RIGHT PLACE.
RIGHT TIME.

INTRASOFT TECHNOLOGIES LIMITED
ANNUAL REPORT 2019-20

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Forward-looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as '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 realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

RIGHT PLACE. RIGHT TIME.

Last year's Annual Report (themed 'Efficiency-driven Expertise'), shared our journey towards becoming not only one of the leading e-commerce retailers in the US from the consumer standpoint, but also one of the most efficient from the brand partner standpoint.

This year's theme 'Right Place. Right Time' highlights our business readiness at this crucial juncture, where the ongoing digitalization and a crisis-driven urgency have converged to catalyze the world of e-commerce.

About IntraSoft Technologies Limited

Background

IntraSoft Technologies Limited (BSE: 533181, NSE: ISFT) is an e-commerce retailer serving the US market. We harness our strong technology backbone that combines supply-chain logistics with real-time marketplace data to create a compelling selling proposition for the brand partners. At IntraSoft, we believe in creating value with the help of the internet and technology. For more information, please visit www.itlindia.com

Team

We comprize a team of competent and skilled professionals with substantial industry experience. This rich human capital is key to the technology that we have built and the industry expertize we possess.

Logistics

We use a network of national and local carriers to fulfill orders timely and reliably. As aggregators, we derive the benefits of scale from the logistics service providers, and share these benefits with our brand partners. Technology-driven tracking of past fulfillment data helps forecast delays and give better delivery estimates to the marketplace customers to enhance fulfillment accuracy.

Brand partner focus

We consider our brand partners to be our customers. They rely on our expertize to generate marketplace sales, fulfill orders and service marketplace customers. This gives them the freedom to focus on their core competence – product development. This lies at the heart of our brand partner centricity.

Marketplace integration

Our technology integrates with the back-end systems of marketplaces, resulting in seamless transactions, enabling us to analyse and act on data in real-time. Our efficiency in doing this is best reflected by consistent and strong reviews and ratings given to us by the marketplace customers.

Marketplace customers

We strive to provide a seamless experience to the marketplace customers each time we serve them. Our 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.

Ethos

"When what you believe in is in tune with what you do, success follows the way."

Passion & profession go hand in hand: We believe in being passionate about everything we do. We take every day as if it were our first and give it our best shot. We believe excellence can only be achieved through passion.

Learning is a constant: We believe in the power of constant learning. In today's dynamic world, we strive to keep ourselves updated about our ecosystem. We see mistakes as learnings and use them only to improve ourselves further.

Imagination leads to innovation: We are creative thinkers and believe that is the key to innovate and improve the little things and the big things. We constantly push the frontiers of what we believe is possible and find ways to achieve it.

A happy customer is key to success: We believe that a happy customer means a relationship that lasts forever. We keep our customers at the forefront of every thought and action, and strive to make their every interaction with us seamless.

Live in the present: We are hands-on with everything we do and take one step at a time. We dig deep into our ideologies and processes, and come up with scalable solutions. We believe that living for today will lead to a brighter tomorrow.

LETTER FROM THE MANAGING DIRECTOR

By playing a business-strengthening role for the brands, we offer a value proposition that will only deepen in the foreseeable future.

As I write, we stand amidst the biggest crisis of our lives – the COVID-19 pandemic. The scale and nature of this crisis could have long-lasting socio-economic repercussions on shopping behaviour. The combination of lockdowns and social distancing has translated into faster e-commerce migration.

The message going out is that e-commerce can no longer be an appendage for brands; it needs to be central to their business model. We understand, and are prepared to play, our role in delivering online success to our brand partners.

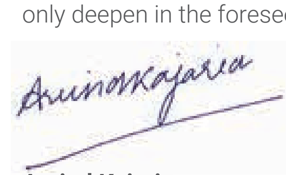
IntraSoft acts as a bridge between product-driven brands and the consumer-facing marketplaces. We leverage rich ground-level experiences, derived from the millions of orders processed, to take brands online efficiently and deliver marketplace success on the bedrock of technology.

We believe that IntraSoft is business-ready, as brands increase their online focus to be where their consumers are shopping. The decision we took in FY2018-19 to temporarily shift focus from scaling towards getting our operational parameters in place, has put us in the right place at the right time.

Across the foreseeable future, we intend to continue investing in our technology. Right from onboarding a brand, to the cataloguing of its products, to pricing, to fulfilment, to after-sales; technology gives us efficiency and the operational agility to adapt to the ever-evolving online ecosystem. In a world where the goalpost keeps moving in terms of market needs, we see our technology competence as the cornerstone of business growth.

What makes us optimistic is the compelling value we deliver to the brands. IntraSoft plays the role of a marketplace partner. While we address the needs of the marketplace, the brand partners are liberated to do what they are best at – creating a better product. Our marketplace credentials enhance their online image, boosting market visibility.

We believe that by playing a role that is business-strengthening for the brands, we offer a value proposition that will only deepen in the foreseeable future.



Arvind Kajaria
Managing Director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RIGHT PLACE. RIGHT TIME.

Overview

Year after year, the advantages of e-commerce were becoming increasingly evident to consumers, causing a shift from brick-and-mortar stores to online marketplaces. One event has accelerated the growth of e-commerce – the COVID-19 pandemic.

Even as the digitalization of shopping was growing steadily in the last few years, the virus outbreak has triggered a significant change in the purchase mindset. Stemming out of necessity in the short-run, it will bring about a behavioral change in the long-run.

This is evident in the numbers

As per Digital Commerce 360, in the quarter ended 31 March 2020, consumers spent USD146.47 billion online with U.S. retailers, up 14.5% from USD127.89 billion for the same period the prior year. Online spending represented 16.2% of total retail sales for the quarter. That was up from 15.0% for the same period in 2019 and marks the second-highest online share for any quarter in history, after 17.8% in Q4 2019.

U.S. daily ecommerce sales grew 49% between 1st and 23rd April compared with 1st to 11th March 2020 (before the pandemic gained widespread attention). The average order size grew to USD85 in April 2020, up from USD82 in March 2020. *(Source: Digital Commerce 360)*

According to a recent survey by Salesforce Research, in light of the coronavirus, nearly one-quarter of shoppers are looking for contactless payments or delivery options, with 36% of shoppers saying they won't return to brick-and-mortar stores until a vaccine is available.

E-commerce in the U.S. is poised to grow 18.0% in 2020 compared to 14.9% in 2019. E-commerce sales have been driven by a surge in click-and-collect, specifically curbside pickup, allowing U.S. consumers to make immediate purchases while minimizing human contact. *(Source: chainstorage.com)*

This translates into the following message for brands: the online sales pipeline can no longer be an after-thought in the growth schematic but is rather central to it. In the current scenario, marked by business difficulties faced by leading offline retailers, the growing importance of e-commerce cannot be over-emphasized.

The ongoing crisis has brought about revelations not only with respect to the future of e-commerce, but also with respect to how the industry could evolve in the coming years.

Marketplaces have their own network of warehouses and fulfilment centres. However, as essentials became the focus and priority for marketplaces in recent months, the fulfilment centres were temporarily closed for non-essentials. Here our technology came into highlight, as we continued selling non-essentials through our fulfilment channels. This emphasized the dependence of marketplaces on sellers like us to quickly adapt to their policies and decisions to keep the market moving.

Business ready

IntraSoft entered the business of marketplace selling perceiving two opportunities. One, e-commerce has super-normal growth potential. Two, with our technological DNA we could efficiently tap into the market's potential. Over the years, we identified and targeted the opportunity for a marketplace seller to act as a bridge between brands (that are product-focused) and marketplaces (that are customer-focused) – a win-win outcome for all stakeholders.

At this crucial juncture in the e-commerce timeline, IntraSoft brings together a mix of competencies that brands seek in their online partner. The Company has been engaged in U.S. e-commerce for a number of years, aggregating a rich experience of ground-level realities. The millions

E-commerce in the U.S. is poised to grow **18.0%** in 2020 compared to 14.9% in 2019.

of orders processed has given us the business throughput to identify definitive demand trends and automate supply-chain decision-making. The Company is recognized and respected industry-wide based on the feedback (more than a quarter million) of consumers across the U.S.

For an e-commerce company like IntraSoft that invested resources consistently and methodically in building scalable tech solutions across the last few years, the ongoing structural shift has preponed its growth trajectory. Home category, a category in which we possess a competitive advantage, is seeing a massive shift in consumer mindset. With people spending more time at home than ever, setting up home offices and upgrading living areas has become a priority.

At IntraSoft, we believe that this pandemic's impact on consumer behaviour will extend beyond a short-term phenomenon into a life-changing habit, the effects of which will be visible across decades. We believe we are ready to play our role in this.

Putting the operational and financial parameters in place

In FY2018-19, the Company made the decision to shift its focus from scaling, with the objective to consolidate the multi-year learnings for business sustainability.

This was the natural way forward for the business. Whereas in the first phase, the Company had focused on building business volumes that would validate the strength of its eco-system, the Company was now focused on enhancing the sustainability of this eco-system.

We decided to evaluate and optimize our brand relationships, consciously selecting to de-grow revenues in the short-term. The focus was two-fold: one, to align the brands to our operational benchmarks and eliminate product-related risks; two, to better the credit terms we receive. This began the strengthening of the business model towards capital-efficiency and strong RoE.

We believe that this critical foundation-building phase has been tested, validated and is in place. It is time to scale this foundation, widen outreach to brands and strengthen revenues as a trusted marketplace expert.

Setting the technological foundation

The principal driver of success in the world of e-commerce is the strength of technology. We believe that an online business cannot be successful in an offline way. In fact, the difference between the successful and the rest in most cases comes down to the strength of the technology driving the business.

We invested resources in building proprietary technology that would flexibly adapt to changes in the marketplace ecosystem, ensuring operational manoeuvrability. From cataloguing to pricing to fulfilment to after-sales, automation implements transactions with greater speed, efficiency and reliability.

The robustness of the technology engine has been validated through the years. Thousands of packages have been delivered every single day – the right product delivered to the right customer at the right time in the right packaging at the promised price. The result of this seamless execution has generated a superior rating and recognition for IntraSoft by marketplace customers. This, in turn, has developed strong trust with brand partners.

Technology investments are a journey more than they are a destination; even as a company may possess a roadmap, it needs to pivot along the way. The investments either generate a tangible outcome or a learning, either way propelling the business in the right direction. This has been the trajectory in the past, and we see this extending into the foreseeable future, as we continue to invest in technology to factor nuances, changes in market realities and strengthen the utility of the engine.

With the current catalysing impact on market growth, the tipping point for a larger role of the technology engine starts now.

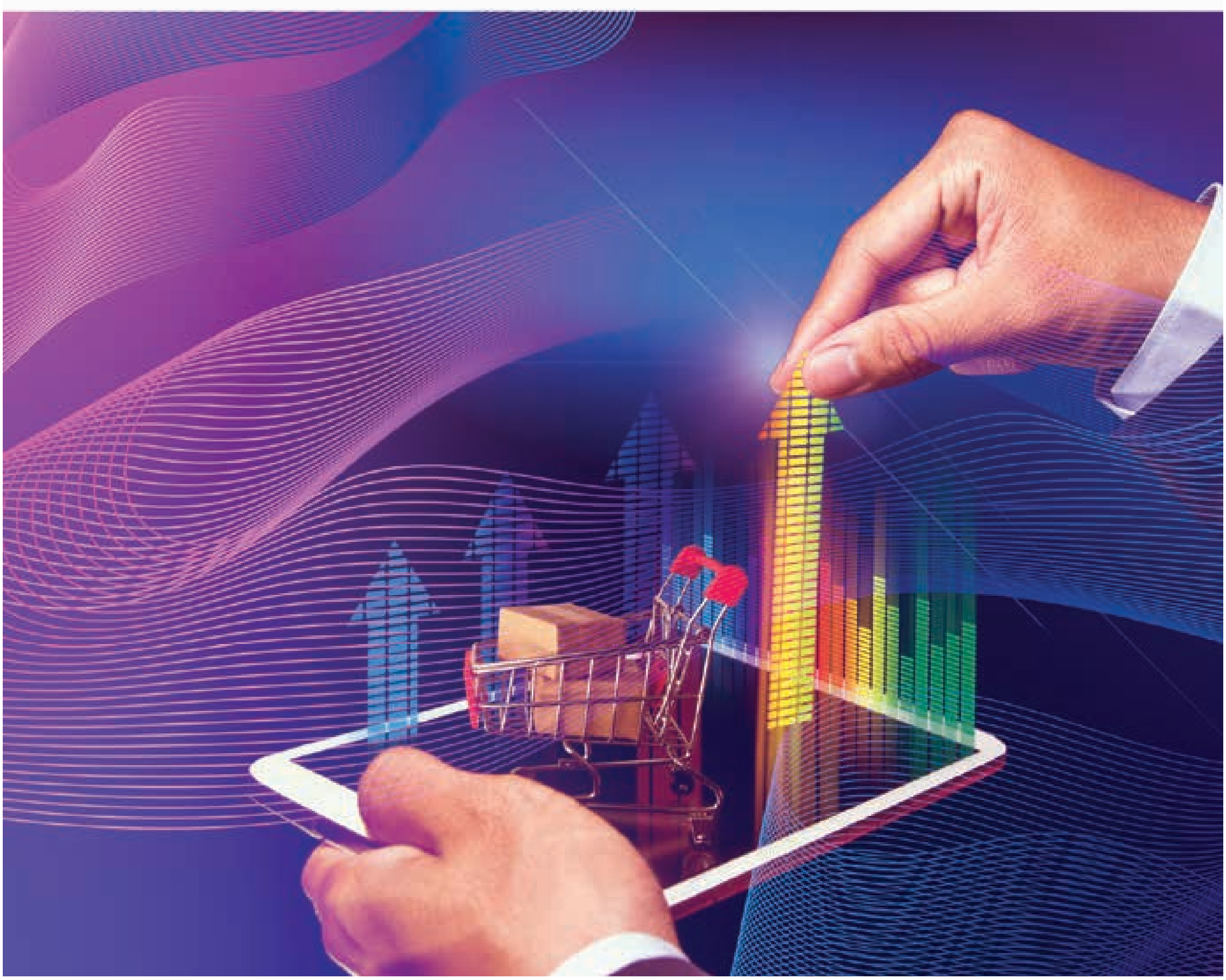
Creating a brand pull

Over the years, IntraSoft has created a comprehensive and compelling proposition for brands. By associating with IntraSoft, brands leverage our marketplace credentials to strengthen their online brand image. The brands are hand-held through a dynamic space, which is beyond their core competence, carving out an online presence without needing to invest large resources into it.

Our technology gives a credible demand picture for their products. Our industry experience helps optimize the supply chain, reduce costs and enhance product competitiveness. We focus on marketplace management, fulfilment and after-sales service, while the brand partner focuses on product development, each focusing on their core competence.

Right place and right time

We believe that the convergence of digitalization and the need for social distancing following the pandemic has created an environment that will catalyse the world of e-commerce. As a future-facing company, it is our endeavour to enhance value for all our stakeholders at this inflection point. With our technology and operational matrices in place, we believe we are ready to tap this accelerated e-commerce migration across the coming years, starting now.



Performance Highlights of FY2019-20

E-commerce financial highlights

Revenues

(USD Million)

2017-18	179.40
2018-19	118.16
2019-20	82.03

Accounts Payable Days

2017-18	12.9
2018-19	15.3
2019-20	20.0

Consolidated financial highlights

590.68
(₹ crore), Revenues

2.11
(₹ crore), PAT

99.93
(₹ crore), Net working capital

141.64
(₹ crore), Net worth

96.15
(₹), Book value per share

10
(%), Dividend payout

Operational highlights

Amazon: Lifetime Rating of 97% on 260,000+ reviews
eBay: Rating of 98.5% and 330,000+ feedback score

Management Discussion and Analysis

Global Economic Overview

The global economy grew 2.9% in 2019 compared to 3.6% in 2018. This decline was precipitated by an increase in global trade disputes that affected the cross-border movement of products and services, a slowdown in the global manufacturing sector, weak growth coming out of some of the largest global economies and the impact of Brexit. The result was that global trade grew a mere 0.9% in 2019, pulling down the overall economic growth average. The Great Lockdown is projected to shrink global growth in 2020. (Source: World Economic Outlook, April 2020, CNN, Economic Times, Trading Economics, Statista, CNBC)

Global growth over the years

	World output	Advanced economies	Developing and emerging
2015	3.5	2.3	4.3
2016	3.4	1.7	4.6
2017	3.9	2.5	4.8
2018	3.6	2.2	4.5
2019	2.9	1.7	3.7

(Source: IMF)

US Economic Overview

The Gross Domestic Product of United States grew 2.3% in 2019 compared to 2.9% in 2018 due to a decline in business investment and an ongoing trade war with China. United States is the world's leading economy in terms of GDP. The Gross Domestic Product (GDP) in the United States was pegged at USD 21.2 trillion in 2019, representing 17.5% of the global economy. The GDP per capita of United States was USD 65,456 in 2019 compared to USD 62,869 in 2018. The inflation rate in US was 2.28% in 2019. The U.S. signed a Phase 1 deal with Beijing in January 2020 to drive growth in the manufacturing sector.

The Covid-19 pandemic affected the global economy, the US economy included. The global decline in commodity prices, especially oil, is expected to reduce investments in the United States. It is estimated that unemployment could rise to 15% owing to the coronavirus outbreak in the major US cities. Since the Covid-19 lockdown, >22 Million US citizens filed jobless claims (as of 14th March-16th March 2020). *(Source: countryeconomy.com, Trading Economics, The Guardian, CNBC, Stat bureau)*

Global E-commerce Industry Overview

Global e-commerce sales amounted to USD 3.53 trillion in 2019 compared to USD 2.93 trillion in 2018.

Global retail sales through all channels were estimated to be pegged at USD 21.00 trillion in 2019, a 3.4% increase from USD 20.31 trillion in 2018. Ecommerce penetration has steadily been on the rise with online share of retail spends registering 10.5% in 2016, 12.3% in 2017, 14.4% in 2018 and 16.0% in 2019 and is expected to rise to 25% by 2026.

Asia-Pacific led the global ecommerce growth in 2019, was estimated to register 25% growth to reach USD 2.271 trillion and accounted for 64.3% of global ecommerce spending. Latin America and Middle East/Africa maintained year-over-year growth of 21.3% while North America grew at 14.5% and Western Europe at 10.2%.

One of the most important prerequisites for e-commerce is a functioning internet connection. Europe has the highest internet penetration rate (85%) in 2019, followed by North America (84%) and the Middle East (78%). B2C e-commerce revenues were estimated at USD 2 trillion in 2019. In 2019, 1.92 Billion people shopped online.

Global e-commerce industry is expected to reach more than USD 6.5 Billion by 2023. E-retail sales as a percentage of total retail sales is expected to reach 22% in 2023. E-commerce is expected to become the largest retail channel in the world, outpacing sales through retail outlets such as supermarkets, independent grocers, and apparel and footwear retailers, among others.

Marketplaces are popular online shopping platforms, as customers are attracted to the large number of products available, typically at lower prices, driving the e-commerce industry. The top online marketplaces in the world sold USD 2.03 trillion in 2019.

The COVID-19 pandemic brought in social distancing and lockdown across the world and is expected to move consumers towards online shopping. The global e-commerce industry is segmented as per products like electronics, healthcare beauty & personal care and others. The outbreak of COVID-19 had an impact on these segments due to the uncertainty in the supply chain and consumer demand across the world.

