otherwise stated)

5(a) PROPERTY, PLANT AND EQUIPMENT

Particulars	Buildings	Furniture and fixtures	Computer equipment	Office equipment	Leasehold Improvements	Vehicles	Total
Gross block							
Balance as at 01 April 2017	**1,282.79**	**306.63**	**79.52**	**143.07**	**-**	**92.56**	**1,904.57**
Additions	-	2.13	2.74	8.24	-	12.60	25.71
Disposals	-	4.88	10.90	2.37	-	-	18.15
Balance as at 31 March 2018	**1,282.79**	**303.88**	**71.36**	**148.94**	**-**	**105.16**	**1,912.13**
Additions	-	-	0.73	0.20	15.00	-	15.93
Disposals	-	13.08	21.85	6.71	-	-	41.64
Balance as at 31 March 2019	**1,282.79**	**290.80**	**50.24**	**142.43**	**15.00**	**105.16**	**1,886.42**
Accumulated depreciation							
Balance as at 01 April 2017	**21.71**	**30.86**	**38.42**	**30.68**	**-**	**18.22**	**139.89**
Depreciation charge for the year	21.71	37.08	24.66	31.55	-	18.27	133.27
Disposals	-	1.15	6.78	1.88	-	-	9.81
Balance as at 31 March 2018	**43.42**	**66.79**	**56.30**	**60.35**	**-**	**36.49**	**263.35**
Depreciation charge for the year	21.71	35.98	6.48	26.66	1.98	19.59	112.40
Disposals	-	3.92	19.49	4.73	-	-	28.14
Balance as at 31 March 2019	**65.13**	**98.85**	**43.29**	**82.28**	**1.98**	**56.08**	**347.61**
Net block							
Balance as at 31 March 2018	**1,239.37**	**237.09**	**15.06**	**88.59**	**-**	**68.67**	**1,648.78**
Balance as at 31 March 2019	**1,217.66**	**191.95**	**6.95**	**60.15**	**13.02**	**49.08**	**1,538.81**

5(b) INTANGIBLE ASSETS

Particulars	Softwares	Total
Gross block		
Balance as at 01 April 2017	**44.46**	**44.46**
Additions	0.43	0.43
Disposals	-	-
Balance as at 31 March 2018	**44.89**	**44.89**
Additions	2.58	2.58
Disposals	-	-
Balance as at 31 March 2019	**47.47**	**47.47**
Accumulated amortisation		
Balance as at 01 April 2017	**9.80**	**9.80**
Charge for the year	9.54	9.54
Disposals	-	-
Balance as at 31 March 2018	**19.34**	**19.34**
Charge for the year	9.35	9.35
Disposals	-	-
Balance as at 31 March 2019	**28.69**	**28.69**
Net block		
Balance as at 31 March 2018	**25.55**	**25.55**
Balance as at 31 March 2019	**18.78**	**18.78**

(All amounts in ₹ Lacs, unless otherwise stated)

6. INVESTMENTS

	As at 31 March 2019	As at 31 March 2018
(a) Non-current investments		
I Investments in Equity instruments (subsidiaries) [refer note (i) & (iii) for details]		
Unquoted		
(Carried at cost)		
(i) 123Greetings.com, Inc.	43.15	43.15
[10,000,000 (31 March 2018 - 10,000,000) common stock shares having face value of USD 0.01 each fully paid-up]		
(ii) One Two Three Greetings (India) Private Limited	200.00	200.00
[2,000,000 (31 March 2018 - 2,000,000) equity shares having face value of ₹10 each fully paid-up]		
(iii) IntraSoft Ventures Pte. Limited	641.10	641.10
[1,450,000 (31 March 2018 - 1,450,000) shares having face value of SGD 1.00 each fully paid-up]		
II Investments in non-convertible debentures		
Quoted		
(Designated at Amortised Cost)		
(i) Srei Infrastructure Finance Limited (10.20% NCD)	500.15	499.90
(50 units having face value of ₹1,000,000 each fully paid-up)		
(ii) Edelweiss Retail Finance Limited (8.75% NCD)	250.54	250.54
(25,000 units having face value of ₹1,000 each fully paid-up)		
(iii) DHFL (8.90% NCD)	26.83	-
(2,500 units having face value of ₹1,000 each fully paid-up)		
(iv) ECL Finance Limited (9.45% NCD)	53.08	-
(5,000 units having face value of ₹1,000 each fully paid-up)		
(v) Shiram Transport Finance Company Limited (9.10% NCD)	53.28	-
(5,000 units having face value of ₹1,000 each fully paid-up)		
III Investments in perpetual bonds		
Quoted		
(Designated at Fair Value Through Other Comprehensive Income)		
(i) State Bank of India (8.15% AT1 Bond Issue Series IV)		
(20 units having face value of ₹1,000,000 each)	199.50	203.88
(ii) Axis Bank Limited (8.75% Additional Tier 1 Bonds Series 26)		
(20 units having face value of ₹1,000,000 each)	198.16	200.32
(iii) HDFC Bank Limited (8.85% Perpetual Bonds Series 1/2017-18)		
(20 units having face value of ₹1,000,000 each)	213.82	217.69
IV Deemed investments		
(measured at fair value)		
123Stores, Inc. [refer note (ii) below]	616.12	185.34
Total non-current investments	**2,995.73**	**2,441.92**
Other disclosures for non-current investments:		
Aggregate amount of quoted investments	1,495.36	1,372.33
Aggregate amount of unquoted investments	884.25	884.25
Aggregate amount of impairment in value of investments	-	-

Notes:

i) As at the Balance Sheet date, none of the investments in equity instruments have been impaired.

ii) The Company has given a corporate guarantee to CITI Bank N.A, on behalf of its step-down subsidiary, 123Stores Inc., amounting to ₹5,550 Lacs in India, for a loan amounting to USD 7.5 million taken by its step-down subsidiary by 123Stores Inc. The financial guarantee has been fair valued as per IND AS 109.

iii) The Company has measured its investment in subsidiaries at cost in accordance with Ind AS 27 - Separate Financial Statements.

(All amounts in ₹ Lacs, unless otherwise stated)

6. INVESTMENTS

	As at 31 March 2019	As at 31 March 2018
(b) Current investments		
Investments in mutual funds:		
Quoted		
(Measured at Fair Value Through Profit and Loss)		
Debt Mutual funds (refer details below)	5,912.35	5,816.42
	5,912.35	**5,816.42**
Other disclosures for current investments:		
Aggregate amount of quoted investments	5,912.35	5,816.42
Aggregate amount of impairment in value of investments	-	-