(Source: Statista, Digital Commerce360, E marketer)

1.97

(USD, trillion) Global spending on the top 100 online marketplaces in 2019

18

(%), Gross merchandise sales growth, 2019

57

Marketplaces are based in the US (sales grew by 15% in 2019)

57

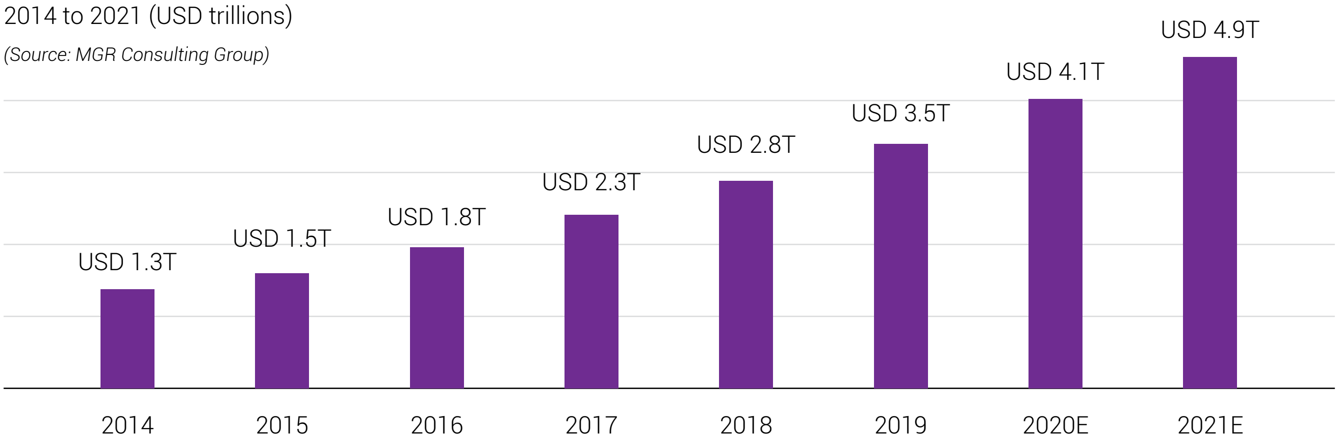
(%), Proportion of marketplace sales of global online retail sales, 2019

(Source: digitalcommerce360.com)

Retail e-commerce sales worldwide

2014 to 2021 (USD trillions)

(Source: MGR Consulting Group)

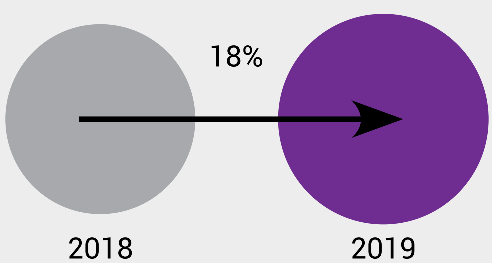


Where are the top marketplaces located?

Region	No. of marketplaces
North America	60
Asia	17
Europe	15
Middle East/Africa	4
Latin America	4

(Source: Digital Commerce 360)

Gross merchandise value growth of 100 marketplaces



(Source: Digital Commerce 360)

How the Top 100 marketplaces grew sales in 2019

2019 GMV growth	No. of marketplaces
>100%	7
50.1-100%	10
30.1-50%	11
15.1-30%	34
0-15%	23
<0%	14

(Source: Digital Commerce 360)

E-commerce Technology Developments

Artificial intelligence: AI in e-commerce enables companies to gather as well as investigate data in real-time, thus facilitating more efficiency and competence in business.

IoT: IoT helps in inventory management by improving the monitoring and tracking process of inventory items, reducing human errors in reordering items. Information like product type, manufacturer's name, the expiry date of the items and their batch IDs can be automatically stored in the system. IoT not only helps in optimizing inventory and reducing shortage but also eliminating over-stock of items in the warehouses. IoT ensures that goods move from one place to another smoothly, enabling tracking of goods right from the production stage to delivery.

Data analytics: The proliferation of the number of online sales channels (e.g. desktop, mobile, tablets) implies a growing need for retailers to understand consumer behavior across these channels in order to maximize the benefit from online sales. Data analytics allows optimization of consumer marketing, which in turn drives online commerce growth further.

3.53

(USD Billion), Global online consumer spending in 2019

16

(%), Share of digital commerce in global retail sales in 2019

(Source: Digital Commerce 360)

US E-commerce Industry Overview

E-commerce sales in US were pegged at USD 601.75 Billion in 2019, an increase of 14.9% from USD 523.64 Billion in 2018. Total retail sales increased by 3.8% to USD 3.763 trillion in 2019 from USD 3.626 trillion in 2018. Online share of total retail sales in US stood at 16% in 2019 compared to 14.4% in 2018.

Ecommerce accounted for more than 56.9% of all gains in the retail sales in 2019.

(Source: Digital Commerce 360, Statista, CNN, Pixel Union)

56

(%), Proportion of GenXers prefer online formats to physical stores

55

(%), Proportion of Millennials prefer online formats to physical stores

41

(%), Proportion of US consumers who paid extra for same day delivery

24

(%), Proportion of US consumers willing to pay extra for faster delivery

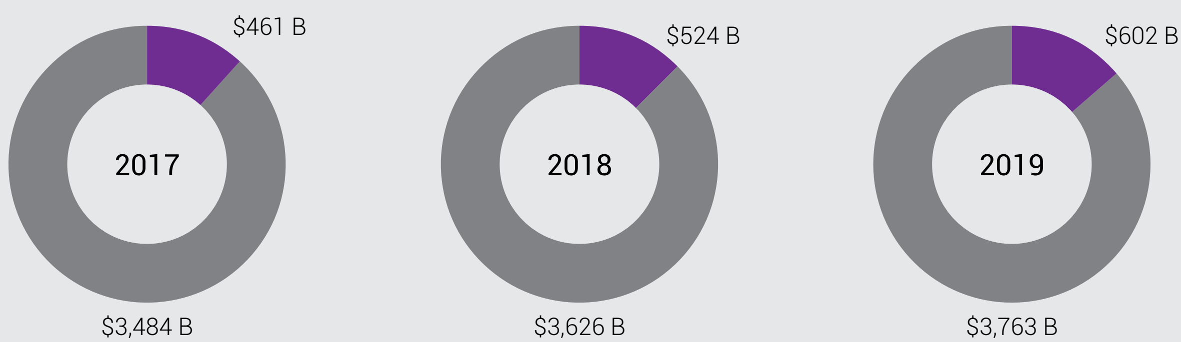
82

(%), Proportion of consumers in the US willing to have purchased more items in order to avail the advantage of a minimum spending 'free delivery'

(Source: Deloitte, PWC)

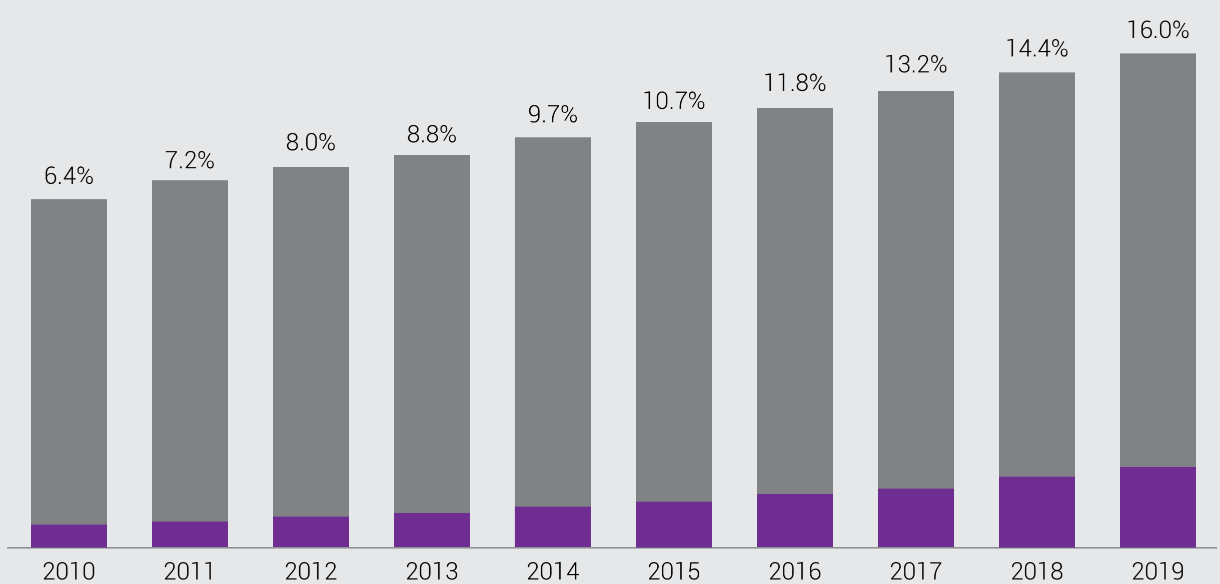
U.S. ECOMMERCE VS. TOTAL RETAIL* SALES

In $billions, 2017-2019



(Source: Digital Commerce 360)

US ecommerce penetration (online and in store sales as a % of total retail sales), 2010-2019



(Source: Digital Commerce 360)

Emerging trends in the US e-commerce industry

Drop shipping: Drop shipping is a business model that allows online selling without actually stocking the items. According to the State of the Merchant E-commerce Report, 2018, out of 450 online stores, 16.4% used drop shipping model and registered an average revenue growth of 32.7% and an average conversion rate of 1.74%. Drop shipping is useful for selling bulky items that occupy huge space in warehouses and stores.

Multi-channel selling: Multichannel selling is the process of selling products on more than one sales channel. Multichannel management includes a mix of one's own website and shopping cart, online marketplaces, mobile marketplaces and/or brick and mortar stores. This model has emerged as one of the trending model in the US ecommerce industry.

Omni-channel personalisation: Omni-channel personalization is the practice of creating customer experiences that are registered by real-time data from all channels, and extend them across every touchpoint, to build consistent relationships with the customer.

Black Friday: Black Friday is an informal name for the Friday following Thanksgiving Day in the United States, which is celebrated on the fourth Thursday of November and is one of the biggest sales days of the year. In 2019 on this day consumers spent USD7.2 Billion in digital sales in the US alone. (Source: Forbes)

Cyber Monday: Cyber Monday is a marketing term for the Monday after the Thanksgiving holiday in the United States. Total sales of Cyber Monday stood at USD 9.4 Billion in 2019, a 19% increase from USD 7.9 Billion in 2018. As shoppers increasingly shift to digital rather than in-person spending, online sales via smartphones grew 46% from previous year, accounting for 33% of all Cyber Monday sales in 2019, amounting to USD 3 Billion. (Source: Forbes)

Holiday sales: Overall holiday spending for 2019 was estimated to be pegged at USD 143.8 Billion in 2019 compared to USD 126 Billion in 2018, out of which the holiday season generated USD 81.5 Billion in total online sales in 2019. (Source: Forbes)

Growth drivers of the US ecommerce industry

M-commerce: Web traffic is increasingly generated by smartphones, driving e-commerce sales. Technological improvements such as better connectivity and voice-activated shopping have strengthened mobile shopping. As of 2019, 40.61% of the web traffic in the United States originated from mobile devices. Four of five Americans are now online shoppers; more than half made purchases using a mobile device. M-commerce in the US is expected to increase from USD 128.4 Billion in 2019 to USD 418.9 Billion through 2024.

Internet penetration: The internet usage penetration in the USA stood at 86.5% with 285 Million users in 2019 compared to 84.1% in 2018. Rising internet penetration is expected to drive the e-commerce industry.

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 enrich consumer experience.

Millennials' role: Millennials (72.1 Million) overtook Baby Boomers (71.6 Million) in 2019 as America's largest population.

Smartphone penetration: 81% of Americans own a smartphone in 2019. The average American spends more than four hours on smartphone every day, checking it as often as 150 times; that's equivalent to two months per year spent scrolling, snapping, and shopping. Mobile is expected to dominate online sales, driving 54% (or USD 659 Billion) in sales by 2024. 67% of consumers admit to "digital window shopping" for fun on their smartphones, with 77% of those making impulse purchases when they do.

Increasing e-retailers: There are 7.1 Million online retailers and 1.8 Million based in United States as of 2019.

Growing per capita income: The US per capita income stood at USD 56,663 in 2019 compared to USD 55,290 in 2018.

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

(Source: Business Insider, Digital Commerce 360, Forbes, Statista, CNN)

Company overview

IntraSoft is a leading e-commerce retailer in USA, and has a significant presence across major online marketplaces like Amazon and eBay. The Company works with brand partners across all major categories such as home & kitchen, garden & outdoor, beauty & personal care, baby products, toys & games, tools & home improvement, among others. The company's backbone is its technology comprising proprietary web-based solutions to fulfil millions of orders across the US with speed and accuracy. The company's wide product range, competitive pricing, timely delivery to customers, backed by superior technology and an efficient supply chain, have established strong industry credentials at either end of the supply chain, before both brands and marketplace customers.

Business Performance, 2019-20

The COVID-19 pandemic has adversely impacted commerce globally, but e-commerce has seen a positive acceleration in the shift of purchase habits. In this burgeoning world of e-commerce that is dominated by online marketplaces, the company plays the critical role of bridging the gap between marketplaces that are customer-focused and brands that are product focused, enabled by the use of technology and data analytics.

We are confident of business success, as Home, one of our key categories in which we have developed competitive advantages, is seeing an accelerated online shift. Our investments in technology during the last two financial years have allowed us to scale during these unprecedented times despite facing supply-chain bottlenecks. We will continue to proactively invest in our future.

Over the last two years, we shifted focus from scaling the business to evaluating and optimizing our existing brand portfolio. The result of that is evident in our Accounts Payable Days that moved from 12.9 days in FY18 to 15.3 days in FY19 to 20.0 days in FY20. That shift of focus concludes with FY20, and we head into FY21 with a focus on growing the business and increasing outreach to brands.

Financial overview

The Company's consolidated Profit and Loss Account for the year ended 31 March 2020 is provided below:

(₹ in Lacs)

Particulars	2019-20	2018-19
Revenue from Operations	59,067.54	83,655.42
Cost of Goods Sold (incl. Shipping)	48,899.29	70,700.49
Gross Profit	**10,168.25**	**12,954.93**
Sales & Marketing Expenses	6,637.98	9,514.98
Employee Benefit Expenses	1,566.92	1,523.92
General & Administration Expenses	1,272.24	1,426.14
Earnings/(Deficit) from Operations	**691.11**	**489.89**
Other Income (Net)	485.42	496.18
Earnings Before Interest, Tax, Depreciation & Amortisation	**1,176.53**	**986.07**
Depreciation & Amortisation	409.43	176.19
Earnings Before Interest & Tax	**767.10**	**809.88**
Finance Costs	553.87	497.95
Profit Before Tax (PBT)	**213.23**	**311.93**
Tax Expense	2.36	(254.52)
Profit After Tax (PAT)	**210.87**	**566.45**

On a standalone basis, Debtors Turnover increased from 12.78 to 77.02; reason being the fall in Trade Receivables vis-à-vis Revenue from Operations. Current Ratio increased from 17.94 (Restated Figures) to 47.23; reasons being the rise in Cash and Cash Equivalents, the GST refund receivable this financial year, and the excess income tax refund received in the last financial year repaid in this financial year.

Risk Management

Seasonal business: The U.S. festive season falls in the third quarter of our financial year, leading to e-commerce revenue and generally that of the Company being concentrated towards the same quarter.

Mitigation: The Company's operations are centered around the prudent use of technology, enabling it to remove redundancies from its systems and processes to ensure seamless business operations during the demand spike in the third quarter of the fiscal. Our data-driven demand forecasting capability serves as an input for brand partners to plan and manage inventory for the busy season.

Managing growth: Continuous strengthening of processes and systems could be challenging.

Mitigation: The Company invests in technology upgradation to respond to the dynamic market requirements. Over the last two financial years, the Company has strengthened its business by putting the operational parameters in place, to respond efficiently to changes in the ecosystem.

Operational risk: Building and maintaining a vast network of brand partners to strengthen its eco-system.

Mitigation: The Company considers its brand partners as its customers and continuously invests in proprietary technology to provide the best resources to its brand partners to sell on marketplaces. The Company has a dedicated brand-outreach team to manage its brand portfolio; and participates in industry events such as trade shows and conferences, to further strengthen industry presence.

Restricted physical movement of employees owing to decisions made by local authorities, governments or public health bodies owing to the COVID-19 pandemic, and its impact on business continuity.

Mitigation: The Company's employees have adapted to new processes and protocols to continue to serve strong demand, while keeping customers, employees, and the community safe. With a focus on safety & well-being, the teams, both in India and the US, will continue to work remotely for the foreseeable future, and are well equipped to do so as our technology scales on the cloud.

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 of the Board reviews the existing internal control systems, ensures compliance and takes 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.

Human Resource Management

The Company believes that its intrinsic strength lies in its dedicated and motivated employees. We offer an invigorating work environment, and aim to create a workplace where every individual can achieve his or her true potential. The Company encourages individuals to go beyond the scope of their work, to learn and devise innovative ideas. The Company has in place a programme of rewards and recognition to motivate talented employees, resulting in strong employee productivity. The Group employed 80 individuals as of 31 March 2020.

Directors' Report

To
The Shareholders
IntraSoft Technologies Limited

We are pleased to present the Twenty Fifth Annual Report of IntraSoft Technologies Limited ("the Company") together with the Audited Financial Statements of the Company for the financial year ended 31 March 2020.

Financial Statements & Results

a. Financial Results:

The consolidated and standalone performance during the financial year ended 31 March 2020 as compared to the previous financial year is summarized below:

Consolidated Financials

Particulars	Amount (₹ in Lacs)	
	2019-20	2018-19
Total Income	59,552.96	84,151.60
Profit before Interest and Depreciation	1,176.53	986.07
Less: Finance Cost	553.87	497.95
Less: Depreciation	409.43	176.19
Profit before Tax	213.23	311.93
Less : Provision for Income Tax	2.36	(254.52)
Profit after Tax	210.87	566.45

On Standalone basis, Total Income of the Company recorded at ₹1,194.82 Lacs in FY 2019-20 against ₹1,311.36 Lacs in FY 2018-19. EBITDA is recorded at ₹256.15 Lacs in FY 2019-20 against ₹272.89 Lacs in FY 2018-19. Profit before Tax for the financial year under review is recorded at ₹138.38 Lacs against ₹149.62 Lacs in FY 2018-19. The net profit for the financial year under review is ₹118.88 Lacs as compared to ₹142.95 Lacs of the previous financial year.

b. Business:

During the financial year under review, the Company reported a Consolidated Turnover of ₹59,067.54 Lacs, as compared to ₹83,655.42 Lacs in the previous financial year. The Consolidated Net Profit stood at ₹210.87 Lacs, as compared to ₹566.45 in the previous financial year.

The revenue reduction was the result of a conscious evaluation and optimization of the brand portfolio in our E-Commerce division. This was done to align the brands to our operational benchmarks. As a result, we saw an increase in Accounts Payable Days from 15.3 to 20.0, a trend which continues from the previous financial year.

With the brand optimization complete and the technological foundation and operational matrices in place, we believe we are ready to scale the topline. The COVID-19 pandemic has increased the dependence on e-commerce and will have long-term implications on shopping behavior. Our role as an e-commerce retailer is crucial now more than ever.

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

c. COVID 19 update:

While the COVID-19 pandemic has subdued commerce globally, the e-commerce industry has seen an acceleration in the online shift of purchase habits. With lockdown orders in many US states, we have seen strong acceleration in customer orders across all product categories. This in turn has highlighted the differentiated advantages that we have built as an e-commerce company in the last few years.

Our investments in technology during the last two financial years have allowed us to scale during these unprecedented times, despite facing supply-chain bottlenecks. Supporting our brand-partners in these times, with our technology and marketplace expertise, spells reliability for the brands and strengthens our long-term relationship.

As we execute the plans that we have set in motion, we will be making significant strides towards increasing brand outreach, and gaining leverage on operating expenses. We remain confident in the success of our business as the shift of Home (one of our key categories) accelerates online and we continue to aggressively invest in our future.

In line with various advisories, directives and orders issued by Local authorities, Municipal Corporations, State Governments and the Central Government of India, as well as the local authorities and the Government of the United States, our employees have adapted quickly and seamlessly to new processes and protocols to work remotely and continue to serve strong demand, while keeping our customers and the community safe. With a focus on safety and well-being, our teams, both in India and the US, will continue to work remotely for the foreseeable future and are well equipped to do so as our technology scales on the cloud.

We believe that we have taken into account all possible impacts of known events arising from the COVID-19 pandemic. However, the impact assessment of this pandemic is a continuous process given the uncertainties associated with its duration. We will continue to monitor any material changes to future economic conditions and will revisit our strategy once life returns to normal and based on the impact this crisis leaves on shopping behaviour. We look ahead with a mix of caution and optimism.

d. Performance of Subsidiaries, Associates and Joint Venture Companies

The Company has, as on 31 March 2020, 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 123 Stores, 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 2020 is attached and marked as Annexure I (Form AOC-1) and forms part of this Report.

Appropriations

a. Dividend

The Board of Directors of the Company has recommended a final dividend of ₹1/- (10%) (Previous year ₹2/- per equity share) per equity share of face value of ₹10/- for the financial year 2019-20, which if approved would absorb ₹147.32 Lacs (Previous year ₹355.20 Lacs including dividend distribution tax of ₹60.56 Lacs).

TDS will be deducted pursuant to the rates as per Income Tax Act, 1961 as amended by Finance Act, 2020 and further amendments thereto, while paying the dividend, as applicable to Resident and Non-Resident Shareholders. Please refer the notes to the Notice of the Annual General Meeting for a detailed explanation.

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 895 shares to the designated account of the IEPF Authority during the financial year 2019-20 on which the dividend was unclaimed/ unpaid for a period of seven (7) consecutive years from the year of its declaration in financial year 2011-12. Company had already transferred

4961shares of different shareholders to IEPF Authority up to financial year 2018-19, on whose shares the Dividend was unpaid/ unclaimed for a period of seven (7) consecutive years of the financial year 2010-11, 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 2019-20, Unpaid / Unclaimed Dividend of ₹31,032 was transferred to IEPF Authority Account which was declared in the financial year 2011-12 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 Profit and Loss account.

Financial Statements as per IND-AS.

Financial Statements for the year ended 31 March 2020 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.

Standalone financial statements as at 31 March 2019 have been restated in accordance with the requirements of Ind AS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" due to change in the assumptions with respect to accounting for fair valuation of corporate guarantee given on behalf of a subsidiary company. The details are provided in Note no. 25 of the standalone financial statements. The said restatement has no impact on the consolidated financial statements of the Company.

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 and 26 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 tenure of Mr. Arvind Kajaria as Managing Director and Mr. Sharad Kajaria as Whole-time Director of the Company has come to an end on 31 March 2020. The Board of Directors of the Company at its Meeting held on 30 June 2020, upon recommendation of the Nomination and Remuneration Committee and subject to the approval of the shareholders, re-appointed Mr. Arvind Kajaria as Managing Director and Mr. Sharad Kajaria as Whole-time Director of the Company for a further term of 3 (three) years with effect from 01 April 2020.

The Board has recommended re-appointment of Mr. Arvind Kajaria as Managing Director and Mr. Sharad Kajaria as Whole-time Director for the approval of the Shareholders and necessary agenda for their re-appointment have been included in the notice convening the Annual General Meeting of the Company.

Brief profile and the information as required under the relevant provisions of the Companies Act, 2013, 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 are liable to retire by rotation. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Arvind Kajaria shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the approval of the Shareholders of the Company.

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 judgment and without any external influence.

In the opinion of the Board, each of the Independent Director possess requisite integrity, expertise, and experience for acting as an Independent Director of the Company.

The Independent Directors have confirmed that they have registered their details in terms of Sub-rule (1) and (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 in the Data Bank maintained by Indian Institute of Corporate Affairs (IICA).

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, 2018. 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 4(Four) times during the financial year 2019-20 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 2020, 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 2020 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 Obligations and Disclosure Requirement), Regulation 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 2020 are as under:-

a. **Report of Statutory Auditors on Accounts for the Year ended 31 March 2020:**

The auditor's report does not contain any qualification, reservation or adverse remark or disclaimer or modified opinion.

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 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 2019-20.

Secretarial Auditor Report includes an observation that the Company has not appointed an Independent Director on the Board of its Material Subsidiary, i.e. 123Stores, Inc. The Board of Directors hereby clarifies that as 123Stores, Inc. is a US subsidiary, the Board is looking for a suitable candidate to be appointed as an Independent Director of the Company and who shall be recommended to be appointed on the Board of 123Stores, Inc.

Secretarial Audit Report issued by M/s. Rathi and Associates, Company Secretaries in Form MR-3 for the financial year 2019-20 forms part of this report as Annexure V.

c. **Statutory 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 08 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, omitted the provisions relating to ratification of the appointment of Auditors and accordingly no ratification of appointment of Statutory Auditors by members would be necessary. Auditors have given their consent/ eligibility certificate for their appointment as Statutory Auditors for financial year 2020-21.

d. **Cost Audit:**

The Cost Audit in terms of the provisions of the Companies Act, 2013 and The Companies (Cost Records and Audit Rules), 2014 are not applicable to the Company.

e. **Fraud Reporting:**

During the year under review, no instances of fraud were reported by the Statutory Auditors of the Company.

Copy of Annual Return 2019 and Extract of Annual Return 2020

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 2020 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 2019 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 2019-20 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 Directors 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.

Business Responsibility Reporting

Business Responsibility Reporting is not applicable to the Company, hence the disclosure is not made.

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
Managing Director	Whole-time Director
(DIN 00106901)	(DIN 00108036)

Place: Kolkata
Date: 30 June 2020

Registered Office:
CIN: L24133MH1996PLC197857
502 A, Prathamesh, Raghuvanshi Mills Ltd. Compound,
Senapati Bapat Marg, Lower Parel (W),
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 = ₹75.55	SGD, 1 SGD = ₹52.98	INR	USD, 1 USD = ₹75.55
5	Share capital	75.55	768.21	200.00	755.50
6	Reserves and Surplus	96.24	(42.68)	8.24	3,584.46
7	Total Assets	200.86	727.92	278.55	16,975.51
8	Total Liabilities	29.07	2.38	70.31	12,635.55
9	Investments	-	716.59	-	-
10	Turnover	922.48	-	2.36	58,142.70
11	Profit before taxation	3.30	(6.79)	0.13	173.71
12	Provision for taxation	0.69	-	(0.22)	(21.50)
13	Profit after taxation	2.60	(6.79)	0.35	195.21
14	Proposed Dividend	-	-	-	-
15	% of shareholding	100	100	100	100
16	Contribution to the overall performance of the Company during the period under report (%)	1.23%	(3.22%)	0.17%	92.57%

* 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 2020 (₹ in Lacs)
Earnings:	
IT Enabled Services	696.58
Expenditure:	
Travelling	14.29
Subscription and Membership Fee	4.45
Others	0.20

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 b) Amount unspent if any	 The Company was not required to spend any amount during the Financial Year 2019-20. 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/-
Sharad Kajaria
(Whole-time Director)
DIN: 00108036

Sd/-
Arvind Kajaria
(Chairman CSR Committee)
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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr.	Name of Director / KMP	% increase in remuneration in the FY 2019-20	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	6.41	PAT decreased by 16.84% from FY 2018-19
2	Mr. Sharad Kajaria Whole-time Director	NIL	6.01	
3	Mr. Rupinder Singh Independent Director #	Nil	0.20	NA
4	Mr. Anil Agarwal Independent Director #	Nil	0.20	NA
5	Mrs. Savita Agarwal Independent Director #	NIL	0.16	NA
6	Mr. Ashok Bhandari Independent Director #	Nil	0.14	NA
7	Mr. Mohit Kumar Jha Chief Financial Officer	7.66	3.50	PAT decreased by 16.84% from FY 2018-19
9	Mr. Pranvesh Tripathi Company Secretary	6.14	2.41	

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 ₹ Lacs)	Age (years)	Experience (Years)	Qualification	Last employment and designation held
1.	Arvind Kajaria	Managing Director	26 June 1998	72.11	55	30	Degree in Business Administration	NA
2	Mukesh kumar Goel	General Manager	01 April 1997	67.84	52	29	Masters Degree in Commerce	Cieco Securities Ltd, Accounts Executive
3	Sharad Kajaria	Whole-time Director	27 February 1996	67.61	44	21	Bachelors Degree in Commerce	NA
4	Rajat Kapur	Sr. Manager - Sales	01 August 2012	45.22	40	19	Diploma in Business Administration	S. K. Products, Operations Manager

Sr. No.	Name	Designation	Date of Joining	Remuneration (in ₹ Lacs)	Age (years)	Experience (Years)	Qualification	Last employment and designation held
5	Mohit Kumar Jha	CFO	18 February 2013	39.38	42	17	Chartered Accountants	HDFC Bank Ltd, Sr. Manager
6	Sajal Kumar Basu	Technical Head	22 December 2003	30.84	38	16	Master of Science in Information Technology	NA
7	Pranvesh Tripathi	Company Secretary & Compliance Officer	10 May 2016	27.09	45	19	Company Secretary	Gabriel India Limited-Company Secretary & Legal Head
8	Pratha Pratim Sarkar	Sr. Specialist	04 October 2004	17.74	42	20	MCA (Computers), B. Com.	CMC Limited- Senior Faculty and Software Programmer
9	S Pradeep	Sr. Specialist	17 February 2005	17.73	38	15	Bachelors Degree in Science	NA
10	Sudipto Das	Sr. Specialist	30 June 2004	15.77	39	16	Bachelors Degree in Science	NA

iv) Employees employed for the part of the year and drawn remuneration during the financial year 2019-20 at a rate which in aggregate was not less than ₹8.50 Lacs per month: NA

v) The median remuneration of the employees of the Company during the financial year was ₹11.24 Lacs.

vi) In the financial year 2019-20, there was an increase of 7.93% in the median remuneration of employees.

vii) There were 36 permanent employees on the rolls of the Company as on 31 March 2020.

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

As compared to the Profit of the Company for the FY 2019-20 which was decreased by 16.84%, the average increase in remuneration was 7.68%.

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

The total remuneration of KMP was increased by 2.17% compared to PAT which was decreased by 16.84%.

x) Variations in the market capitalization of the Company: The market capitalization as on 31 March 2020 was ₹46.18 Crore. (₹191.63 Crore as on 31 March 2019)

xi) Price Earnings ratio of the Company as at 31 March 2020 was 38.70 as against 131.96 as at 31 March 2019.

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 2020	12 April 2010 (Date of Listing)	% increase/(Decrease)
Market Price (BSE)	₹31.35	₹159.35	(80.32)
Market Price (NSE)	₹20.95	₹159.10	(86.69)

xiii) Average percentage increase made in the salaries of employees other than the KMP in the FY 2019-20 was 10.93% whereas the increase in the KMP remuneration for the same FY was 2.17%.

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

Sd/-
Arvind Kajaria
Managing Director
DIN: 00106901

Sd/-
Sharad Kajaria
Whole-time Director
DIN: 00108036

ANNEXURE – V

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31 March 2020

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

To
The Members
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 2020, 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company , for the financial year ended on 31 March 2020, according to the provisions of:

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

   (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 thereunder, 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

2. 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 (Buy back 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.

3. 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

   a. Software Technology Park of India;

   b. Foreign Exchange Management (Export of Goods and Services) Regulations, 2000;

   c. West Bengal Policy on Information and Communication Technology, 2012;

We have also examined compliance with the applicable clauses of the Secretarial Standards including the amended 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 appointment of Independent Director of the Company on the Board of Directors of the unlisted material subsidiary pursuant to Regulation 24(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

HIMANSHU S. KAMDAR
PARTNER
FCS No: 5171
COP No. 3030

Date: 01 July 2020
Place: Mumbai

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

Annexure-A

To
The Members
INTRASOFT TECHNOLOGIES LIMITED
502A, Prathamesh, Raghuvanshi Mills Compound
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013

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

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

For RATHI & ASSOCIATES
COMPANY SECRETARIES

HIMANSHU S. KAMDAR
PARTNER
FCS No: 5171
COP No. 3030

Date: 01 July 2020
Place: Mumbai

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

Corporate Governance in our Company 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 2020, 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.

None of the non-executive Directors on the Board of the Company has attained the age of 75 years and is subject to re-appointment in the financial year 2020-21.

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 hold Directorship in more than 7 (seven) listed Companies. 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 2020 and other relevant details relating to Directors are given below:

Name of the Director	Designation	Category of Directorship	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	8	7	-

** 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	none	None
Mr. Sharad Kajaria	Whole-time Director	none	None
Mr. Rupinder Singh	Independent Director	none	None
Mr. Anil Agarwal	Independent Director	none	None
Mrs. Savita Agarwal	Independent Director	none	None
Mr. Ashok Bhandari*	Independent Director	(1) Maithan Alloys Limited	Independent Director
		(2) Skipper Limited	Independent Director
		(3) IFB Industries Limited	Independent Director
		(4) Rupa & Company Limited	Independent Director
		(5) Maharashtra Seamless Limited	Independent Director

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

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 judgment and without any external influence.

The Independent Directors have confirmed that they have registered their details in terms of Sub-rule (1) and (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 in the Data Bank maintained by Indian Institute of Corporate Affairs (IICA).

None of the Independent Director resigned from the Company during the financial year under review.

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:

The tenure of Mr. Arvind Kajaria as Managing Director and Mr. Sharad Kajaria as Whole-time Director of the Company has come to an end on 31 March 2020. The Board of Directors of the Company at its Meeting held on 30 June 2020 upon recommendation of the Nomination and Remuneration Committee and subject to the approval of the shareholders, re-appointed Mr. Arvind Kajaria as Managing Director and Mr. Sharad Kajaria as Whole-time Director of the Company for a further term of 3 (three) years with effect from 01 April 2020.

The Board has recommended re-appointment of Mr. Arvind Kajaria as Managing Director and Mr. Sharad Kajaria as Whole-time Director for the approval of the Shareholders and necessary agenda for their reappointment have been included in the accompanying notice convening the Annual General Meeting of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Arvind Kajaria, Managing Director of the Company is liable to retire by rotation in the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

The necessary details of Director seeking re-appointment at the ensuing Annual General Meeting as required under Regulation 36 of SEBI Listing Regulations, 2015 are disclosed in the Notice convening the Annual General Meeting.

c) Board Meetings and Annual General Meeting:

During the financial year 2019-20, 4(Four) Board Meetings were held on 28 May 2019, 12 August 2019, 12 November 2019 and 12 February 2020. The previous Annual General Meeting of the Company was held on 10 September 2019. The details of attendance of 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	4	Yes
Mr. Sharad Kajaria	3	No
Mrs. Savita Agarwal	4	Yes
Mr. Rupinder Singh	4	Yes
Mr. Anil Agarwal	4	No
Mr. Ashok Bhandari	3	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 during the financial year was not in excess of one hundred 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 the 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 2020. 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 familiarisation programme are 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	Name of the Director possessing the requisite 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.	Mrs. Savita Agarwal, Mr. Ashok Bhandari
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.	Mrs. Savita Agarwal
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.	Mr. Arvind Kajaria, Mr. Sharad Kajaria
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.	Mr. Arvind Kajaria
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.	Mr. Sharad Kajaria

Skills/Expertise/ Competence	Definitions of Directors Qualification	Name of the Director possessing the requisite 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.	Mr. Sharad Kajaria, Mr. Arvind Kajaria.
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.	Mr. Rupinder Singh, Mr. Arvind Kajaria.
Capital Market Expertise	Experience of Capital Market and stock exchange operations and knowledge of regulatory framework and compliances of laws and regulations related to SEBI and Capital Market.	Mr. Anil Agarwal, Mr. Arvind Kajaria.
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.	Mr. Ashok Bhandari, Mr. Arvind Kajaria

3. Audit Committee

a) Constitution of Audit Committee:

As on 31 March 2020, the Audit Committee comprise of 3 (three) Non-Executive Independent Directors and Managing 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 2019-20, 4 (four) Meetings of the Audit Committee were held on: 28 May 2019, 12 August 2019, 12 November 2019 and 12 February 2020. The composition of the Audit Committee during the year ended 31 March 2020 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. Anil Agarwal	Member	4
Mr. Arvind Kajaria	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 2019-20. 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 Crore 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, 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 appointment and 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 athttp://www.itlindia.com/corporate.html. During the FY 2019-20, 1 (One) meeting was held on 28 May 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	Nil

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 Obligations and Disclosure Requirements) Regulations, 2015, generally Meeting is called in the month of March to carry 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 Chairman of the Company. However, in view of the Country-wide lockdown to contain the spread of the Covid-19 pandemic, the said Meeting could not be held in the financial year under report. The said Agenda item was considered in the Board Meeting held on 30 June 2020.

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

During the FY 2019-2020, a separate Meeting of the Independent Directors, though called in the month of March 2020 but could not be held due to the Country-wide Lockdown imposed by the Government of India, to contain the spread of the Covid-19 pandemic. The said meeting was held on 30 June 2020.

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 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 2020 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 during the financial year under review.

Details of the Sitting fees paid during the year 2019-20 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	1.80
Mr. Rupinder Singh	2.20
Mr. Anil Agarwal	2.20
Mr. Ashok Bhandari	1.60
Total	**7.80**

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 Stakeholders 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, Managing Director and Mr. Rupinder Singh, Mr. Ashok Bhandari, Independent Directors 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, 2 (Two) meetings of Stakeholders' Relationship Committee were held on, 12 November 2019 and 12 February 2020. 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	2
Mr. Rupinder Singh	Member	2
Mr. Arvind Kajaria	Member	2
Mr. Ashok Bhandari	Member	2

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 2019-20 and pending as at the end of the year is as follows:

Nature of Requests/ Grievances/Complaints	Opening Balance as on 01 April 2019	Received during the year	Resolved during the year	Closing Balance as on 31 March 2020
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. However, the Company was not required to spend any amount towards CSR activities, no meeting of the Corporate Social Responsibility Committee was held during the financial year 2019-20. 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 2019-20, 3 (Three) meetings were held. I.e. on 12 August 2019, 12 November 2019 and 12 February 2020. The Constitution of the Business Advisory Committee is as under:

Name of Director	Designation	No. of Meetings Attended
Mr. Arvind Kajaria	Chairman	3
Mr. Ashok Bhandari	Member	3

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

During the FY 2019-2020, a separate Meeting of the Independent Director, though called, but could not be held in the month of March 2020 due to the Lockdown imposed by the Government of India, to contain the spread of the Covid-19 pandemic. The said Meeting was held on 30 June 2020.