Investments in Mutual Funds

Particulars	Units	Amount
(a) Balance as at 31 March 2019:		
Axis Liquid Fund Direct (Growth)	3,381	70.11
Axis Ultra Short Term Fund Direct Growth	2,600,345	273.15
Aditya Birla Sun Life Credit Risk Fund Direct Growth Plan	7,706,220	1,094.71
DSP BlackRock Credit Risk Fund (Direct Growth)	1,530,383	445.75
Franklin India Credit Risk Fund (Direct Growth)	2,648,320	545.44
Franklin India Low Duration Fund (Direct Growth)	2,786,244	617.68
Franklin India Short Term Income Plan (Direct Growth)	12,668	531.49
ICICI Prudential Credit Risk Fund Regular (Growth)	805,551	160.05
ICICI Prudential Credit Risk Fund Direct (Growth)	2,696,392	567.08
ICICI Prudential Medium Term Bond Fund (Direct Growth)	1,887,127	566.00
L&T Credit Risk Fund (Growth)	502,239	105.92
Reliance Credit Risk Fund (Growth)	1,655,402	426.73
Reliance Low Duration Fund Direct Growth Plan	395,146	107.46
Reliance Credit Risk Fund Direct (Growth)	15,179	400.78
		5,912.35
(b) Balance as at 31 March 2018 :		
Birla Sun Life Corporate Bond Fund (Growth)	4,371,903	565.75
Franklin India Low Duration Fund (Dividend)	358,850	72.83
Franklin India Short Term Income Plan (Growth)	12,668	484.31
HDFC Regular Saving (Growth)	2,162,253	744.55
HDFC Corporate Debt Opportunities Fund (Growth)	1,533,588	229.02
HDFC Cash Management Fund Savings Plan (Growth)	2,959	107.24
ICICI Prudential Corporate Bond Fund (Growth)	1,975,881	534.35
ICICI Prudential Regular Saving Fund (Growth)	805,545	149.63
ICICI Prudential Regular Saving Fund (Growth)	1,163,357	226.56
IDFC Super Saver Income Fund Investment Plan (Growth)	848,263	350.14
L&T Resurgent India Corporate Bond Fund (Growth)	7,391,564	960.87
Reliance Corporate Bond Fund (Dividend)	8,987,119	961.50
Reliance Dynamic Bond Fund (Dividend)	4,001,953	415.06
UTI Income Opportunity Fund Direct Plan (Growth)	86,536	14.61
		5,816.42

(All amounts in ₹ Lacs, unless otherwise stated)

7. LOANS

	As at 31 March 2019	As at 31 March 2018
(a) Non-current:		
(Unsecured, considered good)		
Security deposits	6.58	10.50
	6.58	**10.50**
(b) Current:		
(Unsecured, considered good)		
Loan to subsidiaries (refer note below)	75.00	75.00
Loans and advances to employees	6.52	0.59
	81.52	**75.59**

Loans to subsidiaries

The Company has given an interest free, unsecured loan to One Two Three Greetings (India) Private Limited for working capital requirement, amounting to ₹75 Lacs (31 March 2018 - ₹75 Lacs). The same is repayable on demand.

Disclosure as per clause 34(3), clause 53 (f) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the company	Amount outstanding as at 31 March 2019	Maximum balance outstanding during the year ended 31 March 2019	Amount outstanding as at 31 March 2018	Maximum balance outstanding during the year ended 31 March 2018
One Two Three Greetings (India) Pvt. Limited	75.00	75.00	75.00	85.00

The Company does not have any loans which have been credit impaired or significant increase in credit risk.

8. OTHER FINANCIAL ASSETS

	As at 31 March 2019	As at 31 March 2018
Current		
Advance against financial assets	-	50.00
	-	**50.00**

9. OTHER ASSETS

(a) Non-current

	As at 31 March 2019	As at 31 March 2018
Balances with Government Authorities (Refer note below)	306.23	283.25
Prepaid expenses	2.45	8.09
	308.68	**291.34**

Note: Balances with Government Authorities primarily include amounts realisable from goods and services tax and transitional credit carried forward under the goods and services tax regime. These are expected to be realised in the future by refund or off-setting the same against the output services tax liability on services rendered by the Company. Accordingly these balances have been classified as non current assets.

(All amounts in ₹ Lacs, unless otherwise stated)

9. OTHER ASSETS

(b) Current

	As at 31 March 2019	As at 31 March 2018
Advance to suppliers	2.98	0.51
Other advances	7.10	3.44
Prepaid expenses	12.80	10.74
	22.88	**14.69**

10. TRADE RECEIVABLES

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good	16.43	103.48
	16.43	**103.48**

The Company does not have any receivables which have been credit impaired or significant increase in credit risk.

11. CASH AND BANK BALANCES

	As at 31 March 2019	As at 31 March 2018
(a) Cash and cash equivalents		
Balances with banks		
- In current account	8.54	19.27
- Cheques on hand	-	50.00
Cash on hand	0.76	0.34
	9.30	**69.61**
(b) Other bank balances		
Unpaid dividend account [refer note (i) below]	7.58	6.29
Employees deposit account	-	1.82
Fixed deposits with maturity of more than 3 months but less than 12 months [refer note (ii) below]	32.24	34.64
	39.82	**42.75**

Notes:

(i) The Company has transferred an amount of ₹0.51 Lacs of unpaid dividend to the Investor Education and Protection fund for the financial year 2010-11.

(ii) The Company has deposited ₹30 Lacs against fixed deposit with HDFC Bank for bank guarantee issued in favour of Santosh Promoters Private Limited as per the order of Supreme Court dated 01 May 2017.

(All amounts in ₹ Lacs, unless otherwise stated)

12. EQUITY SHARE CAPITAL

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹10 each	2,52,50,000	2,525.00	2,52,50,000	2,525.00
Issued, subscribed and fully paid up				
Equity shares of ₹10 each	1,47,31,678	1,473.17	1,47,31,678	1,473.17
	1,47,31,678	**1,473.17**	**1,47,31,678**	**1,473.17**

(a) Reconciliation of equity share capital

There is no movement in the equity share capital during the current and comparative periods.

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts if any. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders

(c) No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract without payment being received in cash during the last five years. Further, none of the shares were bought back by the Company during the last five years.

(d) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of the shareholders	As at 31 March 2019		As at 31 March 2018	
	Number	Percentage	Number	Percentage
Fully paid-up equity shares of ₹10 each:				
Arvind Kajaria	2,800,014	19.01%	2,800,014	19.01%
Sharad Kajaria	2,800,000	19.01%	2,800,000	19.01%
Padma Kajaria	1,400,000	9.50%	1,400,000	9.50%
University of Notre Dame Du Lac	880,565	5.98%	728,982	4.95%

(e) The Board of Directors at its meeting held on 28 May 2019 proposed a dividend of ₹2 per equity share (31 March 2018: ₹2 per equity share) amounting to ₹355.20 Lacs (31 March 2018: ₹355.20 Lacs) including dividend distribution tax of ₹60.57 Lacs (31 March 2018: ₹60.57 Lacs). The proposed dividend by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(All amounts in ₹ Lacs, unless otherwise stated)

13. OTHER EQUITY

	As at 31 March 2019	As at 31 March 2018
(a) Capital reserve	96.14	96.14
(b) General reserve	169.15	169.15
(c) Securities premium	5,527.11	5,527.11
(d) Retained earnings		
Opening balance	4,380.41	4,610.31
Profit for the year	163.89	125.02
Remeasurements of post-employment benefit obligations, net of tax	(1.94)	(0.34)
Less-: Appropriations		
Dividend on equity shares (including dividend tax)	(353.79)	(354.58)
Closing balance	**4,188.57**	**4,380.41**
(e) Debt instruments through OCI		
Opening balance	(2.79)	0.29
Net fair value loss on investment in debt instruments through OCI, net of tax	(7.13)	(3.08)
Closing balance	(9.92)	(2.79)
	9,971.05	**10,170.02**

(f) Nature and purpose of reserves

Capital reserve

The Company has transferred the net surplus arising from amalgamation in accordance with the terms of Scheme of amalgamation

General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

Debt instruments through Other Comprehensive Income:

The debt instruments are measured at fair value and the change is recognised through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.