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
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
2018-19	10 September 2019	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	Location of the Meeting
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
2018-19	1. Re-appointment of Mrs. Savita Agarwal as Woman Independent Director for 2nd consecutive term of 5 years w.e.f. 29 June 2019. 2. Re-appointment of Mr. Rupinder Singh as Independent Director for 2nd consecutive term of 5 years w.e.f. 28 August 2019. 3. Re-appointment of Mr. Anil Agarwal as Independent Director for 2nd consecutive term of 5 years w.e.f. 28 August 2019.

iii) Resolutions through Postal Ballot:

During the financial year 2019-20 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 2020 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. The details in respect of transactions entered into with related parties 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 2020 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 in the financial year 2018-19 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, in the same meeting, 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 Chairman 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 2020 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 except the requirement of Regulation 24(1) in respect of the appointment of an Independent Director on the Board of the material subsidiary, i.e. 123Stores, Inc. The Board of Directors in their report clarified that as 123Stores, Inc. is a US subsidiary, the Board is looking for a suitable candidate to be appointed as an Independent Director of the Company and who shall be recommended to be appointed on the Board of 123Stores, Inc.

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 2019-20, no complaints were filed and disposed of and no complaints were pending as at 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 2019-20, 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 2019-20, the Company paid a total fees amounting to ₹51.36 Lacs to the Statutory Auditors for all services rendered to the Company and its Subsidiaries, on a consolidated basis,

l. During the financial year 2019-20, the Company had not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (LODR).

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 2019-2020 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 MINT " having nationwide circulation and "SAMNA" 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) No presentations were made to institutional investors or to the analysts during the financial year 2019-20.

(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: Thursday, 29 October 2020 at 3:00 P.M.

The AGM will be held through VC/OAVM mode and physical attendence of the members is dispensed with. For details the Notice of the AGM be referred.

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 2020	:	By 15 September 2020
30 September 2020	:	By 14 November 2020
31 December 2020	:	By 14 February 2021
31 March 2021	:	By 30 May 2021
AGM for the year ending 31 March 2021	:	By 30 September 2021

iii. Book Closure:

23 October 2020 to 29 October 2020 (both days inclusive)

iv. The Payment date of dividend for the year 2019 -2020, if declared at the meeting will be on or after 30 October 2020 but latest by 28 November 2020.

v. Listing on Stock Exchanges:

BSE Limited	National Stock Exchange of India Limited
PhirozeJeejeebhoy 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 2020-21 has been paid to both the Stock Exchanges as aforementioned.

vi. Stock Code/Symbol:

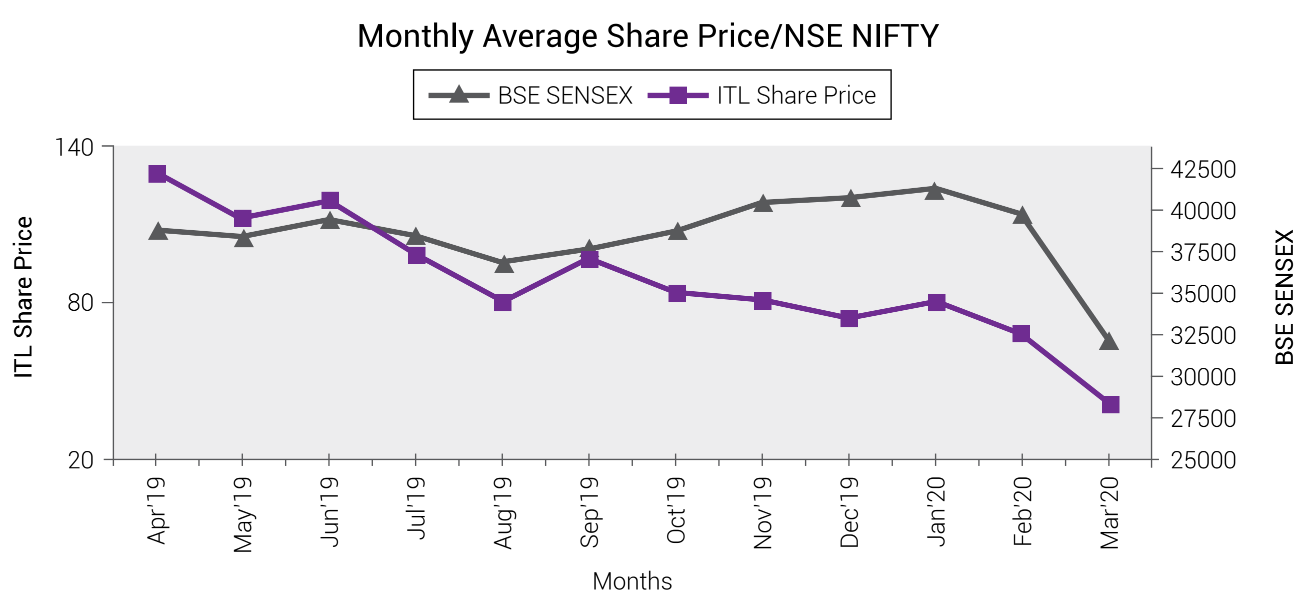
BSE – 533181	NSE – ISFT

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:

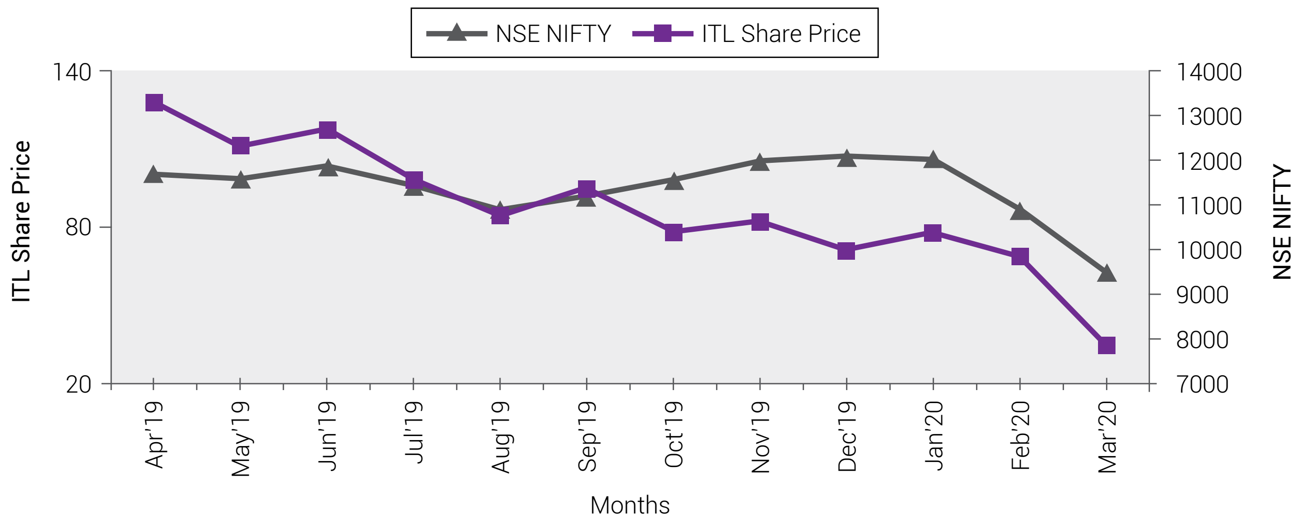
Month	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares Traded
Apr-19	138.50	120.00	17688	138.90	117.00	42390
May-19	126.90	96.25	25930	127.95	95.00	98200
Jun-19	129.10	109.05	25007	128.45	106.00	78928
Jul-19	119.50	76.35	10044	116.90	79.50	678186
Aug-19	92.10	67.05	10307	104.25	65.25	127907
Sep-19	108.95	85.00	7100	108.00	81.05	36188
Oct-19	93.75	72.25	12027	90.00	66.00	38094
Nov-19	95.70	65.65	18275	98.30	65.75	74044
Dec-19	84.00	63.15	32630	80.20	62.00	68609
Jan-20	92.90	67.40	134925	91.40	64.30	195816
Feb-20	83.90	51.95	12839	89.50	47.95	154999
Mar-20	49.40	31.35	1755	48.50	20.95	185140

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

Monthly Average Share Price/NSE NIFTY



**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 and are received up to 31 March 2019. Summary of transactions so approved by the committee is placed at the Board Meeting . The Company obtains a half-yearly certificate from Practicing Company Secretaries as per the requirement of Regulation 40 (9) of SEBI Listing Regulations, 2015 and the same is filed with the Stock Exchanges. In terms of requirements of amendments to Regulation 40 of SEBI Listing Regulations, 2015 w.e.f. 01 April 2019 , transfer of securities in physical form, except in case of request received for transmission or transposition of securities, shall not be processed unless the securities are held in the dematerialized form with a depository.

xi. Category wise Shareholding as at 31 March 2020:

Sr. No.	Category	No. of Shares held	% of Total Shares
1.	Promoter and Promoter Group	7024297	47.68
2.	Financial Institutions (NBFCs Registered with RBI)	4300	0.03
3.	Insurance Companies	114	0.00
4 .	Investor Education and Protection Fund (IEPF Authority)	5856	0.04
5.	Foreign Portfolio Investors	1968764	13.36
6.	Bodies Corporate	1486885	10.09
7.	Clearing Members	10012	0.07
8.	NRIs/NRNs	151095	1.03
9.	Trusts	13918	0.09
10.	Others	4066437	27.61
	Total	**14731678**	**100.00**

xii. Distribution of Shareholding as at 31 March 2020:

No. of Shares	No. of Shareholders	% of Total Shareholders	Shares Held	% of Total Shares
1 - 500	6640	87.62	564271	3.83
501 - 1000	362	4. 78	283793	1.93
1001 - 5000	427	5.64	978516	6.64
5001 - 10000	67	0.88	486778	3.31
10001 and above	82	1.08	12418320	84.29
TOTAL	**7578**	**100.00**	**14731678**	**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 99.84% of the Company's share capital are under demat mode as on 31 March 2020. 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 2019-20.

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 2019-20.

During the financial year 2019-20, there have been no revisions in Credit Rating obtained by the Company.

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 895 shares during the financial year 2019-20 on whose shares dividend was unclaimed/unpaid for a period of seven (7) consecutive years from the year of its declaration in financial year 2011-12 to IEPF Authority's Account. Company had transferred 582 equity shares to IEPF Authority in the financial year 2018-19 and 4379 equity shares in the financial year 2017-18. .

As at the end of the Financial Year 31 March 2020 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.: 022-49186270
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.: 022-49186270
Fax: 022-49186060
Email: rnt.helpdesk@linkintime.co.in

For general correspondence:

IntraSoft Technologies Limited
502 A, 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 2020 as stipulated by 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 , except for the appointment of Independent Director on the Board of its Material Subsidiary pursuant to Regulation 24 (1) of SEBI (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/-
HIMANSHU KAMDAR
PARTNER
CP No. 3030

Place: Mumbai
Date: 30 June 2020

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: 30 June 2020

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'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2020, 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 of the Group, as at 31 March 2020, and their consolidated profit (including other comprehensive income), 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 14 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 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 28(e) to the accompanying consolidated financial statements) As at 31 March 2020, the Company has recognised Minimum Alternate Tax (MAT) credit amounting to ₹1,809.87 Lacs, within deferred tax assets. On that date, the Company also has unabsorbed depreciation amounting to ₹869.13 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. Considering the materiality of the amounts involved and inherent subjectivity requiring significant judgement involved in the determination of utilization 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.	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 utilization 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; • 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 utilization 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.

Key audit matter	How our audit addressed the key audit matter
Capitalization of direct cost attributable to development of freight engine (Refer Note3(c) to the accompanying consolidated financial statements for accounting policy and for related disclosure) 123Stores, Inc. is in process of developing a freight optimization model to optimize outward freight costs (termed as "freight engine"). The development costs incurred for the same have been treated as capital expenditure to be capitalized as Intangible Asset under Ind AS 38, Intangible Assets (Ind AS 38). Till 31 March 2020, the Group has capitalized ₹2113.92 Lacs as part of development costs for development of freight engine which has been disclosed as other intangible asset under development. Significant judgements relevant for capitalization 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 capitalized, the allocation of cost and the judgement involved in assessing recognition criteria for capitalization 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.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the assessment of cost to be capitalized 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; • 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 are 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 accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. 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 intend 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 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 with reference to financial statements 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 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; and

    - 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 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 ₹1622.54 Lacs and net assets of ₹1378.61 Lacs as at 31 March 2020, total revenues of ₹1790.92 Lacs and net cash inflows amounting to ₹83.54 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 report 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, are 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 on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries, located outside India, are 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 report(s) 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 the provisions of section 197 read with Schedule V to the Act are not applicable to two subsidiary companies, covered under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

17. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors 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 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 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) with respect to the adequacy of the internal financial controls with reference to financial statements 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 30 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 2020;

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, during the year ended 31 March 2020 and

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

UDIN: 20062191AAAAGM7803
Place: Gurugram
Date: 30 June 2020

Anamitra Das
Partner
Membership No.: 062191

Annexure 1

List of entities included in the Statement

Name of Entity	Relation
123Greetings.com, Inc.	Subsidiary
One Two Three Greetings (India) Pvt. Ltd.	Subsidiary
Intrasoft Ventures Pte. Ltd.	Subsidiary
123Stores, Inc.	Step down subsidiary
123Stores Ecommerce Pvt. Ltd.	Step down subsidiary

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 2020

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 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, and its 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') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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(s) paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements 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 with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies covered under the Act, whose financial statements/financial information reflect total assets of ₹696.15 Lacs and net assets of ₹481.29 Lacs as at (date of Balance sheet), total revenues of ₹867.71 Lacs and net cash inflow amounting to ₹3.73 Lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements 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

UDIN: 20062191AAAAGM7803
Place: Gurugram
Date: 30 June 2020

Consolidated Balance Sheet as at 31 March 2020

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	1,646.42	1,665.38
Capital work-in-progress	3 (d)	-	82.33
Right of use assets	3 (b)	1,180.32	-
Other intangible assets under development	3 (c)	2,129.68	1,296.24
Financial assets			
(i) Investments	4(a)	673.37	1,495.36
(ii) Loans	5(a)	5.25	6.58
Deferred tax assets (net)	28(e)	2,012.19	1,941.92
Income tax assets (net)	28(d)	52.91	58.60
Other non-current assets	7(a)	230.23	556.33
Total non-current assets		**7,930.37**	**7,102.74**
Current assets			
Inventories	8	12,278.49	9,907.64
Financial assets:			
(i) Investments	4(b)	6,384.67	5,912.35
(ii) Trade receivables	9	267.51	1,160.65
(iii) Cash and cash equivalents	10(a)	1,769.15	1,073.75
(iv) Other bank balances	10(b)	116.15	150.38
(v) Loans	5(b)	2.57	72.13
(vi) Others	6	-	0.27
Current tax assets (net)	28(d)	13.58	4.15
Other current assets	7(b)	352.82	272.00
Total current assets		**21,184.94**	**18,553.32**
Total Assets		**29,115.31**	**25,656.06**
Equity and Liabilities			
Equity			
Equity share capital	11	1,473.17	1,473.17
Other equity	12	13,316.18	13,096.94
Total equity		**14,789.35**	**14,570.11**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	9,711.69	6,937.63
(ii) Lease liability	14(a)	1,002.36	-
(iii) Other financial liabilities	16(a)	2.01	2.01
Provisions	18(a)	130.97	108.97
Deferred tax liabilities (net)	28(f)	116.04	94.94
Other non-current liabilities	17(a)	101.48	103.49
Total non-current liabilities		**11,064.55**	**7,247.04**
Current liabilities			
Financial liabilities			
(i) Trade payables			
Due to micro and small enterprises	15	-	-
Due to others	15	1,850.13	2,308.12
(ii) Lease liability	14(b)	232.16	-
(iii) Other financial liabilities	16(b)	367.12	498.32
Other current liabilities	17(b)	805.27	1,018.07
Provisions	18(b)	4.40	4.17
Current tax Liabilities (net)	28(d)	2.33	10.23
Total current liabilities		**3,261.41**	**3,838.91**
Total liabilities		**14,325.96**	**11,085.95**
Total Equity and Liabilities		**29,115.31**	**25,656.06**

The accompanying notes 1 to 37 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 : 30 June 2020

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

Arvind Kajaria
Managing Director
DIN No. 00106901

Sharad Kajaria
Whole-time Director
DIN No. 00108036

Mohit Kumar Jha
Chief Financial Officer
PAN: AFQPJ3755G

Pranvesh Tripathi
Company Secretary
PAN: ACWPT9367K

Place: Kolkata
Date: 30 June 2020

Consolidated Statement of Profit and Loss for the year ended 31 March 2020

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Revenues			
Revenue from operations	19	59,067.54	83,655.42
Other income	20	485.42	496.18
Total income		**59,552.96**	**84,151.60**
Expenses			
Cost of goods sold	21	43,643.37	60,547.70
Shipping and handling expenses	22	5,255.92	10,152.79
Sales and marketing expenses	23	6,637.98	9,514.98
Employee benefits expense	24	1,566.92	1,523.92
Finance costs	25	553.87	497.95
Depreciation and amortisation expense	26	409.43	176.19
Other expenses	27	1,272.24	1,426.14
Total expenses		**59,339.73**	**83,839.67**
Profit before tax		**213.23**	**311.93**
Tax expense:			
- Current tax	28	39.28	58.02
- Deferred tax	28	(36.74)	(210.05)
- Prior year taxes	28	(0.18)	(102.49)
Total tax expense		**2.36**	**(254.52)**
Profit for the year		**210.87**	**566.45**
Other comprehensive income:			
(a) Items that will not be reclassified subsequently to profit or loss:			
- Remeasurements benefit of post-employment benefit obligations		(10.73)	17.64
- Tax relating to these items		2.97	(4.54)
(b) Items to be reclassified to profit or loss in:			
- Fair value changes on investment in debt instruments through OCI		3.91	(9.89)
- Exchange differences on translation of financial statements of foreign operations		367.69	165.81
- Tax relating to these items		(1.09)	2.76
Total other comprehensive income for the year		**362.75**	**171.78**
Total comprehensive income for the year		**573.62**	**738.23**
Earnings per share:			
Basic and diluted (₹)	29	1.43	3.85

The accompanying notes 1 to 37 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 : 30 June 2020

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

Arvind Kajaria
Managing Director
DIN No. 00106901

Sharad Kajaria
Whole-time Director
DIN No. 00108036

Mohit Kumar Jha
Chief Financial Officer
PAN: AFQPJ3755G

Pranvesh Tripathi
Company Secretary
PAN: ACWPT9367K

Place: Kolkata
Date: 30 June 2020

Consolidated Statement of Cash flows for the year ended 31 March 2020

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars		Year ended 31 March 2020	Year ended 31 March 2019
A.	**Cash flow from operating activities**		
	Profit before tax	213.23	311.93
	Adjustments for:		
	Depreciation and amortisation expense	409.43	176.19
	Loss on sale of property, plant and equipment	0.26	4.29
	Net gain on sale of investments measured at FVTPL	(226.94)	(329.38)
	Net gain arising on remeasurement of investments measured at FVTPL	(108.42)	(3.06)
	Foreign exchange (gain)/loss	10.69	(4.24)
	Finance costs	553.87	497.95
	Interest income	(137.04)	(148.58)
	Operating profit before working capital changes	715.08	505.10
	Adjustments for working capital changes:		
	Decrease in trade receivables	882.45	211.26
	Decrease/(increase) in inventories	(2,370.85)	2,482.30
	Decrease/(increase) in loans	70.89	(57.71)
	Decrease in financial assets	0.27	184.27
	Decrease/(increase) in other assets	335.03	(192.29)
	Increase in provisions	32.96	19.19
	Decrease in financial liabilities	(129.16)	(549.23)
	(Decrease)/increase in other liabilities	(214.81)	663.83
	Decrease in trade payables	(547.74)	(1,196.30)
	Cash generated from/(used in) operating activities	**(1,225.88)**	**2,070.42**
	Income tax paid (net of refunds)	(53.33)	(474.33)
	Net cash generated from/(used in) operating activities (A)	**(1,279.21)**	**1,596.09**
B.	**Cash flow from investing activities:**		
	Purchase of investments	(8,123.56)	(7,855.05)
	Sale of investments	8,808.57	7,958.46
	Purchase of property, plant and equipment	(167.57)	(107.76)
	Purchase of intangible assets	(728.15)	(948.44)
	Proceeds from sale of property, plant and equipment and intangible assets	2.21	(13.32)
	Decrease in other bank balances	(11.14)	-
	Interest received	137.04	153.22
	Investment in/(maturity of) fixed deposits (net)	23.09	(7.07)
	Net cash used in investing activities (B)	**(59.51)**	**(819.96)**