14. OTHER FINANCIAL LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Current		
Liabilities for expenses	26.62	43.21
Dues to employees	76.61	84.31
Deposit from employees	-	1.82
Unpaid dividend	7.58	6.29
Excess income tax received refundable	183.58	-
	294.39	**135.63**

(All amounts in ₹ Lacs, unless otherwise stated)

15. PROVISIONS

	As at 31 March 2019	As at 31 March 2018
(a) Non-current		
Provision for employee benefits:		
- Provision for gratuity (refer note 19)	61.30	60.09
- Provision for compensated absences	14.04	14.42
	75.34	**74.51**
(b) Current		
Provision for employee benefits:		
- Provision for gratuity (refer note 19)	2.13	2.15
- Provision for compensated absences	0.87	0.91
	3.00	**3.06**

16. OTHER LIABILITIES

	As at 31 March 2019	As at 31 March 2018
(a) Non-current		
Advances:		
Advance from related parties (refer note 27)	267.37	267.37
Others:		
Liability for financial guarantee to subsidiary	233.15	-
Deferred revenue arising from government grant	103.49	105.49
	604.01	**372.86**
(b) Current		
Others		
Liability for financial guarantee to subsidiary	137.03	36.00
Statutory dues	16.47	23.68
Deferred revenue arising from government grant	2.00	2.00
	155.50	**61.68**

(All amounts in ₹ Lacs, unless otherwise stated)

17. REVENUE FROM OPERATIONS

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of services	766.43	953.58
	766.43	**953.58**

18. OTHER INCOME

	Year ended 31 March 2019	Year ended 31 March 2018
Interest income:		
- Financial assets carried at amortised cost	-	13.40
- Investments in debt instruments measured at amortised cost	132.78	57.80
- Others	13.50	8.63
Dividend income:		
- Dividends from mutual funds	-	6.39
Other gains and losses:		
- Net gain on sale of investments measured at FVTPL	329.38	397.27
- Net gain/(loss) arising on remeasurement of investments measured at FVTPL	3.06	(14.45)
Others		
- Net foreign exchange gain	8.74	-
- Other miscellaneous income	6.23	33.83
- Net gain on disposal of property, plant and equipment	-	4.60
-Unwinding of financial guarantee (refer note 16)	116.68	72.48
	610.37	**579.95**

19. EMPLOYEE BENEFITS EXPENSE

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and allowances	677.77	790.08
Contribution to provident and other funds [refer note (a) below]	34.56	42.43
Staff welfare expenses	2.50	3.74
	714.83	**836.25**

(a) Defined contribution plans

Eligible employees of the Company receive benefits under the provident fund which is a defined contribution plan wherein both the employee and the Company make monthly contributions equal to a specific percentage of covered employees' salary. These contributions are made to the fund administered and managed by the Government of India and the Company has no further obligation beyond making its contribution. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period in which they are incurred.

(b) Defined benefits plan

Gratuity is a post employment benefit and is a defined benefit plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972 ('the Act'). The liability recognised in the balance sheet represents the present value of the defined benefit obligation at the balance sheet date, together with adjustment for unrecognised actuarial gains or losses and past service cost. Independent actuaries calculate the defined benefit obligation annually using the Projected Unit Credit Method. Actuarial gains and losses are credited/ charged to the Statement of Other Comprehensive Income in the year in which such gains or losses arise.

(All amounts in ₹ Lacs, unless otherwise stated)

19. EMPLOYEE BENEFITS EXPENSE *(contd...)*

Particulars	Gratuity	
	Year ended 31 March 2019	Year ended 31 March 2018
(i) Defined benefits obligations recognised:		
Present value of obligation:		
- Current	2.13	2.15
- Non-current	61.30	60.09
	63.43	**62.24**
(ii) Movement in the present value of defined benefit obligations:		
Balance at the beginning of the year	62.24	51.43
Current service cost	5.46	6.14
Past service cost	-	8.10
Interest cost	4.79	3.80
Actuarial (gain)/loss arising from assumption changes	0.75	(2.07)
Actuarial loss arising from experience adjustments	1.93	2.54
Obligations at the end of the year	**63.43**	**62.24**
(iii) Components of the net cost charged to the Statement of Profit and Loss:		
Current service cost	5.46	6.14
Past service cost	-	8.10
Interest cost	4.79	3.80
	10.25	**18.04**
(iv) Remeasurement of the net defined benefit plans		
Actuarial (gain)/loss arising from assumption changes	0.75	(2.07)
Actuarial loss arising from experience adjustments	1.93	2.54
	2.68	**0.47**
(v) Assumptions		
Discount rate (refer note below)	7.60%	7.70%
Salary escalation rate	5.00%	5.00%
Withdrawal rate per annum	2.00%	2.00%
Expected average remaining working lives of employees (years)	22.13	22.46
Mortality rate	IALM 06-08 Ultimate	IALM 06-08 Ultimate
Retirement age	58 years	58 years

Note: The assumption of discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities. Future salary increase rate takes into account the inflation, seniority, promotion and other relevant factors on long term basis.

(vi) Experience adjustments

	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Defined benefit obligation at the end of the year	63.43	62.24	51.43	37.75	56.21
Experience gain/(loss) adjustments on plan liabilities	1.93	2.54	1.19	(13.19)	(1.71)

(All amounts in ₹ Lacs, unless otherwise stated)

19. EMPLOYEE BENEFITS EXPENSE *(contd...)*

Particulars	Gratuity	
	Year ended 31 March 2019	Year ended 31 March 2018
(vii) Sensitivity analysis		
Discount rate - Decrease by 1%	71.61	70.42
Discount rate - Increase by 1%	56.48	55.31
Salary escalation rate - Decrease by 1%	57.20	55.85
Salary escalation rate - Increase by 1%	70.47	69.31

Methods and assumptions used in preparing sensitivity analysis and their limitations:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality.

(viii)Maturity analysis of the benefit payments:

Weighted average duration of gratuity plan is 13 years. Expected benefits payments for each such plans over the years is given in table below:

Particulars	Gratuity	
	Year ended 31 March 2019	Year ended 31 March 2018
Year 1	2.13	2.15
2 to 5 years	9.33	9.38
6 to 10 years	28.28	33.13
More than 10 years	143.88	143.15

(c) Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

20. FINANCE COST

	Year ended 31 March 2019	Year ended 31 March 2018
Other borrowing costs	0.14	0.07
Amortisation of financial guarantee (refer note 16)	20.07	7.75
	20.21	**7.82**

(All amounts in ₹ Lacs, unless otherwise stated)

21. DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on property, plant and equipment [refer note 5(a)]	112.40	133.27
Amortisation of intangible assets [refer note 5(b)]	9.35	9.54
	121.75	**142.81**

22. OTHER EXPENSES

	Year ended 31 March 2019	Year ended 31 March 2018
Electricity charges	43.12	48.34
Office expenses	20.68	19.40
Rent (refer note 26)	37.10	50.38
Repairs and maintenance:		
- Others	19.53	24.24
Insurance	2.36	2.44
Rates and taxes	9.32	17.22
Travelling expenses	51.39	66.31
Legal and professional charges	69.23	113.29
Auditor's remuneration [refer note (a) below]	15.32	14.98
Director's sitting fees	11.20	9.80
Telephone and other communication expenses	12.21	15.32
Statutory release and publications	5.91	4.87
Net loss on disposal of property, plant and equipment	4.29	-
Net loss on foreign currency transactions and translation	-	1.67
Miscellaneous expenses	21.98	38.49
	323.64	**426.75**
(a) Auditor's remuneration (excluding taxes)		
Statutory audit	13.00	13.00
Tax audit (*)	1.00	0.60
Other services	0.50	0.58
Reimbursement of expenses	0.82	0.80
	15.32	**14.98**

(*) done by other auditors

23. TAX EXPENSES

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Income tax in the Statement of Profit and Loss:		
Current tax	44.17	27.19
Deferred tax:		
- Deferred tax charge / (credit)	34.00	(5.12)
- MAT credit entitlement	(45.84)	(27.19)
Tax adjustments pertaining to previous years	0.15	-
	32.48	**(5.12)**

(All amounts in ₹ Lacs, unless otherwise stated)

23. TAX EXPENSES *(contd...)*

	Year ended 31 March 2019	Year ended 31 March 2018
(b) Reconciliation of income tax expense and the accounting profit for the year:		
Profit before tax	196.37	119.90
Enacted tax rates (%)	27.82%	27.55%
Computed expected tax expense	54.63	33.04
Effect due to adjustment of unabsorbed losses	(23.33)	(12.72)
Effect due to exempt income	-	(1.76)
Effect due to non-deductible expenses	2.61	0.64
Effect due to change in tax rates	1.34	(24.15)
Adjustment for tax relating to earlier years	0.15	-
Others	(2.92)	(0.17)
Total income tax expense as per the Statement of Profit and Loss	**32.48**	**(5.12)**
(c) Income tax balances		
Non-current tax assets:		
Opening balance	51.19	31.75
Add: Taxes paid	-	46.63
Less: Current tax payable for the year	-	(27.19)
Less: Re-classification to current tax assets	(31.75)	-
Closing balance	**19.44**	**51.19**
Current tax assets /(liabilities)		
Opening balance	48.94	94.83
Add: Taxes paid	23.24	-
Less: Current tax payable for the year	(44.17)	-
Add-: Re-classification from non-current tax assets	31.75	-
Less: Income tax refund received	(69.13)	(45.89)
Closing balance	**(9.37)**	**48.94**
(d) Deferred taxes		
Deferred tax assets		
Unutilised MAT Credit	1,784.49	1,738.65
	1,784.49	**1,738.65**
(e) Deferred tax liabilities, net		
Deferred tax liabilities arising on account of:		
- Difference between written down value of property, plant and equipments as per books of accounts and Income tax Act, 1961	129.21	124.12
- Fair valuation on debt instruments through OCI	(4.07)	(0.57)
- Fair valuation on mutual fund investments measured at FVTPL	1.40	0.53
- Amortisation of financial guarantee	69.16	47.87
	195.70	**171.95**
Deferred Tax asset arising on account of:		
- Expenses allowable on payment basis	26.31	26.50
- Fair valuation of security deposits	0.41	0.25
- Amortisation of financial guarantee	-	6.72
	26.72	**33.47**
Deferred tax liabilities, net	**168.98**	**138.48**

Note:

Deferred tax assets and liabilities have been offset wherever the Company has a legal enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority

(All amounts in ₹ Lacs, unless otherwise stated)

23. TAX EXPENSES *(contd...)*

(f) Movement in deferred taxes

	As at 01 April 2018	Statement of Profit or Loss	Other Comprehensive Income	As at 31 March 2019
Deferred tax liability for deductible temporary differences on:				
- Difference between written down value of property, plant and equipments as per books of accounts and Income Tax Act, 1961	124.12	5.09	-	129.21
- Fair valuation on debt instruments through OCI	(0.57)	-	(3.50)	(4.07)
- Fair valuation on mutual fund investments measured at FVTPL	0.53	0.87	-	1.40
- Interest on unwinding (Financial guarantee)	47.87	21.29	-	69.16
Total deferred tax liabilities	**171.95**	**27.25**	**(3.50)**	**195.70**
Deferred tax assets for deductible temporary differences on:				
- Expenses allowable on payment basis	26.50	(0.19)	-	26.31
- Fair valuation of security deposits	0.25	0.16	-	0.41
- Amortisation of financial guarantee	6.72	(6.72)	-	-
Total deferred tax assets	**33.47**	**(6.75)**	**-**	**26.72**
Deferred tax liabilities, net	**138.48**	**34.00**	**(3.50)**	**168.98**
Deferred tax assets, net				
Unutilised MAT credit	1,738.65	45.84	-	1,784.49
	1,738.65	**45.84**	**-**	**1,784.49**

24. EARNINGS PER EQUITY SHARE (EPS)

	Year ended 31 March 2019	Year ended 31 March 2018
Net profit attributable to equity shareholders	163.89	125.02
Nominal value of equity share (₹)	10.00	10.00
Weighted average number of equity shares outstanding during the year	14,731,678	14,731,678
Earnings per share (in ₹):		
-Basic earnings per share (₹)	1.11	0.85
-Diluted earnings per share (₹)	1.11	0.85

25. CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31 March 2019	As at 31 March 2018
(a) Contingent liabilities		
Guarantees given [refer note (i), (ii) & (iii) below]	5,581.25	3,231.25
Claims against Company, not acknowledged as debt [refer note (iv) below]	17.72	17.72
	5,598.97	**3,248.97**

Notes:

(i) Guarantee given for step-down subsidiary 123Stores, Inc. is ₹5,550 Lacs.

(ii) Guarantee given to customs for bonded warehouse is ₹1.25 Lacs.

(iii) Guarantee issued in favour of Santosh Promoters Pvt. Limited amounting ₹30 Lacs vide Supreme court order dated 01 May 2017.

(iv) Claim for Service Tax and Hire Charges on facility agreement for ₹17.72 Lacs.

(All amounts in ₹ Lacs, unless otherwise stated)

26 LEASES

In accordance with Indian Accounting Standard 17 - Leases, the Company does not have any non - cancellable operating lease. Expenditure incurred on account of operating lease rentals during the year are recognised in the Statement of Profit and Loss amount to ₹37.10 Lacs. (Previous Year ₹50.38 Lacs)

27 RELATED PARTY DISCLOSURES

Information on related party transactions as required by Ind AS - 24 for the year ended 31 March 2019.

(a) List of related parties

(i) Parties where control exists (subsidiaries)

Name of the Company	Country of incorporation	% of holding as on (direct/ indirect)	
		31 March 2019	31 March 2018
Wholly owned subsidiaries			
- 123Greetings.com, Inc.	United States	100%	100%
- IntraSoft Ventures Pte. Limited	Singapore	100%	100%
- One Two Three Greetings (India) Private Limited	India	100%	100%
Step-down subsidiaries:			
- 123Stores, Inc.	United States	100%	100%
- 123Stores E Commerce Private Limited	India	100%	100%

(ii) Key management personnel

Name of the related party	Relationship
Arvind Kajaria	Managing Director
Sharad Kajaria	Whole-time Director
Mohit Kumar Jha	Chief Financial Officer
Ashok Bhandari	Non-executive Independent Director
Savita Agarwal	Non-executive Independent Director
Anil Agrawal	Non-executive Independent Director
Rupinder Singh	Non-executive Independent Director
Pranvesh Tripathi	Company Secretary

(iii) Relative of key management personnel

Name of the related party	Relationship
Padma Kajaria	Relative of Director

(All amounts in ₹ Lacs, unless otherwise stated)

(b) Transactions with related parties

Name of the party	Nature of transaction	Year ended 31 March 2019	Year ended 31 March 2018
123Greetings.com, Inc.	Sale of services	766.43	950.58
One Two Three Greetings (India) Private Limited	Sale of services	-	3.00
	Loans given repaid	-	10.00
IntraSoft Ventures Pte. Limited	Investment	-	23.08
Arvind Kajaria	Managerial remuneration(#)	72.11	72.11
	Dividend paid	56.00	56.00
Sharad Kajaria	Managerial remuneration(#)	67.61	67.61
	Dividend paid	56.00	56.00
Padma Kajaria	Dividend paid	28.00	28.00
Mohit Kumar Jha	Remuneration	36.58	35.01
	Short term employee benefits	2.69	0.06
	Post employment benefits	3.02	1.24
Pranvesh Tripathi	Remuneration	25.52	24.31
	Post employment benefits	1.05	0.33
Mr. Anil Agrawal	Sitting fees	3.00	2.60
Mrs. Savita Agarwal	Sitting fees	2.20	2.20
Mr. Ashok Bhandari	Sitting fees	3.00	2.40
Mr. Rupinder Singh	Sitting fees	3.00	2.60

(#) This aforesaid amount does not includes amount in respect of gratuity and leave entitlement as the same is not determinable.