Consolidated Statement of Cash flows for the year ended 31 March 2020

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
C. Cash flow from financing activities:		
Proceeds / (repayment) of long-term borrowings	2,774.06	(1,009.14)
Dividend paid (including taxes thereon)	(356.42)	(352.53)
Repayment of lease liabilities (net)	(280.05)	-
Interest and finance costs	(471.16)	(497.95)
Net cash generated from/(used in) financing activities (C)	**1,666.43**	**(1,859.62)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**327.71**	**(1,083.49)**
Cash and cash equivalents at the beginning of the year	1,073.75	2,128.81
Effect of currency translation on cash and cash equivalents	367.69	28.43
Cash and cash equivalents at the end of the year	**1,769.15**	**1,073.75**
Components of cash and cash equivalents:		
Cash on hand	0.27	0.79
Balances with banks in current account	1,768.88	1,072.96
	1,769.15	**1,073.75**

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 of long term borrowings:

Particulars	Balance as on 31 March 2020	Balance as on 31 March 2019
Long term borrowings:		
- Opening balance	6,937.63	7,946.77
- Received during the year	-	-
- Repayment made during the year	2,774.06	(1,009.14)
	9,711.69	**6,937.63**
Long term borrowings at the end of the year	**9,711.69**	**6,937.63**

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

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

Anamitra Das
Partner
Membership No. 062191

Arvind Kajaria
Managing Director
DIN No. 00106901

Sharad Kajaria
Whole-time Director
DIN No. 00108036

Mohit Kumar Jha
Chief Financial Officer
PAN: AFQPJ3755G

Pranvesh Tripathi
Company Secretary
PAN: ACWPT9367K

Place : Gurugram
Date : 30 June 2020

Place: Kolkata
Date: 30 June 2020

Consolidated Statement of Changes in Equity for the year ended 31 March 2020

(All amounts in ₹ Lacs, unless otherwise stated)

A. Equity Share Capital

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	1,473.17	1,473.17
Changes in equity share capital during the year	-	-
Balance at the end of the year	**1,473.17**	**1,473.17**

B. Other equity

Particulars	Reserves and Surplus				Other comprehensive income		Total
	Securities premium	General reserve	Capital reserve	Retained earnings	Foreign currency translation difference	Debt instruments through OCI	
As at 1 April 2018	**5,527.11**	**169.15**	**96.14**	**6,831.10**	**91.80**	**(2.77)**	**12,712.53**
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:							
Remeasurement of post-employment benefit obligations, net of tax	-	-	-	13.10		-	13.10
Fair value changes on investments in debt instrument	-	-	-	-	-	(7.13)	(7.13)
Dividends paid (including dividend tax)	-	-	-	(353.82)	-	-	(353.82)
As at 31 March 2019	**5,527.11**	**169.15**	**96.14**	**7,056.83**	**257.61**	**(9.90)**	**13,096.94**
Changes in equity for the year ended 31 March 2020							
Profit for the year	-	-	-	210.87	-	-	210.87
Foreign currency translation difference for the year	-	-	-	-	367.69	-	367.69
Items of other comprehensive income, net of tax:							-
Remeasurements benefit of post-employment benefit obligations, net of tax	-	-	-	(7.76)		-	(7.76)
Net loss in debt instruments through other comprehensive income	-	-	-	-	-	2.82	2.82
Dividends paid (including dividend tax)	-	-	-	(354.38)	-	-	(354.38)
Balance as at 31 March 2020	**5,527.11**	**169.15**	**96.14**	**6,905.56**	**625.30**	**(7.08)**	**13,316.18**

The accompanying notes 1 to 37 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

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

Anamitra Das
Partner
Membership No. 062191

Arvind Kajaria
Managing Director
DIN No. 00106901

Sharad Kajaria
Whole-time Director
DIN No. 00108036

Mohit Kumar Jha
Chief Financial Officer
PAN: AFQPJ3755G

Pranvesh Tripathi
Company Secretary
PAN: ACWPT9367K

Place : Gurugram
Date : 30 June 2020

Place: Kolkata
Date: 30 June 2020

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lacs, unless otherwise stated)

1 Group's information

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 2020
IntraSoft Ventures Pte. Limited	Singapore	100%
123Greetings.com, Inc.	United States of America	100%
One Two Three Greetings (India) Private Limited	India	100%
123 Stores, Inc.	United States of America	100%
123 Stores 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 2020 were approved for issue in accordance with the resolution of the Board of Directors on 30 June 2020.

(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 Company 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.

(All amounts in ₹ Lacs, unless otherwise stated)

(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 Company'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.

(iii) Use of estimates

a) 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.

b) 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 28.

(All amounts in ₹ Lacs, unless otherwise stated)

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 24.

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 recognized 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 crystalizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

2 Summary of significant accounting policies

The consolidated financial statements have been prepared using the accounting policies and measurement basis summarized 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 2020, 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 123 Stores E Commerce Private Limited is Indian Rupees ('INR'). The functional currencies of 123 Stores, 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 recognized 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 categorized 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:

(All amounts in ₹ Lacs, unless otherwise stated)

- 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 recognized 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 recognized 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 recognizes 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, 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 of 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 recognized 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 recognized 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.

(g) Other 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 capitalized or expensed in accordance with the applicable accounting standards. During the year, the Group has recognized 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 optimize the number of locations and also able to optimize 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.

(h) Leases

Group as a lessee:

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application on 01 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at

(All amounts in ₹ Lacs, unless otherwise stated)

the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The Company has lease contracts for various buildings. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as an operating lease.

Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis, (no straight lining was done in case escalations were considered to be in line with expected general inflation), over the lease term. Any prepaid rent and accrued rent were recognised under prepayments and trade and other payables, respectively.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases are recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group has applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(i) 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.

(j) 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 amortized 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 recognized 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.

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

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 recognized in the Other Comprehensive Income (OCI). However, the Group recognizes 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 recognized in OCI is reclassified from equity to Consolidated Statement of Profit and Loss.

(All amounts in ₹ Lacs, unless otherwise stated)

This category applies to investments by the Group in perpetual bonds.

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

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-recognized 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-recognized. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

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 recognized 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.

(k) Inventories

Inventory consists of finished goods for sale to customers, held at Company's own warehouse and various third party warehouses. The Group values inventory at the lower of cost and net realizable 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 realizable value is determined at market value less selling costs. The "lower of cost and net realizable value", criteria is evaluated for each item of inventory as on balance sheet date.

Goods in transit consists of products which have been shipped by the supplier but are in transit to the fulfillment centers and products that have been shipped by the supplier or the fulfillment centers but are in transit to the customers. Risk of loss and the transfer of title from the supplier to the Group occurs at freight on board shipping point and from the Group to the customers at point of delivery.

(l) Taxation

Tax expense recognized in Consolidated Statement of Profit or Loss comprises the sum of deferred tax and current tax except the ones recognized 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.

(All amounts in ₹ Lacs, unless otherwise stated)

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 recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized 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).

(m) 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 recognized 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.

(n) 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.

(o) 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.

(p) 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.

(All amounts in ₹ Lacs, unless otherwise stated)

(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 recognized 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

	Buildings	Furniture and fixtures	Computer equipment	Leasehold Improvements	Office equipment	Vehicles	Total
Gross block							
Balance as at 1 April 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**
Additions	-	112.40	2.91	-	12.98	-	128.29
Disposals	-	(6.04)	11.35	-	(0.60)	-	4.71
Balance as at 31 March 2020	**1,282.79**	**531.18**	**129.40**	**15.00**	**216.28**	**105.16**	**2,279.81**
Accumulated depreciation							
Balance as at 1 April 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**
Depreciation charge for the year	21.71	55.99	15.83	4.75	36.05	14.23	148.56
Disposals	-	(4.11)	10.76	-	(0.63)	-	6.02
Balance as at 31 March 2020	**86.84**	**212.51**	**109.67**	**6.73**	**147.32**	**70.32**	**633.39**
Net block							
Balance as at 31 March 2019	**1,217.66**	**260.33**	**33.24**	**13.02**	**92.06**	**49.07**	**1,665.38**
Balance as at 31 March 2020	**1,195.95**	**318.67**	**19.73**	**8.27**	**68.96**	**34.84**	**1,646.42**

3 (b) Right of use assets

	RoU	Total
Gross block		
Balance as at 1 April 2019	-	-
Additions	1,325.92	1,325.92
Disposals	(118.72)	(118.72)
Balance as at 31 March 2020	**1,444.64**	**1,444.64**
Accumulated amortisation		
Balance as at 1 April 2019	-	-
Charge for the year	248.33	248.33
Disposals	(15.99)	(15.99)
Balance as at 31 March 2020	**264.32**	**264.32**
Net block		
Balance as at 31 March 2020	**1,180.32**	**1,180.32**

During the year the Group has recognised ROU asset of ₹1,325.92 Lacs for using floor space for official and warehousing purposes.

Lease liabilities

Particulars	Amount
Balance as on 1 April 2019 due to adoption of Ind AS 116	1,325.92
Add: Interest expense accrued on lease liabilities	82.71
Less: Lease liabilities paid	(280.05)
Add: Effect due to Foreign exchange translation	105.94

(All amounts in ₹ Lacs, unless otherwise stated)

3 (b) Right of use assets (Contd.)

Closing balance as at 31 March 2020	**1,234.52**
Current	232.16
Non current	1,002.36

The Group has lease agreements usually for a period of 2 to 9 years with the lessor for rental of office spaces and warehouse. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Lease deed for office space and warehouse imposes a restriction that, unless there is a contractual right for the Group to sub-lease the asset to another party, the right-of-use asset can only be used by the Group. The Group is prohibited from selling or pledging the underlying leased assets as security.

Effective 1 April 2019, the Group has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019.

The Group has recognized right of use asset equal to the lease liability for the office space and warehouse taken on lease and on transition, the adoption of new standard resulted in recognition of right to use asset and lease liability of ₹1,325.92 Lacs.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 9% for the Indian entity and 6.75% for the foreign entity per annum.

Maturity profile of lease liability

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Year ended 31 March 2020	0 to 1 year	1 to 5 years	> 5 years	Total
Lease liabilities	286.88	1,038.48	19.18	1,344.54

Following amount has been recognised in statement of profit and loss account:

Particulars	Amount
Depreciation/amortisation on right to use asset	248.33
Interest on lease liability	82.71
Expenses related to short term lease (included under other expenses)	58.76
Expenses related to low value lease (included under other expenses)	-
Total amount recognised in statement of profit and loss account	**389.80**

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

3 (c) Other Intangible assets

	Softwares	Total
Gross block		
Balance as at 1 April 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**
Additions (#)	728.15	728.15
Disposals	(120.26)	(120.26)
Balance as at 31 March 2020	**2,188.84**	**2,188.84**
Accumulated amortisation		

(All amounts in ₹ Lacs, unless otherwise stated)

3 (c) Other Intangible assets (Contd.)

Balance as at 1 April 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**
Charge for the year	12.54	12.54
Disposals	(2.43)	(2.43)
Balance as at 31 March 2020	**59.16**	**59.16**
Net block		
Balance as at 31 March 2019	**1,296.24**	**1,296.24**
Balance as at 31 March 2020	**2,129.68**	**2,129.68**

(#) - 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 optimize 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 ₹727.05 Lacs. The Company will start amortisation of this cost once the development of this Artifical Intelligence System is complete.

3 (d) Capital work-in-progress

	As at 31 March 2020	As at 31 March 2019
Opening balance at the beginning of the year	82.33	-
Additions during the year	-	82.33
Less: Capitalised during the year	82.33	-
Balance as at year end	**-**	**82.33**

4 Investments

(a) Non-current investments

		As at 31 March 2020	As at 31 March 2019
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
	(50 units having face value of ₹1,000,000 each fully paid-up)		
(ii)	Edelweiss Retail Finance Limited (8.75% NCD)	-	250.54
	(25,000 units having face value of ₹1,000 each fully paid-up)		
(iii)	DHFL (8.90% NCD)	5.00	26.83
	(2,500 units having face value of ₹1,000 each fully paid-up)		
(iv)	ECL Finance Limited (9.45% NCD)	53.08	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)	198.59	199.50

(All amounts in ₹ Lacs, unless otherwise stated)

4 Investments (Contd.)

		As at 31 March 2020	As at 31 March 2019
(ii)	Axis Bank Limited (8.75% Additional Tier 1 Bonds Series 26) (20 units having face value of ₹1,000,000 each)	201.57	198.16
(iii)	HDFC Bank Limited (8.85% Perpetual Bonds Series 1/2017-18) (20 units having face value of ₹1,000,000 each)	215.13	213.82
	Total non-current investments	**673.37**	**1,495.36**
	(#) Pledged in favor of Citi Bank N.A. against SBLC amounting ₹5,550 Lacs.		
	Other disclosures for non-current investments:		
	Aggregate amount of quoted investments;	673.37	1,495.36
	Aggregate amount of unquoted investments, and	-	-
(b)	**Current investments**		
I	**Investments in non-convertible debentures**		
	Quoted		
	(Designated at Amortised Cost)		
(i)	Edelweiss Retail Finance Limited (8.75% NCD)	250.54	-
	(25,000 units having face value of ₹1,000 each fully paid-up)		
		250.54	**-**
II	**Investment in mutual funds**		
	Quoted		
	(Measured at Fair Value Through Profit and Loss)		
	Mutual funds (refer details below)	6,134.13	5,912.35
	Total current investments	**6,134.13**	**5,912.35**
	Other disclosures for current investments:		
	Aggregate amount of quoted investments, and	6,384.67	5,912.35
	Aggregate amount of impairment in value of investments	-	-

Investments in Mutual Funds

(a) Balance as at 31 March 2020:

Particulars	Units	Amount
Axis Ultra Short Term Fund - Direct Growth	475,722	53.96
Aditya Birla Sun Life Credit Risk Fund -Growth-Direct Plan (Seg. Port1)	7,706,265	33.41
Aditya Birla Sun Life Money Manager Fund - Growth-Direct Plan	11,265	30.52
Aditya Birla Sun Life Short Term Fund -Growth- Direct Plan (#)	872,791	302.39
Franklin India Credit Risk Fund - Growth	997,572	186.52
Franklin India Credit Risk Fund - Growth (Seg. Port1,2&3)	997,571	-
HDFC Corporate Bond Fund - Direct Plan - Growth (#)	1,782,074	411.37
HDFC Medium Term Debt Fund - Direct Plan - Growth (#)	1,217,256	512.51
ICICI Prudential Credit Risk Fund-Growth (#)	1,412,090	307.10
ICICI Prudential Corporate Bond Fund - Direct Plan- Growth (#)	1,424,118	306.33
ICICI Prudential Medium Term Bond Fund-Direct Plan-Growth (#)	1,241,143	412.22
ICICI Prudential Short Term Fund - Direct Plan - Growth (#)	923,035	409.51
IDFC Bond Fund-Short Term Plan-Growth-Direct Plan (#)	927,932	402.37
Kotak Dynamic Bond Fund - Direct Plan - Growth (#)	1,463,427	411.14

(All amounts in ₹ Lacs, unless otherwise stated)

4 Investments (Contd.)

Particulars	Units	Amount
Kotak Bond Short Term Fund - Direct Plan – Growth (#)	1,013,215	406.44
L&T Triple Ace Bond Fund - Direct Plan - Growth (#)	565,090	312.31
L&T Resurgent India Bond Fund - Direct Plan - Growth (#)	1,952,197	300.61
SBI Dynamic Bond Fund - Regular Plan - Growth (#)	1,194,237	310.89
SBI Magnum Medium Duration Fund - Direct - Growth (#)	818,044	310.02
SBI Short Term Debt Fund - Direct - Growth (#)	1,685,857	406.87
SBI Corporate Bond Fund - Direct - Growth (#)	2,725,923	307.64
		6,134.13

(#) Ear-marked for lien in favor of Citi Bank N.A. against SBLC amounting ₹5,550 Lacs.

(b) Balance as at 31 March 2019 :

Particulars	Units	Amount
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

5 Loans

		As at 31 March 2020	As at 31 March 2019
(a)	**Non-current:**		
	(Unsecured, considered good)		
	Security deposits	5.25	6.58
		5.25	**6.58**

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

		As at 31 March 2020	As at 31 March 2019
(b)	**Current:**		
	(Unsecured, considered good)		
	Security deposits	-	65.61

(All amounts in ₹ Lacs, unless otherwise stated)

5 Loans (Contd.)

Loan and advances to employees	2.57	6.52
	2.57	**72.13**

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

6 Other financial assets

	As at 31 March 2020	As at 31 March 2019
Current:		
(Unsecured, considered good)		
Other receivables	-	0.27
	-	**0.27**

7 Other assets

	As at 31 March 2020	As at 31 March 2019
(a) Non-current:		
Balances with Government Authorities (Refer note below)	228.12	553.88
Prepaid expenses	2.11	2.45
	230.23	**556.33**

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.

	As at 31 March 2020	As at 31 March 2019
(b) Current:		
(Unsecured, considered good)		
Advance to suppliers	2.09	129.01
Prepaid expenses	67.79	35.49
Receivable from Government Authorities	139.22	94.94
Other advances	130.07	12.56
Income Tax Refund Receivable	13.65	-
	352.82	**272.00**

8 Inventories

(valued at lower of cost and net realisable value)

	As at 31 March 2020	As at 31 March 2019
Stock-in-trade (*) (#)	12,278.49	9,907.64
(*) Includes ₹5,889.97 (31 March 2019: ₹4,907.07) in transit.		
	12,278.49	**9,907.64**

(#) The Group has provided for a valuation allowance ₹79.54 Lacs (31 March 2019: ₹76.78 Lacs) in respect of dimunition in the value of inventory.

(All amounts in ₹ Lacs, unless otherwise stated)

9 Trade receivables

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	267.51	1,160.65
	267.51	**1,160.65**

The Group 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 2020	As at 31 March 2019
(a)	Cash and cash equivalents		
	Balances with banks:		
	- In current accounts	1,730.86	1,072.96
	- Deposits of original maturity of less than three months	38.02	-
	Cash on hand	0.27	0.79
		1,769.15	**1,073.75**
(b)	Other bank balances		
	Unpaid dividend account [refer note (i) below]	5.55	7.58
	Balances with payment gateways	74.61	83.72
	Commitment deposits	2.01	2.01
	Deposits being maturity more than 3 months but less than 12 months (refer note (ii) below)	33.98	57.07
		116.15	**150.38**

Notes:

(i) The Parent Company has transferred an amount of ₹0.31 Lacs of unpaid dividend to the Investor Education and Protection fund for the financial year 2011-12.

(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.