(c) Balances of related parties

Name of the party	Nature of balance	As at 31 March 2019	As at 31 March 2018
123Greetings.com, Inc.	Receivable	16.43	103.48
One Two Three Greetings (India) Pvt. Limited	Payable	267.37	267.37
	Loans recoverable	75.00	75.00
Mr. Arvind Kajaria	Payable	6.00	6.00
Mr. Sharad Kajaria	Payable	5.63	5.63
Mr. Mohit Kumar Jha	Payable	3.18	3.75
Mr. Pranvesh Tripathi	Payable	2.00	2.64

28 SEGMENT REPORTING

(a) As per the requirements of IND-AS 108 "Segment Reporting", no disclosures are required to be made since the Company's activities consist of a single business segment of internet based delivery of services.

(b) Other Information :

The Company does not have any revenue from external customers.

(c) The Company has entered into transaction with a single customer (related party), which amounts to 10% or more of the Company's total revenue from operations. (Refer note 27)

(All amounts in ₹ Lacs, unless otherwise stated)

29 FAIR VALUE MEASUREMENTS

(a) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2019 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets:					
Investments in equity instruments (refer note 6)	884.25	-	-	884.25	884.25
Investments in non-convertible debentures (refer note 6)	883.88	-	-	883.88	883.88
Investments in perpetual bonds (refer note 6)	-	-	611.48	611.48	611.48
Investments in debt mutual funds (refer note 6)	-	5,912.35	-	5,912.35	5,912.35
Trade receivables (refer note 10) (*)	16.43	-	-	16.43	16.43
Cash and cash equivalents (refer note 11(a)) (*)	9.30	-	-	9.30	9.30
Other bank balances (refer note 11(b)) (*)	39.82	-	-	39.82	39.82
Other financial assets:					
Loans (refer note 7)	88.10	-	-	88.10	88.10
	1,921.78	**5,912.35**	**611.48**	**8,445.61**	**8,445.61**

The carrying value and fair value of financial assets and liabilities by categories as of 31 March 2018 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair value
Assets:					
Investments in equity instruments (refer note 6)	884.25	-	-	884.25	884.25
Investments in non-convertible debentures (refer note 6)	750.44	-	-	750.44	750.44
Investments in perpetual bonds (refer note 6)	-	-	621.89	621.89	621.89
Investments in debt mutual funds (refer note 6)	-	5,816.42	-	5,816.42	5,816.42
Trade receivables (refer note 10) (*)	103.48	-	-	103.48	103.48
Cash and cash equivalents (refer note 11(a)) (*)	69.61	-	-	69.61	69.61
Other bank balances (refer note 11(b)) (*)	42.75	-	-	42.75	42.75
Other financial assets:					
Loans (refer note 7)	86.09	-	-	86.09	86.09
	1,936.62	**5,866.42**	**621.89**	**8,424.93**	**8,424.93**

Notes:

(*) The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. Management assessed that fair values of cash and cash equivalents, other bank balances, bank deposits, loans to employees, trade receivables, trade payables and other financial liabilities approximate their carrying amounts due to the short term maturities of these instruments. For long-term borrowings at fixed/floating rates, management evaluates that their fair value will not be significantly different from the carrying amount.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a stressed or liquidation sale.

(All amounts in ₹ Lacs, unless otherwise stated)

29 FAIR VALUE MEASUREMENTS *(contd...)*

(b) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the Statement of Profit and Loss are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 March 2019 and 31 March 2018 :

As at 31 March 2019	Level 1	Level 2	Level 3	Total
(i) Measured at fair value through OCI (FVOCI)				
Investments in perpetual bonds (refer note 6)	611.48	-	-	611.48
(ii) Measured at fair value through profit or loss (FVTPL)				
Investments in debt mutual funds (refer note 6)	5,912.35	-	-	5,912.35
	6,523.83	**-**	**-**	**6,523.83**

As at 31 March 2018	Level 1	Level 2	Level 3	Total
(i) Measured at fair value through OCI (FVOCI)				
Investments in perpetual bonds (refer note 6)	621.89	-	-	621.89
(ii) Measured at fair value through profit or loss (FVTPL)				
Investments in debt mutual funds (refer note 6)	5,816.42	-	-	5,816.42
Other financial assets				
- Advance against financial assets (refer note 8)	50.00	-	-	50.00
	6,488.31	**-**	**-**	**6,488.31**

(c) Computation of fair values

Investments in mutual funds are short-term investments made in liquid funds whose fair value is considered as the net asset value (NAV) declared by their respective fund houses on a daily basis. NAV represents the price at which the fund house is willing to issue further units in such fund/the price at which the fund house will redeem such units from the investors. Thus the declared NAV is similar to fair market value for these mutual fund investments since transactions between the investor and fund houses will be carried out at such prices.

The fair value of perpetual bonds is based on quoted prices and market-observable inputs.

30 FINANCIAL RISK MANAGEMENT

The Company's business activities expose it to a variety of financial risks such as credit risks, liquidity risk and market risks. The Company's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(a) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortised cost includes security deposits. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

(All amounts in ₹ Lacs, unless otherwise stated)

Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

i) Trade receivables

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

As the Company does not hold any collateral, the maximum expense to credit risk for each class of financial instrument is the carrying amount of that class of financial instrument presented on the statement of financial position. Impairment of trade receivables is based on expected credit loss model (simplistic approach) depending upon the historical data, present financial conditions of customers and anticipated regulatory changes. Company does not hold any collateral in respect of such receivables.

ii) Financial instruments and cash deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortised cost includes security deposits. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

Credit risk exposure

The Company is exposed to a concentration of credit risk with respect to its trade receivable balances from its subsidiary Company. At the reporting date, trade receivable balances from subsidiary Company represents 100% (31 March 2018 - 100%) of the total trade receivable balances, respectively.

The gross carrying amount of financial assets, net of any impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at 31 March 2019 and 31 March 2018 was as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables (refer note 10)	16.43	103.48
Investments (refer note 6)	8,908.08	8,258.34
Cash and cash equivalents (refer note 11(a))	9.30	69.61
Other bank balances (refer note 11(b))	39.82	42.75
Other financial assets		
- Security deposits (refer note 7)	6.58	10.50
- Advance against financial assets (refer note 8)	-	-
- Loan given to subsidiaries and body corporates (refer note 7)	81.52	75.59
	9,061.73	**8,560.27**

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

(All amounts in ₹ Lacs, unless otherwise stated)

The Company has an established liquidity risk management framework for managing its short term, medium term and long-term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

Maturities of financial liabilities

The following table shows the remaining contractual maturities of financial liabilities at the reporting date. The amounts reported are on gross and undiscounted basis and includes contractual interest payments. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

As at 31 March 2019:

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Other financial liabilities (refer note 14)	294.39	-	-	-	294.39
	294.39	**-**	**-**	**-**	**294.39**

As at 31 March 2018:

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Other financial liabilities (refer note 14)	135.63	-	-	-	135.63
	135.63	**-**	**-**	**-**	**135.63**

(c) Market risk

Market risk is the risk of potential adverse change in the Company's income and the value of Company net worth arising from movement in foreign exchange rates, interest rates or other market prices. The Company recognises that the effective management of market risk is essential to the maintenance of stable earnings and preservation of shareholder value. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the overall returns.

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises when transactions are denominated in foreign currencies.

The Company operates locally in INR and but is exposed to foreign exchange risk arising from foreign currency transactions (IT enabled services), primarily with respect to the US Dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company does not hedge its foreign exchange receivables.

Foreign currency risk exposure:

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables (in USD Lacs)	0.24	1.59
	0.24	**1.59**

Sensitivity analysis:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
USD sensitivity:		
INR/USD - increase by 5% (31 March 2018 - 5%)	0.01	0.08
INR/USD - decrease by 5% (31 March 2018 - 5%)	(0.01)	(0.08)

(ii) Price risk

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The investments in mutual funds have been disclosed in Note 6 (b).

The Company is also exposed to the price risk for its investment in bonds and debentures. These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds are given in Note 6 (a).

The Company is mainly exposed to change in market rates of its investments in mutual funds recognised at FVTPL. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

The Company has laid policies and guidelines which it adheres to in order to minimise pricing risk arising from investments in debt mutual funds.

Sensitivity analysis:

Particulars	As at 31 March 2019	As at 31 March 2018
Price increase by (1%) - Investments measured at FVTPL	59.12	58.16
Price decrease by (1%) - Investments measured at FVTPL	(59.12)	(58.16)

31 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

32 DIVIDENDS

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Dividend on equity shares paid during the year:		
Final dividend for FY 2017-18 [₹2 (Previous year ₹2) per equity share of ₹10 each]	294.63	294.63
Dividend distribution tax on above	60.57	60.57

Proposed Dividend

The Board of Directors at its meeting held on 28 May 2019 proposed a dividend of ₹2 per equity share (31 March 2018: ₹2 per equity share) amounting to ₹355.20 Lacs (31 March 2018: ₹355.20 Lacs) including dividend distribution tax of ₹60.57 Lacs (31 March 2018: ₹60.57 Lacs). The proposed dividend by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

As per our report of even date
For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors of
IntraSoft Technologies Limited

Anamitra Das
Partner
Membership No. 062191

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Mohit Kumar Jha
Chief Financial Officer
(PAN: AFQPJ3755G)

Pranvesh Tripathi
Company Secretary
(PAN: ACWPT9367K)

Place: Gurugram
Date: 28 May 2019

Place: Kolkata
Date: 28 May 2019

Notice

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of IntraSoft Technologies Limited will be held on 10 September 2019 at 3.00 P.M. at Sunville, Orchid Room, 9, Dr. Annie Besant Road, Worli, Mumbai –400018 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

   (a) the audited standalone financial statement of the Company for the financial year ended 31 March 2019, the Reports of the Board of Directors and Auditors thereon; and

   (b) the audited consolidated financial statement for the year ended 31 March 2019.

2. To declare Dividend on Equity Shares for the financial year ended on 31 March 2019.

3. To appoint a Director in place of Mr. Sharad Kajaria (DIN: 00108036), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Re-appointment of Mrs. Savita Agarwal (DIN: 00062183) as Woman Independent Director of the Company for a 2nd consecutive term of five (5) years with effect from 29 June 2019.

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

   "RESOLVED THAT pursuant to Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2014 read with Companies (Appointment and Qualification) Rules, 2014 (including any statutory modifications, re-enactment or amendment thereof for the time being in force), Chapter-IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance and as recommended by the Nomination & Remuneration Committee and the Board of Directors, Mrs. Savita Agarwal (DIN: 00062183) be and is hereby appointed as a Woman Independent Director of the Company, not liable to retire by rotation, for a second consecutive term of five (5) years, for the period from 29 June 2019 to 28 June 2024.

5. Re-appointment of Mr. Rupinder Singh (DIN: 02815733) as Independent Director of the Company for a 2nd consecutive term of five (5) years with effect from 28 August 2019.

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

   "RESOLVED THAT pursuant to Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2014 read with Companies (Appointment and Qualification) Rules, 2014 (including any statutory modifications, re-enactment or amendment thereof for the time being in force), Chapter-IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance and as recommended by the Nomination & Remuneration Committee and the Board of Directors, Mr. Rupinder Singh (DIN: 02815733) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a second consecutive term of five (5) years, to hold office from 28 August 2019 to 27 August 2024.

6. Re-appointment of Mr. Anil Agarwal (DIN: 00122053) as Independent Director of the Company for a 2nd consecutive term of five (5) years with effect from 28 August 2019.

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

   "RESOLVED THAT pursuant to Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2014 read with Companies (Appointment and Qualification) Rules, 2014 (including any statutory modifications, re-enactment or amendment thereof for the time being in force), Chapter-IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance and as recommended by the Nomination & Remuneration Committee and the Board of Directors, Mr. Anil Agarwal (DIN: 00122053) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a second consecutive term of five (5) years, to hold office from 28th August 2019 to 27 August 2024.

By Order of the Board of Directors

Pranvesh Tripathi
Company Secretary

Place: Kolkata
Date: 28 May 2019

Registered Office:
CIN: L24133MH1996PLC197857
502 A, Prathamesh, Raghuvanshi Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013
Tel: 022 4004 0008 Fax: 022 2490 3123
Email: intrasoft@itlindia.com Website: www.itlindia.com

Notes:

a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The duly filled proxy form in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for commencement of the Annual General Meeting.

b) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

c) The dividend on Equity Shares, as recommended by the Board of Directors, if approved by the shareholders, will be credited / dispatched on or after 11 September 2019 to those members whose names shall appear on the Company's Register of Members on 03 September 2019 in respect of the shares held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

d) Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorising the representatives to attend and vote at the Annual General Meeting.

e) Members/Proxies should bring the attendance slip duly filled in for attending the Meeting.

f) Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working days from Monday to Friday, during business hours up to the date of the Meeting.

g) Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the Meeting.

h) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 04 September 2019 to Tuesday, 10 September 2019 (both days inclusive) for the purpose of payment of dividend, if declared at the Meeting.

i) SEBI vide its Circular dated 21 March 2013 have asked all the listed companies that any payments to the investors shall be made through electronic mode. Members are requested to update their address/bank mandate with their respective Depository Participant (DP) in respect of shares held in demat form and in respect of shares held in physical form with the Company's Registrar & Share Transfer Agent, M/s. Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083.

j) Shareholders who have not encashed their dividend warrants for the dividends declared for the financial years 2011-12 to 2017-18 (Interim and/or Final Dividend) are requested to send a letter along with unclaimed dividend warrant, if any, or letter of undertaking for issue of duplicate dividend warrant / demand draft. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 12 September 2018 (date of last Annual General Meeting) on the website of the Company (www.itlindia.com) and also on the website of the Ministry of Corporate Affairs.

   In terms of Section 124 of Companies Act, 2013 (corresponding Section 205A and 205C of the Companies Act, 1956), any dividend remaining unpaid for a period of seven years from the date of transfer to Unpaid Dividend Account is required to be transferred to the "Investor Education & Protection Fund" (IEPF). Members are requested to encash their Dividend Warrants promptly. It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie with the Company in respect of such amount.

k) Members who have not registered their e-mail address so far are requested to register their e-mail address with their DPs in case of shares held in dematerialised form and with RTA in case of shares held in physical form.

l) Information and other instructions relating to voting by electronic means:

   i. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed in this notice by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting (AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

iii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiniser, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

iv. The members who have cast their vote by remote e-voting may attend the meeting but shall not be entitled to cast their vote again.

v. The remote e-voting period commences on Saturday 07 September 2019 (9:00 am) and ends on Monday 09 September 2019 (5:00 pm). During this period members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. on 03 September 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

vi. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL:

(i) Open email and open PDF file viz.; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "IntraSoft Technologies Ltd".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail to js@ rathiandassociates.com

B. In case a Member receives physical copy of the Notice of AGM:

(i) Initial password is provided in the Attendance Slip for the AGM:

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.

vii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

viii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

ix. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

x. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 03 September 2019.

xi. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 03

September 2019 may obtain the login ID and password by sending a request at evoting@nsdl.co.in

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

xii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

xiii. Mr. Jayesh Shah, Practicing Company Secretary, Partner, M/s. Rathi & Associates has been appointed as the Scrutiniser to scrutinise the voting and remote e-voting process in a fair and transparent manner.

xiv. The Scrutiniser, after scrutinising the votes cast at the meeting and through remote e-voting shall make, not later than two days of the conclusion of the meeting, a consolidated scrutiniser's report and submit the same to the Chairman, who shall declare the result of the voting forthwith. The results declared alongwith the report of the Scrutiniser shall be placed on the website of the Company www.itlindia.com and on the website of NSDL immediately after the declaration of result by the Chairman. The results shall simultaneously be submitted with the stock exchanges where the Company's shares are listed.

m) The Annual Accounts of the Subsidiary Companies have been uploaded on the Website of the Company at- www.itlindia.com and shall also be available at the Registered Office of the Company for inspection by any shareholder.

n) Hard copy of the details of accounts of subsidiaries required by any Shareholders can be obtained with a written request to the Company Secretary of the Company at the Registered Office of the Company.