11 Equity share capital

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Authorized 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 periods.

(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

(All amounts in ₹ Lacs, unless otherwise stated)

11 Equity share capital(Contd.)

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 Parent Company:

Name of the shareholders	As at 31 March 2020		As at 31 March 2019	
	Number	Percentage	Number	Percentage
Fully paid-up equity shares of ₹10 each:				
Arvind Kajaria	2,811,797	19.09%	2,800,014	19.01%
Sharad Kajaria	2,812,500	19.09%	2,800,000	19.01%
Padma Kajaria	1,400,000	9.50%	1,400,000	9.50%
University of Notre Dame Du Lac	1,085,015	7.37%	880,565	5.98%

(e) The Board of Directors at its meeting held on 30 June 2020 proposed a dividend of ₹1 per equity share (31 March 2019: ₹2 per equity share) amounting to ₹147.32 Lacs (31 March 2019: ₹355.20 Lacs) including dividend distribution tax of ₹ Nil (31 March 2019: ₹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.

12 Other equity

	As at 31 March 2020	As at 31 March 2019
(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	7,056.83	6,831.10
Profit for the year	210.87	566.45
Remeasurements of post-employment benefit obligations, net of tax	(7.76)	13.10
Less-: Appropriations		
Dividend on equity shares (including dividend tax)	(354.38)	(353.82)
Closing balance	6,905.56	7,056.83
(e) Foreign curreny translation difference		
Opening balance	257.61	91.80
Change during the year (net)	367.69	165.81
	625.30	257.61
(f) Debt instruments through OCI		
Opening balance	(9.90)	(2.77)
Net fair value loss on investment in debt instruments through OCI, net of tax	2.82	(7.13)
Closing balance	(7.08)	(9.90)
	13,316.18	**13,096.94**

(All amounts in ₹ Lacs, unless otherwise stated)

12 Other equity (Contd.)

(a) 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.

13 Borrowings

	As at 31 March 2020	As at 31 March 2019
Non-current		
(Secured)		
Term loans		
Foreign currency loan from bank [refer note (i) below]	5,666.25	5,186.25
Working capital facility		
Foreign currency loan from others [refer note (i) below]	4,045.44	1,751.38
	9,711.69	**6,937.63**

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

Foreign currency loan

(a) 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.

(b) 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 USD 11,000,000. 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.

(All amounts in ₹ Lacs, unless otherwise stated)

14 Lease liability

		As at 31 March 2020	As at 31 March 2019
(a)	**Non-current**		
	Lease liability [refer note 3(b)]	1,002.36	-
		1,002.36	**-**
(b)	**Current**		
	Lease liability [refer note 3(b)]	232.16	-
		232.16	**-**

15 Trade payables

	As at 31 March 2020	As at 31 March 2019
Due to micro and small enterprises	-	-
Due to others	1,850.13	2,308.12
	1,850.13	**2,308.12**

16 Other financial liabilities

		As at 31 March 2020	As at 31 March 2019
(a)	**Non-current**		
	Deposit from employees	2.01	2.01
		2.01	**2.01**
(b)	**Current**		
	Accrued expenses	244.43	167.32
	Dues to employees	117.15	139.84
	Unpaid dividend*	5.54	7.58
	Excess income tax received refundable	-	183.58
		367.12	**498.32**

* Not due for transfer to Investor Education and Protection Fund.

17 Other liabilities

		As at 31 March 2020	As at 31 March 2019
(a)	**Non-current:**		
	Deferred revenue arising from government grant	101.48	103.49
		101.48	**103.49**
(b)	**Current:**		
	Advances		
	- Advance from customers	11.74	115.47
	- Unearned revenues	33.03	55.90
	Others		
	- Statutory dues	54.01	169.06

(All amounts in ₹ Lacs, unless otherwise stated)

- Other liabilities	704.48	675.64
- Deferred revenue arising from government grant	2.01	2.00
	805.27	**1,018.07**

18 Provisions

	As at 31 March 2020	As at 31 March 2019
(a) **Non-current:**		
Provision for employee benefits:		
- Provision for gratuity (refer note 24)	98.46	80.59
- Provision for compensated absences	32.51	28.38
	130.97	**108.97**
(b) **Current:**		
Provision for employee benefits:		
- Provision for gratuity (refer note 24)	2.50	2.17
- Provision for compensated absences	1.90	2.00
	4.40	**4.17**

19 Revenue from operations

	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products (net)	59,067.54	83,655.42
	59,067.54	**83,655.42**

Disclosures on revenue pursuant to Ind AS 115 - Revenue from contracts with customers

a) Revenue streams

The Group generates revenue primarily from a single business segment of internet based online delivery of goods and services.

b) Reconciliation of revenue from sale of goods and services with the contracted price

Contracted price	59,067.54	83,655.42
Less: Trade discounts, volume rebates, etc.	-	-
Sale of goods and services	**59,067.54**	**83,655.42**

c) Timing of revenue recognition

Goods and services rendered at a point in time when performance obligation is satisfied	59,067.54	83,655.42
	59,067.54	**83,655.42**

d) Geographical information

Geographical information of the Group's revenue from operation has been disclosed below:

United States of America	59,067.54	83,655.42
	59,067.54	**83,655.42**

(All amounts in ₹ Lacs, unless otherwise stated)

e) **Contract balance**

The following table provides information about receivables, contract assets and contract liabilities from contract with customers

	As at 31 March 2020	As at 31 March 2019
Receivables	267.51	1,160.65
Contract assets	-	-
Contract liabilities	-	-

Contract asset is the right to consideration in exchange for goods transferred to the customer. Contract liability is the entity's obligation to transfer goods to a customer for which the entity has received consideration from the customer in advance.

20 Other income

	Year ended 31 March 2020	Year ended 31 March 2019
Interest income:		
- Investments in debt instruments	133.32	132.78
- others	3.72	15.80
Other gains and losses:		
- Net gain on sale of investments measured at FVTPL	226.94	329.38
- Net gain arising on remeasurement of investments measured at FVTPL	108.42	3.06
Others		
- Net foreign exchange gain	-	4.24
- Other miscellaneous income	13.02	10.92
	485.42	**496.18**

21 Cost of goods sold

	Year ended 31 March 2020	Year ended 31 March 2019
Opening stock	9,907.64	12,389.94
Add-: Purchases	46,014.22	58,065.40
Less-: Closing stock	12,278.49	9,907.64
Cost of goods sold	**43,643.37**	**60,547.70**

22 Shipping and handling expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Shipping and handling expenses	5,255.92	10,152.79
	5,255.92	**10,152.79**

23 Sales and marketing expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Marketplace, marketing and referral fees	6,637.88	9,508.83
Advertisement expenses	0.10	6.15
	6,637.98	**9,514.98**

(All amounts in ₹ Lacs, unless otherwise stated)

24 Employee benefits expense

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and allowances	1,467.14	1,422.26
Contribution to provident and other funds [refer note (a) below]	37.82	42.78
Staff welfare expenses	61.96	58.88
	1,566.92	**1,523.92**

(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 plans

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.

		Gratuity	
		Year ended 31 March 2020	Year ended 31 March 2019
(i)	**Defined benefits obligations recognised:**		
	Present value of obligation:		
	- Current	2.50	2.17
	- Non-current	98.46	80.59
		100.96	**82.76**
(ii)	**Movement in the present value of defined benefit obligations:**		
	Balance at the beginning of the year	82.76	86.31
	Current service cost	13.53	19.18
	Past service cost	-	-
	Interest cost	6.29	6.64
	Actuarial loss arising from assumption changes	11.00	1.00
	Actuarial gain arising from experience adjustments	(0.27)	(18.64)
	Benefits paid	(12.35)	(11.73)
	Obligations at the end of the year	**100.96**	**82.76**
(iii)	**Components of the net cost charged to the Statement of Profit and Loss:**		
	Current service cost	13.53	19.18
	Past service cost	-	-
	Interest cost	6.29	6.64
		19.82	**25.82**

(All amounts in ₹ Lacs, unless otherwise stated)

24 Employee benefits expense (Contd.)

(iv)	**Remeasurement of the net defined benefit plans**		
	Actuarial loss arising from assumption changes	11.00	1.00
	Actuarial gain arising from experience adjustments	(0.27)	(18.64)
		10.73	**(17.64)**

		Gratuity	
		31 March 2020	31 March 2019
(v)	**Assumptions**		
	Discount rate	6.63%	7.60%
	Salary escalation rate	6.00%	6.00%
	Withdrawl rate per annum	2.00%	2.00%
	Expected average remaining working lives of employees (years)	17.66	22.53
	Mortality	IALM 12-14 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.

		Gratuity	
		Year ended 31 March 2020	Year ended 31 March 2019
(vi)	**Sensitivity analysis**		
	Discount rate - Decrease by 1%	112.08	92.24
	Discount rate - Increase by 1%	91.38	74.62
	Salary escalation rate - Decrease by 1%	92.95	75.73
	Salary escalation rate - Increase by 1%	109.82	90.61

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 2020	Year ended 31 March 2019
Year 1	2.50	2.17
2 to 5 years	16.35	14.10
6 to 10 years	36.18	34.47
More than 10 years	135.12	143.88

(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.

(All amounts in ₹ Lacs, unless otherwise stated)

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.

25 Finance cost

	Year ended 31 March 2020	Year ended 31 March 2019
Interest on financial liabilities measured at amortised cost	507.65	438.40
Other borrowing costs	46.22	59.55
	553.87	**497.95**

26 Depreciation and amortization expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property plant and equipment [refer note 3 (a)]	148.56	162.79
Amortisation of right-of-use assets[refer note 3 (b)]	248.33	-
Amortisation of other intangible assets[refer note 3 (c)]	12.54	13.40
	409.43	**176.19**

27 Other expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Electricity charges	49.69	55.78
Rent (refer note 31)	58.76	218.00
Repairs and maintenance		
- Others	107.93	98.24
Insurance	28.34	18.05
Rates and taxes	10.43	15.94
Travelling expenses	115.07	108.23
Office expenses	44.07	50.47
Legal and professional charges	214.65	150.08
Technology expenses	427.03	460.01
Auditor's remuneration [refer note (a) below]	51.36	49.13
Director's sitting fees	7.80	11.20
Telephone and other communication expenses	18.69	25.22
Loss on disposal of property, plant and equipment, net	0.26	4.29
Net foreign exchange loss (other than considered as finance cost)	10.69	-
Miscellaneous expenses	127.47	161.50
	1,272.24	**1,426.14**

(All amounts in ₹ Lacs, unless otherwise stated)

		Year ended 31 March 2020	Year ended 31 March 2019
(a)	**Auditor's remuneration (excluding taxes)**		
	Statutory audit	38.40	38.57
	Tax audit	2.28	2.46
	Other services	8.86	6.24
	Reimbursement of expenses	1.82	1.86
		51.36	**49.13**

28 Tax expense

		Year ended 31 March 2020	Year ended 31 March 2019
(a)	**Income tax in the Consolidated Statement of Profit and Loss:**		
	Current tax	39.28	58.02
	Deferred taxes:		
	- Deferred tax credit	(11.36)	(164.21)
	- MAT Credit entitlement	(25.38)	(45.84)
	Tax adjustments pertaining to previous years	(0.18)	(102.49)
		2.36	**(254.52)**
(b)	**Income tax recognised in other comprehensive income:**		
	Deferred tax on remeasurement of post-employment benefit obligations	2.97	(4.54)
	Deferred tax on fair value gains on investments in debt instruments through OCI	(1.09)	2.76
		1.88	**(1.78)**
(c)	**Reconciliation of income tax expense and the accounting profit for the year:**		
	Profit before tax	**213.23**	**311.93**
	Enacted tax rates (%)	27.82%	27.82%
	Computed expected tax expense	59.32	86.78
	Due to change in enacted tax rate	(14.75)	1.14
	Difference in tax rates of subsidiary companies	-	(62.38)
	Effect due to non-deductible expenses	2.82	2.83
	Change due to adjustment of deferred tax expense/(income)	(30.87)	-
	Effect due to adjustment of unabsorbed losses	(22.17)	(170.57)
	Adjustment for tax relating to earlier years	(0.18)	(102.49)
	Others	8.19	(9.83)
	Total income tax expense as per the consolidated Statement of Profit and Loss	**2.36**	**(254.52)**

		As at 31 March 2020	As at 31 March 2019
(d)	**Income tax balances**		
	Non-current tax assets		
	Opening balance	58.60	65.70

(All amounts in ₹ Lacs, unless otherwise stated)

28 Tax expense (Contd.)

	Add: Taxes paid	49.71	571.85
	Less: Current tax payable for the year	(47.52)	-
	Less: Re-classification from current tax liabilities	(0.62)	(578.95)
	Less: Income tax refund received	(7.26)	-
	Closing balance	**52.91**	**58.60**
	Current tax assets		
	Opening balance	4.15	53.06
	Add: Taxes paid	35.22	0.03
	Less: Current tax payable for the year	(25.55)	-
	Less: Income tax refund received	(0.24)	(48.94)
	Closing balance	**13.58**	**4.15**
	Current tax liabilities		
	Opening balance	10.23	589.05
	Add: Provision for tax	12.29	45.03
	Less: Re-classification to non current tax assets	(12.64)	(672.46)
	Add-: Income tax refund received	-	69.13
	Less: Taxes paid	(7.55)	(20.52)
	Closing balance	**2.33**	**10.23**
	Deferred taxes		
(e)	**Deferred tax assets, net**		
	Unutilised MAT Credit	1809.86	1,784.49
	Unabsorbed losses of foreign subsidiary (net)	202.33	157.43
		2,012.19	**1,941.92**
(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	130.12	129.21
	- Fair valuation on debt instruments through OCI	(2.24)	(3.33)
	- Fair valuation on mutual fund investments measured at FVTPL	30.17	1.39
		158.05	**127.27**
	Deferred Tax asset arising on account of:		
	- Expenses allowable on payment basis	-	5.18
	- Fair valuation of security deposits	0.44	0.41
	- Provision for employee benefits	40.91	21.79
	- Fair valuation of lease rentals	0.66	-
	- Others	-	4.95
		42.01	**32.33**
	Deferred tax liabilities, net	**116.04**	**94.94**

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)

28 Tax expense (Contd.)

(g) Movement in deferred taxes

As on 31 March 2020

Particulars	As at 01 April 2019	Statement of Profit or Loss	Other Comprehensive Income	As at 31 March 2020
Deferred tax assets, net				
Unutilised MAT credit	1,784.49	25.37	-	1809.86
Unabsorbed losses of foreign subsidiary	157.43	44.90	-	202.33
	1,941.92	**70.27**	**-**	**2012.19**
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	129.21	0.91	-	130.12
- Fair valuation on debt instruments through OCI	(3.33)	-	1.09	(2.24)
- Fair valuation on mutual fund investments measured at FVTPL	1.39	28.78	-	30.17
Total deferred tax liabilities	**127.27**	**29.69**	**1.09**	**158.05**
Deferred tax assets for deductible temporary differences on:				
- Expenses allowable on payment basis	5.18	(5.18)	-	(0.00)
- Fair valuation of security deposits	0.41	0.03	-	0.44
- Provision for employee benefits	21.79	16.15	2.97	40.91
- Others	4.95	(4.95)	-	-
- Fair valuation of lease rentals	-	0.66	-	0.66
Total deferred tax assets	**32.33**	**6.71**	**2.97**	**42.01**

(h) Movement in deferred taxes

As on 31 March 2019

Particulars	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 (net)	-	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**	**(10.29)**	**(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

(All amounts in ₹ Lacs, unless otherwise stated)

28 Tax expense (Contd.)

- 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**

29 Earnings per equity share

	Year ended 31 March 2020	Year ended 31 March 2019
Net profit attributable to equity shareholders		
Net profit for the year	210.87	566.45
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
Basic earnings per share (₹)	**1.43**	**3.85**
Diluted earnings per share (₹)	**1.43**	**3.85**

30 Contingent liabilities and commitments

		As at 31 March 2020	As at 31 March 2019
(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**

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

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

(iii) Service tax and hire Charges on facility agreement to S.S. Interiors amounting to ₹17.72 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 2020		
		Within India	Outside India	Total
(i)	Segment revenue	-	59,067.54	59,067.54

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

		As at 31 March 2020		
		Within India	Outside India	Total
(ii)	Non-current assets	4,226.35	3704.02	7930.37

		As at 31 March 2019		
		Within India	Outside India	Total
(ii)	Non-current assets	5515.98	1586.76	7102.74

(All amounts in ₹ Lacs, unless otherwise stated)

(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.

32 Related party disclosures

Information on related party transactions as required by Ind AS - 24 for the year ended 31 March 2020.

(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
Rupinder Singh	Non- executive Independent Director
Savita Agarwal	Non- executive Independent Director
Anil Agrawal	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 2020	Year ended 31 March 2019
Mr. Arvind Kajaria	Managerial remuneration (#)	72.11	72.11
	Dividend paid	56.24	56.00
Mr. Sharad Kajaria	Managerial remuneration (#)	67.61	67.61
	Dividend paid	56.25	56.00
Mrs. Padma Kajaria	Dividend paid	28.00	28.00
Mr. Mohit Kumar Jha	Remuneration	39.38	36.58
	Short term employee benefits	3.13	2.69
	Post employment benefits	4.25	3.02
Mr. Pranvesh Tripathi	Remuneration	27.09	25.52
	Post employment benefits	1.67	1.05
Mr. Anil Agrawal	Sitting fees	2.20	3.00
Mrs.Savita Agarwal	Sitting fees	1.80	2.20
Mr. Ashok Bhandari	Sitting fees	1.60	3.00
Mr.Rupinder Singh	Sitting fees	2.20	3.00

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

(All amounts in ₹ Lacs, unless otherwise stated)

32 Related party disclosures (Contd.)

(c) Balances of related parties

Name of the party	Nature of balance	As at 31 March 2020	As at 31 March 2019
Mr. Arvind Kajaria	Payables	4.12	6.00
Mr. Sharad Kajaria	Payables	3.87	5.63
Mr. Mohit Kumar Jha	Payables	2.18	3.18
Mr. Pranvesh Tripathi	Payables	1.65	2.00

33 Fair value measurements

(a) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2020 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)	308.62	-	-	308.62	308.62
Investments in perpetual bonds (refer note 4)	-	-	615.29	615.29	615.29
Investments in debt mutual funds (refer note 4)	-	6,134.13	-	6,134.13	6,134.13
Trade receivables (refer note 9) (*)	267.51	-	-	267.51	267.51
Cash and cash equivalents (refer note 10) (*)	1,769.15	-	-	1,769.15	1,769.15
Other bank balances (refer note 10) (*)	116.15	-	-	116.15	116.15
Other financial assets					
Security deposits (refer note 5) (*)	5.25	-	-	5.25	5.25
Loans (refer note 5) (*)	2.57	-	-	2.57	2.57
Others (refer note 6)	-	-	-	-	-
	2,469.25	**6,134.13**	**615.29**	**9,218.67**	**9,218.67**
Liabilities:					
Borrowings (refer note 13) (*)	9,711.69	-	-	9,711.69	9,711.69
Trade payables (refer note 15) (*)	1,850.13	-	-	1,850.13	1,850.13
Lease liability (refer note 14) (*)	1,234.52	-	-	1,234.52	1,234.52
Other financial liabilities (refer note 16) (*)	369.13	-	-	369.13	369.13
	13,165.47	**-**	**-**	**13,165.47**	**13,165.47**

(All amounts in ₹ Lacs, unless otherwise stated)

33 Fair value measurements (Contd.)

As at 31 March 2019 :

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 15) (*)	2,308.12	-	-	2,308.12	2,308.12
Other financial liabilities (refer note 16) (*)	500.33	-	-	500.33	500.33
	9,746.08	**-**	**-**	**9,746.08**	**9,746.08**

Notes:

(*) The carrying amount of financial assets and financial liabilities measured at amortized 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 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.