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

Item No. 4

As per Section 149 , Schedule IV and other applicable provisions of the Companies Act, 2013 , Regulation 17 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments, re-enactments thereof) and the Company's "Directors Appointment and Evaluation Policy" the Company shall have at least one Woman Non-Executive Independent director on the Board. Mrs. Savita Agarwal was appointed as Non-Executive Independent Director on the Board of the Company by the Board of Directors with effect from 30 June 2014 for a term of five (5) years which was approved by the members in their Annual General Meeting held on 29 August 2014. The said term is being ended on 29 June 2019.

The Board of Directors, at their Meeting held on 28 May 2019, on the recommendation of the Nomination and Remuneration Committee of the Company based on Mrs Savita Agarwal's performance and evaluation, expertise, experience and contributions made by her to the Company, recommended her re-appointment for a second consecutive term of a five (5) years with effect from 29 June 2019 up to 28 June 2024 subject to the approval of the members of the Company, in the category of a Non-Executive Independent Director of the Company (not liable to retire by rotation) .

Mrs. Savita Agarwal, has given a declaration to the Board that she meets the criteria of independence as provided under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (Listing Regulations) and amendments thereto. She has also confirmed that she is not disqualified from being appointed as Director in terms of Section 164 of the Act and has consented to act as Director of the Company.

In the opinion of the Board, Mrs. Savita Agarwal fulfils the conditions specified in the Act, its rules framed thereunder and Listing Regulations for re-appointment as Non-executive Woman Independent Director and she is independent of the management.

Brief profile and the informations as required by the Act, Regulation 36 of the Listing Regulations and Secretarial Standards SS-2 are disclosed hereinafter and forms part of the notice and certain other relevant informations are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the letter of appointment setting out the terms and conditions of re-appointment of Mrs. Savita Agarwal as Non-executive Woman Independent Director shall be open for inspection by the members at the Registered Office of the Company between 10.00 a.m. to 5.00 p.m. on all working days (except Saturday and Sunday).

The Board recommends the Special Resolution set out at Item No. 4 for approval by the shareholders.

Except Mrs. Savita Agarwal and her relatives none of the Promoters, other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested in the resolution set at Item No 4 of the Notice.

Item No. 5 and 6

As per Section 149, Schedule IV and other applicable provisions of the Companies Act, 2013, Regulation 17 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments, re-enactments thereof) and the Company's "Directors Appointment and Evaluation Policy" the Company shall have at least half of the total strength of Directors as Independent Directors. Mr. Rupinder Singh and Mr. Anil Agarwal, on recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, were appointed as Non-Executive Independent Directors on the Board of the Company, by the Shareholders of the Company, in their Annual General Meeting held on 29 August 2014 with effect from 29 August 2014 for a term of five (5) years. The said term of both the Directors will end on 28 August 2019.

The Board of Directors at their Meeting held on 28 May 2019, on the recommendation of the Nomination and Remuneration Committee of the Company based on Mr. Rupinder Singh's and Mr. Anil Agarwal's performance and evaluation, expertise, experience and contributions made by them to the Company, recommended the re-appointment of Mr. Rupinder Singh and Mr. Anil Agarwal for a second consecutive term of five (5) years with effect from 28 August 2019 up to 27 August 2024 subject to the approval of the members of the Company, in the category of a Non-Executive Independent Directors of the Company (not liable to retire by rotation).

Mr. Rupinder Singh and Mr. Anil Agarwal have given declarations to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (Listing Regulations) and amendments thereto. They have also confirmed that they are not disqualified from being appointed as Director in terms of Section 164 of the Act and have consented to act as Directors of the Company.

In the opinion of the Board, Mr. Rupinder Singh and Mr. Anil Agarwal fulfils the conditions specified in the Act, its rules framed thereunder and Listing Regulations for re-appointment as Non-executive Independent Directors and they are independent of the management.

Brief profile of Mr. Rupinder Singh and Mr. Anil Agarwal and the informations as required by the Act, Regulation 36 of the Listing Regulations and Secretarial Standards SS-2 are disclosed hereinafter and forms part of the notice and certain other relevant informations are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the respective letters of appointment setting out the terms and conditions of re-appointment of Mr. Rupinder Singh and Mr. Anil Agarwal as Non-executive Independent Directors shall be open for inspection by the members at the Registered Office of the Company between 10.00 a.m. to 5.00 p.m. on all working days (except Saturday and Sunday).

The Board recommends the Special Resolutions set out at Item No. 5 and 6 for approval by the shareholders.

Except Mr. Rupinder Singh and Mr. Anil Agarwal and their relatives none of the Promoters, other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested in the respective resolution set at Item No 5 and 6 of the Notice.

Details of Directors seeking Appointment/ Re-appointment at the ensuing Annual General Meeting as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name	Sharad Kajaria	Savita Agarwal	Rupinder Singh	Anil Agarwal
Date of Birth	17 March 1976	22 June 1972	02 January 1959	07 February 1959
Date of Appointment/Re-appointment (w.e.f.)	01 April 2017	29 June 2019	28 August 2019	28 August 2019
Qualification	B. Com	Chartered Accountant (CA)	B. Com	B. Com
Brief Resume	Mr. Sharad Kajaria is a Commerce graduate. He is one of the Promoters of the Company. He is designated as Whole-time Director of the Company. He is well-versed with all the aspects of the Company's business operations and Technology developments and upgradations.	Mrs. Savita Agarwal is a Fellow member of the Institute of Chartered Accountants of India and has 21 years of experience in Accounts, Finance, MIS, Structuring and Secretarial, etc. She is a partner at R. Kothari & Co, a firm of Chartered Accountants where she looks after Audit, MIS and Budgeting.	Mr. Rupinder Singh is a graduate with a Bachelor's Degree in Commerce from Calcutta University and has over 22 years of experience in the event management and entertainment industry. He has worked as an independent Public Relations consultant with firms like Imago Consultants. He has also worked with Showdiff Worldwide Private Limited as the Regional Head (East) where he was engaged in managing celebrity endorsements and management of concerts and other events.	Mr. Anil Agarwal is a graduate from Calcutta University with a Bachelor's Degree in Commerce and has over 27 years of experience in Capital Markets having expertise in Stock Exchange operations. He has been associated with a number of Stock Brokers, looking after their Stock Exchange operations and has extensive knowledge of various SEBI laws/Regulations and compliances. He is also a member of the Calcutta Stock Exchange Limited, Kolkata.
Area of Expertise	Business Operations, Internet Technologies & Software.	Finance, Audit and Insolvency matters.	Public Relations, Marketing	Capital Market operations and Compliances
Experience	20 years	21 years	22 years	27 years
Other Directorship in Listed Entities	Nil	Nil	Nil	Nil
Name of the other Companies in Committees of which holds membership/ chairmanship	Nil	Nil	Nil	Nil
Disclosure of relationship between Directors inter-se	None of the Directors/ Key Managerial Personnel of the Company/ their relative are, in any way, concerned or interested, financially or otherwise, in such re-appointment of Mr. Sharad Kajaria as Director except Mr. Sharad Kajaria, Mr. Arvind Kajaria and other relatives of Mr. Sharad Kajaria.	None of the Directors / Key Managerial Personnel of the Company/ their relative are, in any way, concerned or interested, financially or otherwise, in such re-appointment except Mrs. Savita Agarwal and her relatives.	None of the Directors/ Key Managerial Personnel of the Company/ their relative are, in any way, concerned or interested, financially or otherwise, in such re-appointment except Mr. Rupinder Singh and his relatives.	None of the Directors/ Key Managerial Personnel of the Company/ their relative are, in any way, concerned or interested, financially or otherwise, in such re-appointment except Mr. Anil Agarwal and his relatives.
Number of Equity Shares held (as on 31 March 2019)	2,800,000	Nil	Nil	Nil

INTRASOFT TECHNOLOGIES LIMITED

CIN: L24133MH1996PLC197857

Registered Office: 502A, Prathamesh, Raghuvanshi Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013

Tel: 022 4004 0008 Fax: 022 2490 3123 Email: intrasoft@itlindia.com Website: www.itlindia.com

ATTENDANCE SLIP

I/We hereby record my/our presence at the 24th Annual General Meeting of the Company held on Tuesday , 10 September 2019 at 3:00 P.M. at Sunville, Orchid Room, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

Name ______________________________

Address ______________________________

Folio No. ______________________________

No. of Shares held ______________ Client ID ______________ DP ID ______________

Name of Proxy/Representative, if any ______________________________

Signature of the Shareholder(s)/Proxy/Representative ______________________________

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ATTENDANCE SLIP

[Pursuant to Section 105(6) of the Companies Act, 2013 read with Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : ______________________________

Registered Address : ______________________________

Email ID : ______________________________

Folio No. / Client ID : ______________________________

DP ID : ______________________________

I / We, being the member(s) of ______________ shares of IntraSoft Technologies Ltd, hereby appoint:

1) Name: ....

Address: ....

Email: .... or failing him

2) Name: ....

Address: ....

Email: .... or failing him

3) Name: ....

Address: ....

Email: .... or failing him and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Tuesday, 10 September 2019 at 3:00 P.M. at Sunville, Orchid Room, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below;

Sr. No.	**Resolutions**
1.	To consider and adopt the Audited Standalone and Consolidated Financial Statement for the financial year ended 31 March 2019 along with the reports of the Board of Directors and Auditors thereon.
2.	To declare dividend on Equity Shares for the financial year ended on 31 March 2019.
3.	Re-appointment of Mr. Sharad Kajaria as director, who retires by rotation.
4.	Re-appointment of Mrs. Savita Agarwal (DIN: 00062183) as Woman Independent Director of the Company for a 2nd consecutive term of five (5) years with effect from 29 June 2019.
5.	Re-appointment of Mr. Rupinder Singh (DIN: 02815733) as Independent Director of the Company for a 2nd consecutive term of five (5) years with effect from 28 August 2019.
6.	Re-appointment of Mr. Anil Agarwal (DIN: 00122053) as Independent Director of the Company for a 2nd consecutive term of five (5) years with effect from 28 August 2019.

Signed this …….. day of ……………………….2019

Signature of Shareholder(s): …………………………… Signature of Proxy(s): ……………………………

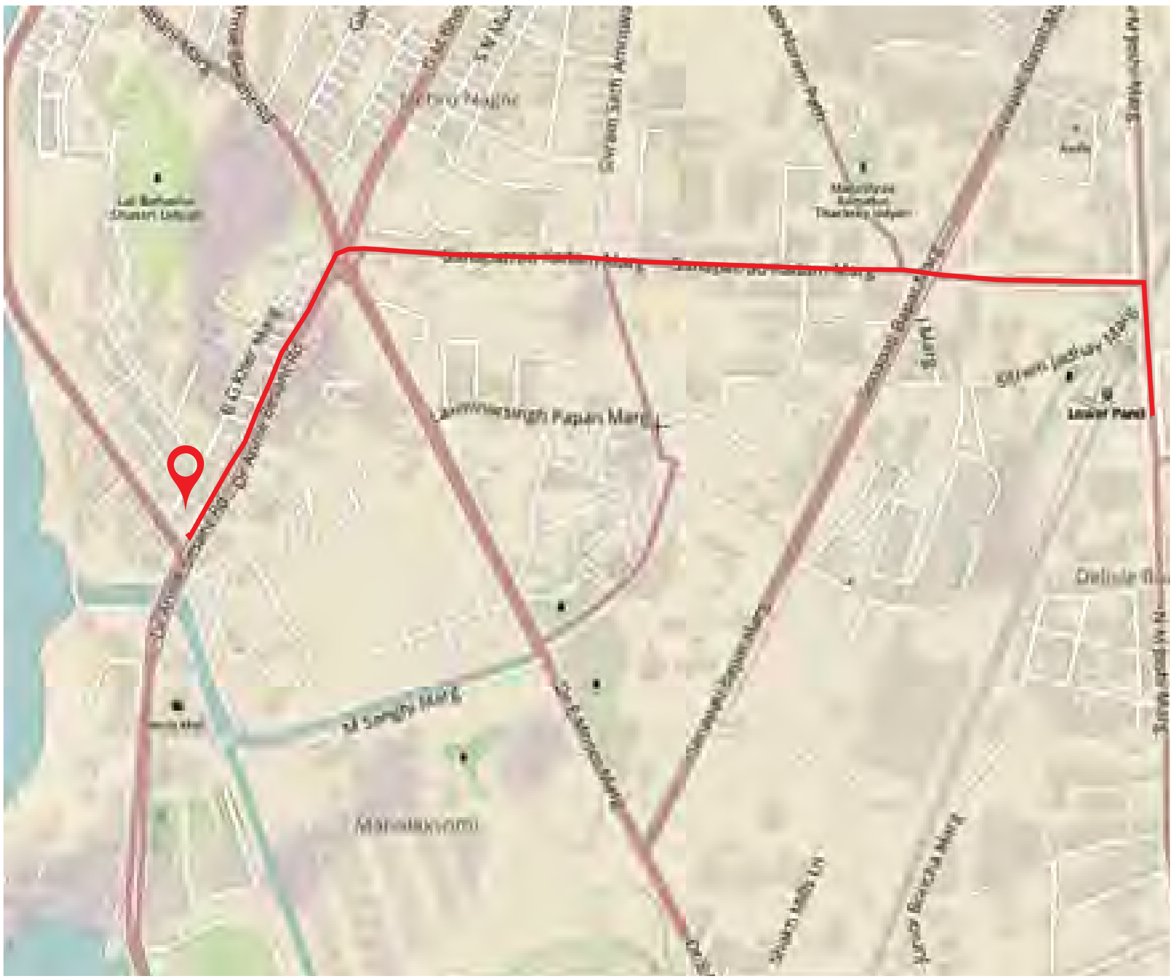
Affix
Revenue
Stamp

VENUE OF THE MEETING

Venue address:

Sunville, Orchid Room, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

Route Map



INTRASOFT TECHNOLOGIES LIMITED
502A, Prathamesh, Raghuvanshi Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Phone: 91-22-4004-0008, Fax: 91-22-2490-3123
Email: intrasoft@itlindia.com