(All amounts in ₹ Lacs, unless otherwise stated)

33 Fair value measurements (Contd.)

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 2020		Level 1	Level 2	Level 3	Total
(i)	Measured at fair value through OCI (FVOCI)				
	Investments in perpetual bonds (refer note 4)	615.29	-	-	615.29
(ii)	Measured at fair value through profit or loss (FVTPL)				
	Investments in debt mutual funds (refer note 4)	6,134.13	-	-	6,134.13
		6,749.42	**-**	**-**	**6,749.42**

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**

(c) Computation of fair values

Investments in mutual funds are investments made in varied tenure 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.

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 minimize 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

(All amounts in ₹ Lacs, unless otherwise stated)

34 Financial risk management (Contd.)

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 amortized 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 2020 and 31 March 2019 was as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables (refer note 9)	267.51	1,160.65
Investments (refer note 4)	7,058.04	7,407.71
Cash and cash equivalents (refer note 10)	1,769.15	1,073.75
Other bank balances (refer note 10)	116.15	150.38
Other financial assets		
Security deposits (refer note 5)	5.25	72.19
Loans (refer note 5)	2.57	6.52
Others (refer note 6)	-	0.27
	9,218.67	**9,871.47**

Trade Receivables as at 31 March 2020:

Particulars	Neither due nor impaired	Past due			Total
		Upto 6 months	6 to 12 months	Above 12 months	
Secured	-	-	-	-	-
Unsecured	-	267.51	-	-	**267.51**
Gross Total	**-**	**267.51**	**-**	**-**	**267.51**
Provision for doubtful receivables	-	-	-	-	-
Net Total	**-**	**267.51**	**-**	**-**	**267.51**

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**

(All amounts in ₹ Lacs, unless otherwise stated)

34 Financial risk management (Contd.)

(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 2020:

Particulars	Upto 1 year	1 year to 3 year	3 year to 5 year	Total
Borrowings (refer note 13)	5,666.25	4,045.44	-	9,711.69
Trade payables (refer note 15)	1,850.13	-	-	1,850.13
Lease liability [refer note 3 (b)]	286.88	633.77	423.89	1,344.54
Other financial liabilities (refer note 16)	367.12	2.01	-	369.13
	8,170.38	**4,681.22**	**423.89**	**13,275.49**

As at 31 March 2019:

Particulars	Upto 1 year	1 year to 3 year	3 year to 5 year	Total
Borrowings (refer note 13)	5,186.25	1,751.38	-	6,937.63
Trade payables (refer note 15)	2,308.12	-	-	2,308.12
Other financial liabilities (refer note 16)	498.32	2.01	-	500.33
	7,992.69	**1,753.39**	**-**	**9,746.08**

(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 USD 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 USD.

(All amounts in ₹ Lacs, unless otherwise stated)

34 Financial risk management (Contd.)

Foreign currency risk exposure:

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Financial Assets		
Trade receivables	267.51	1,160.65
Financial Liabilities		
Borrowings	9,711.69	6,937.63
Trade payables	1,850.13	2,308.12

Sensitivity analysis:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
USD sensitivity:		
INR/USD - increase by 5% (31 March 2019 - 5%)	564.72	404.26
INR/USD - decrease by 5% (31 March 2019 - 5%)	(564.72)	(404.26)

(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 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 2020	As at 31 March 2019
Price increase by (1%) - Investments measured at FVTPL	61.34	59.12
Price decrease by (1%) - Investments measured at FVTPL	(61.34)	(59.12)

(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 2020	As at 31 March 2019
Variable rate borrowing	9,711.69	6,937.63
Total borrowings	**9,711.69**	**6,937.63**

Profit or loss and equity is sensitive to higher / lower interest expense from borrowings as a result of change in interest rates.

(All amounts in ₹ Lacs, unless otherwise stated)

34 Financial risk management (Contd.)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest sensitivity:		
Interest rates - increase by 0.5% (31 March 2019 - 0.5%)	(48.56)	(34.69)
Interest rates - decrease by 0.5% (31 March 2019 - 0.5%)	48.56	34.69

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 maximize 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.

Particulars	As at 31 March 2020	As at 31 March 2019
Net debts (*)	7,826.39	5,713.50
Total equity	14,789.35	14,570.11
Net debt to equity ratio	**0.53**	**0.39**

(*) Net debt = non current borrowings + current borrowings + current maturities of non-current borrowings + interest accrued - cash and bank balances

35 Covid 19 Pandemic

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including the US, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Group has considered the possible effects that may result from the COVID-19 pandemic on the carrying amounts of property, plant and equipment, intangible assets, investments, inventories, receivables and other current assets. In developing assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements, has used internal and external sources of information including economic forecasts. The Group has performed sensitivity analysis on the assumptions used, and based on current estimates expects that the carrying amounts of these assets will be recovered. The Group has taken into account all the possible impacts of known events arising from the COVID-19 pandemic in the preparation of the financial results. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its duration. The Group will continue to monitor any material changes to future economic conditions.

(All amounts in ₹ Lacs, unless otherwise stated)

36 Dividends

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Dividend on equity shares paid during the year:		
Final dividend for FY 2018-19 [₹2 (Previous year ₹2) per equity share of ₹10 each]	293.81	293.25
Dividend distribution tax on above	60.57	60.57

Proposed dividend

The Board of Directors at its meeting held on 30 June 2020 proposed a dividend of ₹1 per equity share (31 March 2019: ₹2 per equity share) amounting to ₹147.32 Lacs (31 March 2019: ₹355.20 Lacs) including dividend distribution tax of ₹ Nil (31 March 2019: ₹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.

37 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 2020	As % of consolidated profit or loss	Year ended 31 March 2020	As % of consolidated profit or loss	Year ended 31 March 2020	As % of consolidated profit or loss	Year ended 31 March 2020
(a)	Parent:								
	IntraSoft Technologies Limited	75.56%	11,174.39	-296.52%	(625.28)	21.20%	76.92	-95.60%	(548.36)
(b)	Subsidiaries								
	Indian subsidiary								
	One Two Three Greetings (India) Private Limited	0.06%	8.24	0.17%	0.35	0.00%	-	0.06%	0.35
	Foreign subsidiary								
	123Greetings.com, Inc.	0.65%	96.24	324.58%	684.45	2.23%	8.09	120.73%	692.54
	Intrasoft Ventures Pte. Limited	-0.29%	(42.68)	-3.22%	(6.79)	-0.41%	(1.50)	-1.45%	(8.29)
	123Stores, Inc. consolidated (*)	24.03%	3,553.16	74.99%	158.14	76.98%	279.24	76.25%	437.38
	Minority Interests in all subsidiaries	-	-	-	-	-	-	-	-
	TOTAL	100%	14,789.35	100%	210.87	100%	362.75	100%	573.62

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	As at 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 : 30 June 2020

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

Arvind Kajaria
Managing Director
DIN No. 00106901

Sharad Kajaria
Whole-time Director
DIN No. 00108036

Mohit Kumar Jha
Chief Financial Officer
PAN: AFQPJ3755G

Pranvesh Tripathi
Company Secretary
PAN: ACWPT9367K

Place: Kolkata
Date: 30 June 2020

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 2020, 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 of the Company as at 31 March 2020, and its profit (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 2020, the Company has recognised Minimum Alternate Tax (MAT) credit amounting to ₹1,809.86 Lacs, within deferred tax assets. On that date, the Company also has unabsorbed depreciation amounting to ₹869.13 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. Considering the materiality of the amounts involved and inherent subjectivity requiring significant judgement involved in the determination of utilization 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.	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 utilization 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; • 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 utilization 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 standalone 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 standalone 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 financial position, 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 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 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 is 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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, based on our audit, 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, based on our audit, 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 accompanying standalone financial statements;

    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 2020 from being appointed as a director in terms of section 164(2) of the Act; we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 30 June 2020 as per Annexure B expressed unmodified opinion; and

    f) 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 26 to the standalone financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2020;

    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 2020;

    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 2020;

    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

UDIN: 20062191AAAAGL6196
Place: Gurugram
Date: 30 June 2020

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 financial statements for the year ended 31 March 2020

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 Sections 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 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

(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) 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

UDIN: 20062191AAAAGL6196
Place: Gurugram
Date: 30 June 2020

Anamitra Das
Partner
Membership No.: 062191

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements 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 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance 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 control 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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

UDIN: 20062191AAAAGL6196
Place: Gurugram
Date: 30 June 2020

Balance Sheet as at 31 March 2020

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	As at 31 March 2020	Restated* As at 31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	5(a)	1,437.04	1,538.81
Right of use assets	5(b)	37.56	-
Other intangible assets	5(c)	11.55	18.78
Financial assets			
(i) Investments	6(a)	1,798.44	2,592.68
(ii) Loans	7(a)	5.25	6.58
Deferred tax assets (net)	23	1,629.57	1,641.32
Non-current tax assets (net)	23	20.51	19.44
Other non-current assets	8(a)	156.79	308.68
Total non-current assets		**5,096.71**	**6,126.29**
Current assets			
Financial assets			
(i) Investments	6(b)	6,384.67	5,912.35
(ii) Trade receivables	9	1.49	16.43
(iii) Cash and cash equivalents	10(a)	42.57	9.30
(iv) Other bank balances	10(b)	39.52	39.82
(v) Loans	7(b)	72.57	81.52
Current tax assets (net)	23	9.69	-
Other current assets	8(b)	146.33	22.88
Total current assets		**6,696.84**	**6,082.30**
Total Assets		**11,793.55**	**12,208.59**
Equity and Liabilities			
Equity			
Equity share capital	11	1,473.17	1,473.17
Other equity	12	9,691.21	9,950.11
Total equity		**11,164.38**	**11,423.28**
Liabilities			
Non-current liabilities			
Financial liabilities:			
(i) Lease liability	13(a)	36.43	-
Other non-current liabilities	15(a)	368.86	370.86
Provisions	16(a)	82.10	75.34
Total non-current liabilities		**487.39**	**446.20**
Current liabilities			
Financial liabilities			
(i) Lease liability	13(b)	3.51	-
(ii) Other financial liabilities	14	114.85	308.26
Other current liabilities	15(b)	20.55	18.48
Provisions	16(b)	2.87	3.00
Current tax liabilities (net)	23	-	9.37
Total current liabilities		**141.78**	**339.11**
Total liabilities		**629.17**	**785.31**
Total Equity and Liabilities		**11,793.55**	**12,208.59**

The accompanying notes 1 to 33 form an integral part of these standalone financial statements.

* Refer note 25 for details about restatement

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 : 30 June 2020

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

Arvind Kajaria
Managing Director
DIN No. 00106901

Sharad Kajaria
Whole-time Director
DIN No. 00108036

Mohit Kumar Jha
Chief Financial Officer
PAN: AFQPJ3755G

Pranvesh Tripathi
Company Secretary
PAN: ACWPT9367K

Place: Kolkata
Date: 30 June 2020

Statement of Profit and Loss for the year ended 31 March 2020

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	Year ended 31 March 2020	Restated* Year ended 31 March 2019
Income			
Revenue from operations	17	690.06	766.43
Other income	18	504.76	544.93
Total income		**1,194.82**	**1,311.36**
Expenses			
Employee benefits expenses	19	648.00	714.83
Finance costs	20	3.64	1.52
Depreciation and amortisation expense	21	114.13	121.75
Other expenses	22	290.67	323.64
Total expenses		**1,056.44**	**1,161.74**
Profit before tax		**138.38**	**149.62**
Tax expense:	23		
Current tax		25.37	44.17
Deferred tax		(5.87)	(37.65)
Prior year taxes		-	0.15
		19.50	6.67
Profit after tax		**118.88**	**142.95**
Other comprehensive income:			
(a) Items that will not be reclassified to profit or loss:			
- Remeasurements of defined benefit obligations		(9.67)	(2.68)
- Income tax effect on above		2.69	0.74
(b) Items that will be reclassified subsequently to profit or loss:			
- Fair value gain/(loss) on investment in debt instruments through OCI		3.91	(9.89)
- Income tax effect on above		(1.09)	2.76
Total other comprehensive income for the year		**(4.16)**	**(9.07)**
Total comprehensive income for the year		**114.72**	**133.88**
Earnings per equity share:			
Basic and diluted earnings per share (₹)	24	0.81	0.97

The accompanying notes 1 to 33 form an integral part of these standalone financial statements.
*Refer note 25 for details about restatement.
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 : 30 June 2020

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

Arvind Kajaria
Managing Director
DIN No. 00106901

Sharad Kajaria
Whole-time Director
DIN No. 00108036

Mohit Kumar Jha
Chief Financial Officer
PAN: AFQPJ3755G

Pranvesh Tripathi
Company Secretary
PAN: ACWPT9367K

Place: Kolkata
Date: 30 June 2020

Statement of Cash flows for the year ended 31 March 2020

(All amounts in ₹ Lacs, unless otherwise stated)

	Particulars	Year ended 31 March 2020	Restated* Year ended 31 March 2019
A.	**Cash flow from operating activities**		
	Profit before tax	138.38	149.62
	Adjustments for:		
	Depreciation and amortisation expense	114.13	121.75
	Loss on disposal of property, plant and equipment	-	4.29
	Net gain on sale of investments measured at FVTPL	(226.94)	(329.38)
	Net gain arising on remeasurement of investments measured at FVTPL	(108.42)	(3.06)
	Foreign exchange (gain)/loss	8.42	(8.74)
	Finance costs	3.64	1.52
	Interest income	(135.66)	(146.28)
	Unwinding of financial guarantee	(27.75)	(51.24)
	Operating loss before working capital changes	**(234.20)**	**(261.52)**
	Adjustments for changes in working capital:		
	Decrease in trade receivables	6.52	95.79
	(Increase)/decrease in loans	10.28	(2.01)
	Decrease in other financial assets	2.04	50.53
	(Increase)/decrease in other assets	28.44	(25.52)
	Increase in provisions	0.87	0.77
	Decrease in non current liabilities	(2.00)	(2.00)
	Increase/(decrease) in financial liabilities	(191.37)	157.47
	Increase/(decrease) in current liabilities	2.07	(7.21)
	Cash generated from/(used in) operating activities	**(377.35)**	**6.30**
	Income tax paid (net of refunds)	(45.50)	45.74
	Net cash generated from/(used in) operating activities (A)	**(422.85)**	**52.04**
B.	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment	(0.31)	(15.93)
	Purchase of intangible assets	(1.11)	(2.58)
	Proceeds from disposal of property, plant equipment	1.88	9.21
	Maturity of/(investment in) fixed deposits (net)	(1.74)	2.40
	Interest received	135.66	145.59
	Purchase of investments	(8,123.56)	(7,855.57)
	Sale of investments	8,808.57	7,958.46
	Net cash generated from investing activities (B)	**819.39**	**241.58**

Statement of Cash flows for the year ended 31 March 2020

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars		Year ended 31 March 2020	Restated* Year ended 31 March 2019
C.	**Cash flow from financing activities:**		
	Dividend paid (including tax thereon)	(356.42)	(353.79)
	Repayment of lease liabilities (net)	(6.78)	-
	Interest paid	(0.07)	(0.14)
	Net cash used in financing activities (C)	**(363.27)**	**(353.93)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**33.27**	**(60.31)**
	Cash and cash equivalents at the beginning of the year	9.30	69.61
	Cash and cash equivalents at the end of the year	**42.57**	**9.30**
	Components of cash and cash equivalents:		
	Cash and bank balances	42.57	9.30
		42.57	**9.30**

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".

* Refer note 25 for details about restatement.

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

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

Anamitra Das
Partner
Membership No. 062191

Arvind Kajaria
Managing Director
DIN No. 00106901

Sharad Kajaria
Whole-time Director
DIN No. 00108036

Mohit Kumar Jha
Chief Financial Officer
PAN: AFQPJ3755G

Pranvesh Tripathi
Company Secretary
PAN: ACWPT9367K

Place : Gurugram
Date : 30 June 2020

Place: Kolkata
Date: 30 June 2020

Statement of Changes in Equity for the year ended 31 March 2020

(All amounts in ₹ Lacs, unless otherwise stated)

A. Equity Share Capital

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	1,473.17	1,473.17
Changes in equity share capital during the year	-	-
Balance at the end of the year	1,473.17	1,473.17

B. Other equity

	Reserves and Surplus				Other comprehensive income (OCI)	Total
	Securities premium account	General reserve	Capital reserve	Retained earnings	Debt instruments through OCI	
As at 1 April 2018	5,527.11	169.15	96.14	4,380.41	(2.79)	10,170.02
Profit for the year	-	-	-	142.95	-	142.95
Items of other comprehensive income, net of tax:						
Remeasurements of post-employment benefit obligations, net of tax	-	-	-	(1.94)	-	(1.94)
Fair value changes on investments in debt instruments through OCI	-	-	-	-	(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	4,167.63	(9.92)	9,950.11
Changes in equity for the year ended 31 March 2020						
As at 31 March 2019	5,527.11	169.15	96.14	4,167.63	(9.92)	9,950.11
Profit for the year*	-	-	-	118.88	-	118.88
Items of other comprehensive income, net of tax:						
Remeasurements of post-employment benefit obligations, net of tax	-	-	-	(6.98)	-	(6.98)
Fair value changes on investments in debt instruments through OCI	-	-	-	-	2.82	2.82
Dividends paid (including dividend tax)	-	-	-	(354.38)	-	(354.38)
Others	-	-	-	(19.24)	-	(19.24)
As at 31 March 2020	5,527.11	169.15	96.14	3,905.91	(7.10)	9,691.21

The accompanying notes 1 to 33 form an integral part of these standalone financial statements.

* Refer note 25 for details about restatement.

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

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

Anamitra Das
Partner
Membership No. 062191

Arvind Kajaria
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Chief Financial Officer
PAN: AFQPJ3755G

Pranvesh Tripathi
Company Secretary
PAN: ACWPT9367K

Place : Gurugram
Date : 30 June 2020

Place: Kolkata
Date: 30 June 2020

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ Lacs, unless otherwise stated)

1 Corporate 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 2020 were authorized and approved for issue by the Board of Directors on 30 June 2020.

b) Statement of compliance

These standalone 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 Significant Accounting policies

Basis of preparation

These standalone 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.

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 recognized 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.

(All amounts in ₹ Lacs, unless otherwise stated)

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 recognized 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 recognized.

4 The standalone financial statements have been prepared using the accounting policies and measurement basis summarized 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 recognized 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 recognized 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

(All amounts in ₹ Lacs, unless otherwise stated)

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 recognized 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 to 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 recognized 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 recognized 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) Other 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) Leases

Company as a lessee:

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application on 01 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short-term leases’), and lease contracts for which the underlying asset is of low value (‘low-value assets’).

The Company has lease contracts for various buildings. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as an operating lease.

Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis, (no straightlining was done in case escalations were considered to be in line with expected general inflation), over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases are recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company has applied the available practical expedients wherein it:

• Used a single discount rate to a portfolio of leases with reasonably similar characteristics.

• Relied on its assessment of whether leases are onerous immediately before the date of initial application.

• Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.

• Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

• Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(f) 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.

(All amounts in ₹ Lacs, unless otherwise stated)

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.

(g) 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 amortized 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 recognized 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.

This category applies to investments by the Company in non-convertible debentures.

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 recognized in the Other Comprehensive Income (OCI). However, the Company recognizes 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 recognized in OCI is reclassified from equity to the Statement of Profit and Loss.

This category applies to investments by the Company in perpetual bonds.

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

De-recognition of financial assets

A financial asset is de-recognized 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-recognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

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 recognized 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.

(All amounts in ₹ Lacs, unless otherwise stated)

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.

(h) 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 recognized in the Statement of Profit and Loss.

(i) Taxation

Tax expense recognized in the Statement of Profit or Loss comprises the sum of deferred tax and current tax except the ones recognized 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 recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized 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).

(j) 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.

(All amounts in ₹ Lacs, unless otherwise stated)

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 recognized 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.

(k) 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.

(l) 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.

(m) 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.

(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 recognized 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 categorized 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 recognized 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 amortized over the tenure of the respective borrowings. An unamortized 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 2020. 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

	Buildings	Furniture and fixtures	Computer equipment	Office equipment	Leasehold Improvements	Vehicles	Total
Gross block							
Balance as at 01 April 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
Additions	-	-	0.31	-	-	-	0.31
Disposals	-	2.78	12.11	-	-	-	14.89
Balance as at 31 March 2020	**1,282.79**	**288.02**	**38.44**	**142.43**	**15.00**	**105.16**	**1,871.84**
Accumulated depreciation							
Balance as at 01 April 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**
Depreciation charge for the year	21.71	34.68	1.16	23.67	4.75	14.23	100.20
Disposals	-	1.51	11.50		-	-	13.01
Balance as at 31 March 2020	**86.84**	**132.02**	**32.95**	**105.95**	**6.73**	**70.31**	**434.80**
Net block							
Balance as at 31 March 2019	1,217.66	191.95	6.95	60.15	13.02	49.08	1,538.81
Balance as at 31 March 2020	**1,195.95**	**156.00**	**5.49**	**36.48**	**8.27**	**34.85**	**1,437.04**

5 (b) Right-of-use assets

	RoU	Total
Gross block		
Balance as at 01 April 2019	**-**	**-**
Additions	43.15	43.15
Disposals	-	-
Balance as at 31 March 2020	**43.15**	**43.15**
Accumulated amortisation		
Balance as at 01 April 2019	**-**	**-**
Charge for the year	5.59	5.59
Disposals	-	-
Balance as at 31 March 2020	**5.59**	**5.59**
Net block		
Balance as at 31 March 2020	**37.56**	**37.56**

(All amounts in ₹ Lacs, unless otherwise stated)

During the year the company has recognised ROU asset of ₹43.15 lakhs for finance lease to use floor space for office.

Lease liabilities

Particulars	Amount
Balance as on 1 April2019 due to adoption of Ind AS 116	43.15
Add: Interest expense accrued on lease liabilities	3.57
Less: Lease liabilities paid	6.78
Closing balance as at 31 March 2020	**39.94**
Current	3.51
Non current	36.43

The Company has lease agreement usually for a period of 2 to 9 years with the lessor for rental of office spaces. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Lease deed for office space imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. The Company is prohibited from selling or pledging the underlying leased assets as security.

Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019.

The Company has recognized right of use asset equal to the lease liability for the office space taken on lease and on transition, the adoption of new standard resulted in recognition of right to use asset and lease liability of ₹43.15 lakhs.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 9% per annum.

Maturity profile of lease liability

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Year ended 31 March 2020	0 to 1 year	1 to 5 years	> 5 years	Total
Lease liabilities	6.78	28.48	19.18	54.44

Following amount has been recognised in statement of profit and loss account:

Particulars	Amount
Depreciation/amortisation on right to use asset	5.59
Interest on lease liability	3.57
Expenses related to short term lease (included under other expenses)	18.16
Expenses related to low value lease (included under other expenses)	-
Total amount recognised in statement of profit and loss account	**27.32**

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

(All amounts in ₹ Lacs, unless otherwise stated)

5 (c) Other intangible assets

	Softwares	Total
Gross block		
Balance as at 01 April 2018	44.89	44.89
Additions	2.58	2.58
Disposals	-	-
Balance as at 31 March 2019	**47.47**	**47.47**
Additions	1.11	1.11
Disposals	-	-
Balance as at 31 March 2020	**48.58**	**48.58**
Accumulated amortisation		
Balance as at 01 April 2018	19.34	19.34
Charge for the year	9.35	9.35
Disposals	-	-
Balance as at 31 March 2019	**28.69**	**28.69**
Charge for the year	8.34	8.34
Disposals	-	-
Balance as at 31 March 2020	**37.03**	**37.03**
Net block		
Balance as at 31 March 2019	18.78	18.78
Balance as at 31 March 2020	**11.55**	**11.55**

6 Investments

		As at 31 March 2020	As at 31 March 2019
(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 2019 - 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 2019 - 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 2019 - 1,450,000) shares having face value of SGD 1.00 each fully paid-up]		

(All amounts in ₹ Lacs, unless otherwise stated)

6 Investments (Contd.)

		As at 31 March 2020	As at 31 March 2019
II	**Investments in non-convertible debentures**		
	Quoted		
	(Designated at Amortised Cost)		
(i)	Srei Infrastructure Finance Limited (10.20% NCD)	-	500.15
	(50 units having face value of ₹1,000,000 each fully paid-up)		
(ii)	Edelweiss Retail Finance Limited (8.75% NCD)	-	250.54
	(25,000 units having face value of ₹1,000 each fully paid-up)		
(iii)	DHFL (8.90% NCD)	5.00	26.83
	(2,500 units having face value of ₹1,000 each fully paid-up)		
(iv)	ECL Finance Limited (9.45% NCD)	53.08	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)	198.59	199.50
(ii)	Axis Bank Limited (8.75% Additional Tier 1 Bonds Series 26) (20 units having face value of ₹1,000,000 each)	201.57	198.16
(iii)	HDFC Bank Limited (8.85% Perpetual Bonds Series 1/2017-18) (20 units having face value of ₹1,000,000 each)	215.13	213.82
	(#) Pledged in favour of Citi Bank N.A. against SBLC amounting ₹5,550 Lacs.		
IV	**Deemed investments (*Refer note 25 for detail about restatement)**		
	(measured at fair value)		
	123Stores, Inc. [refer note (ii) below]	240.82	213.07
	Total non-current investments	**1,798.44**	**2,592.68**
	Other disclosures for non-current investments:		
	Aggregate amount of quoted investments	673.37	1,495.36
	Aggregate amount of unquoted investments	884.25	884.25

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 (Contd.)

		As at 31 March 2020	As at 31 March 2019
(b)	**Current investments**		
I	**Investments in non-convertible debentures**		
	Quoted		
	(Designated at Amortised Cost)		
(i)	Edelweiss Retail Finance Limited (8.75% NCD)	250.54	-
	(25,000 units having face value of ₹1,000 each fully paid-up)		
		250.54	**-**
II	**Investments in mutual funds:**		
	Quoted		
	(Measured at Fair Value Through Profit and Loss)		
	Debt Mutual funds (refer details below)	6,134.13	5,912.35
		6,134.13	**5,912.35**
	Other disclosures for current investments:		
	Aggregate amount of quoted investments	6,384.67	5,912.35
	Aggregate amount of impairment in value of investments	-	-

Investments in Mutual Funds

(a) Balance as at 31 March 2020:

Particulars	Units	Amount
Axis Ultra Short Term Fund - Direct Growth	475,722	53.96
Aditya Birla Sun Life Credit Risk Fund -Growth-Direct Plan (Seg. Port1)	7,706,265	33.41
Aditya Birla Sun Life Money Manager Fund - Growth-Direct Plan	11,265	30.52
Aditya Birla Sun Life Short Term Fund -Growth- Direct Plan (#)	872,791	302.39
Franklin India Credit Risk Fund - Growth	997,572	186.52
Franklin India Credit Risk Fund - Growth (Seg. Port1,2&3)	997,571	-
HDFC Corporate Bond Fund - Direct Plan - Growth (#)	1,782,074	411.37
HDFC Medium Term Debt Fund - Direct Plan - Growth (#)	1,217,256	512.51
ICICI Prudential Credit Risk Fund-Growth (#)	1,412,090	307.10
ICICI Prudential Corporate Bond Fund - Direct Plan- Growth (#)	1,424,118	306.33
ICICI Prudential Medium Term Bond Fund-Direct Plan-Growth (#)	1,241,143	412.22
ICICI Prudential Short Term Fund - Direct Plan - Growth (#)	923,035	409.51
IDFC Bond Fund-Short Term Plan-Growth-Direct Plan (#)	927,932	402.37
Kotak Dynamic Bond Fund - Direct Plan - Growth (#)	1,463,427	411.14
Kotak Bond Short Term Fund - Direct Plan – Growth (#)	1,013,215	406.44
L&T Triple Ace Bond Fund - Direct Plan - Growth (#)	565,090	312.31
L&T Resurgent India Bond Fund - Direct Plan - Growth (#)	1,952,197	300.61
SBI Dynamic Bond Fund - Regular Plan - Growth (#)	1,194,237	310.89
SBI Magnum Medium Duration Fund - Direct - Growth (#)	818,044	310.02
SBI Short Term Debt Fund - Direct - Growth (#)	1,685,857	406.87
SBI Corporate Bond Fund - Direct - Growth (#)	2,725,923	307.64
		6,134.13

(#) Ear-marked for lien in favour of Citi Bank N.A. against SBLC amounting ₹5,550 Lacs.

(All amounts in ₹ Lacs, unless otherwise stated)

6 Investments (Contd.)

(b) Balance as at 31 March 2019 :

Particulars	Units	Amount
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

7 Loans

		As at 31 March 2020	As at 31 March 2019
(a)	**Non-current:**		
	(Unsecured, considered good)		
	Security deposits	5.25	6.58
		5.25	**6.58**
(b)	**Current:**		
	(Unsecured, considered good)		
	Loan to subsidiaries (refer note below)	70.00	75.00
	Loans and advances to employees	2.57	6.52
		72.57	**81.52**

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

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 ₹70 Lacs (31 March 2019 - ₹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 2020	Maximum balance outstanding during the year ended 31 March 2020	Amount outstanding as at 31 March 2019	Maximum balance outstanding during the year ended 31 March 2019
One Two Three Greetings (India) Pvt. Limited	70.00	75.00	75.00	75.00

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

(All amounts in ₹ Lacs, unless otherwise stated)

8 Other assets

		As at 31 March 2020	As at 31 March 2019
(a)	**Non-current**		
	Balances with Government Authorities (Refer note below)	154.68	306.23
	Prepaid expenses	2.11	2.45
		156.79	**308.68**

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.

		As at 31 March 2020	As at 31 March 2019
(b)	**Current**		
	Advance to suppliers	-	2.98
	Other advances	2.09	7.10
	Income Tax Refund Receivable	13.65	-
	GST Refund Receivable	122.45	-
	Prepaid expenses	8.14	12.80
		146.33	**22.88**

9 Trade receivables

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	1.49	16.43
	1.49	**16.43**

The Company does not have any receivables which have been credit impaired or significant increase in credit risk.
The receivable amount is due from a related party.

10 Cash and bank balances

		As at 31 March 2020	As at 31 March 2019
(a)	**Cash and cash equivalents**		
	Balances with banks		
	- In current account	4.31	8.54
	- Deposits of original maturity of less than 3 months	38.02	-
	Cash on hand	0.24	0.76
		42.57	**9.30**
(b)	**Other bank balances**		
	Unpaid dividend account [refer note (i) below]	5.54	7.58
	Deposits with maturity of more than 3 months but less than 12 months [refer note (ii) below]	33.98	32.24
		39.52	**39.82**

Notes:

(i) The Company has transferred an amount of ₹0.31 Lacs of unpaid dividend to the Investor Education and Protection fund for the financial year 2011-12.

(ii) The Company has deposited ₹30 Lacs against fixed deposit with HDFC Bank for bank guarantee issued in favour of Santosh Promoters Pvt. Limited as per the order of Supreme Court dated 01 May 2017.

(All amounts in ₹ Lacs, unless otherwise stated)

11 Equity share capital

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Authorized 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 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 2020		As at 31 March 2019	
	Number	Percentage	Number	Percentage
Fully paid-up equity shares of ₹10 each:				
Arvind Kajaria	2,811,797	19.09%	2,800,014	19.01%
Sharad Kajaria	2,812,500	19.09%	2,800,000	19.01%
Padma Kajaria	1,400,000	9.50%	1,400,000	9.50%
University of Notre Dame Du Lac	1,085,015	7.37%	880,565	5.98%

(e) The Board of Directors at its meeting held on 30 June 2020 proposed a dividend of ₹1 per equity share (31 March 2019: ₹2 per equity share) amounting to ₹147.32 Lacs (31 March 2019: ₹355.20 Lacs) including dividend distribution tax of ₹ Nil (31 March 2019: ₹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.

12 Other equity

	As at 31 March 2020	As at 31 March 2019
(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	4,167.63	4,380.41
Profit for the year	118.88	142.95
Remeasurements of post-employment benefit obligations, net of tax	(6.98)	(1.94)
Less-: Appropriations		
Dividend on equity shares (including dividend tax)*	(354.38)	(353.79)

(All amounts in ₹ Lacs, unless otherwise stated)

12 Other equity (Contd.)

	Closing balance	**3,905.91**	**4,167.63**
	Others	**(19.24)**	**-**
(e)	Debt instruments through OCI		
	Opening balance	(9.92)	(2.79)
	Net fair value loss on investment in debt instruments through OCI, net of tax	2.82	(7.13)
	Closing balance	**(7.10)**	**(9.92)**
		9,691.21	**9,950.11**

*Paid to shareholders during the financial year 2019-20.

(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.

13 Lease liability

		As at 31 March 2020	As at 31 March 2019
(a)	**Non-current**		
	Lease liability	36.43	-
		36.43	**-**
(b)	**Current**		
	Lease liability	3.51	-
		3.51	**-**

14 Other financial liabilities

Current	As at 31 March 2020	As at 31 March 2019
Liabilities for expenses	27.38	26.62
Dues to employees	68.06	76.61
Liability for financial guarantee to subsidiary	13.87	13.87
Unpaid dividend	5.54	7.58
Excess income tax received refundable	-	183.58
	114.85	**308.26**

(All amounts in ₹ Lacs, unless otherwise stated)

15 Other liabilities

		As at 31 March 2020	As at 31 March 2019
(a)	**Non-current**		
	Advances:		
	Advance from related parties (refer note 27)	267.37	267.37
	Others:		
	Deferred revenue arising from government grant	101.49	103.49
		368.86	**370.86**

		As at 31 March 2020	As at 31 March 2019
(b)	**Current**		
	Others		
	Statutory dues	18.54	16.47
	Deferred revenue arising from government grant	2.01	2.01
		20.55	**18.48**

*Refer note 25 for details about restatement

16 Provisions

		As at 31 March 2020	As at 31 March 2019
(a)	**Non-current**		
	Provision for employee benefits:		
	- Provision for gratuity (refer note 19)	68.50	61.30
	- Provision for compensated absences	13.60	14.04
		82.10	**75.34**

		As at 31 March 2020	As at 31 March 2019
(b)	**Current**		
	Provision for employee benefits:		
	- Provision for gratuity (refer note 19)	2.12	2.13
	- Provision for compensated absences	0.75	0.87
		2.87	**3.00**

17 Revenue from operations

	Year ended 31 March 2020	Year ended 31 March 2019
Sale of services	690.06	766.43
	690.06	**766.43**

Disclosures on revenue pursuant to Ind AS 115 - Revenue from contracts with customers

(All amounts in ₹ Lacs, unless otherwise stated)

a) Revenue streams

The Company generates revenue primarily from a single business segment of internet based delivery of services.

b) Reconciliation of revenue from sale of services with the contracted price

Contracted price	690.06	766.43
Less: Trade discounts, volume rebates, etc.	-	-
Sale of services	**690.06**	**766.43**

c) Timing of revenue recognition

Services rendered at a point in time when performance obligation is satisfied	690.06	766.43
	690.06	**766.43**

d) Geographical information

Geographical information of the Company's revenue from operation has been disclosed below:

United States of America	690.06	766.43
	690.06	**766.43**

e) Contract balance

The following table provides information about receivables, contract assets and contract liabilities from contract with customers

	As at 31 March 2020	As at 31 March 2019
Receivables	1.49	16.43
Contract assets	-	-
Contract liabilities	-	-

Contract asset is the right to consideration in exchange for services transferred to the customer. Contract liability is the entity's obligation to transfer services to a customer for which the entity has received consideration from the customer in advance.

18 Other income

	Year ended 31 March 2020	Year ended 31 March 2019
Interest income:		
- Investments in debt instruments	133.32	132.78
- Others	2.34	13.50
Other gains and losses:		
- Net gain on sale of investments measured at FVTPL	226.94	329.38
- Net gain arising on remeasurement of investments measured at FVTPL	108.42	3.06
Others		
- Net foreign exchange gain	-	8.74
- Other miscellaneous income	5.99	6.23
- Unwinding of financial guarantee *	27.75	51.24
	504.76	**544.93**

*Refer note 25 for details about restatement

(All amounts in ₹ Lacs, unless otherwise stated)

19 Employee benefits expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and allowances	616.11	677.77
Contribution to provident and other funds [refer note (a) below]	29.08	34.56
Staff welfare expenses	2.81	2.50
	648.00	**714.83**

(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.

Particulars		Gratuity	
		Year ended 31 March 2020	Year ended 31 March 2019
(i)	**Defined benefits obligations recognised:**		
	Present value of obligation:		
	- Current	2.12	2.13
	- Non-current	68.50	61.30
		70.62	**63.43**
(ii)	**Movement in the present value of defined benefit obligations:**		
	Balance at the beginning of the year	63.43	62.24
	Current service cost	5.04	5.46
	Past service cost	-	-
	Interest cost	4.82	4.79
	Actuarial loss arising from assumption changes	7.71	0.75
	Actuarial loss arising from experience adjustments	1.97	1.93
	Benefits paid	(12.35)	(11.74)
	Obligations at the end of the year	**70.62**	**63.43**
(iii)	**Components of the net cost charged to the Statement of Profit and Loss:**		
	Current service cost	5.04	5.46
	Interest cost	4.82	4.79
		9.86	**10.25**
(iv)	**Remeasurement of the net defined benefit plans**		
	Actuarial loss arising from assumption changes	7.71	0.75
	Actuarial loss arising from experience adjustments	1.97	1.93
		9.68	**2.68**

(All amounts in ₹ Lacs, unless otherwise stated)

19 Employee benefits expenses (Contd.)

		Gratuity	
		31 March 2020	31 March 2019
(v)	**Assumptions**		
	Discount rate (refer note below)	6.60%	7.60%
	Salary escalation rate	5.00%	5.00%
	Withdrawal rate per annum	2.00%	2.00%
	Expected average remaining working lives of employees (years)	20.94	22.13
	Mortality rate	IALM 12-14 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		Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016
(vi)	**Experience adjustments**					
	Defined benefit obligation at the end of the year	70.62	63.43	62.24	51.43	37.75
	Experience gain/(loss) adjustments on plan liabilities	1.97	1.93	2.54	1.19	(13.19)

Particulars		Gratuity	
		Year ended 31 March 2020	Year ended 31 March 2019
(vii)	**Sensitivity analysis**		
	Discount rate - Decrease by 1%	79.75	71.61
	Discount rate - Increase by 1%	62.86	56.48
	Salary escalation rate - Decrease by 1%	63.86	57.20
	Salary escalation rate - Increase by 1%	78.39	70.47

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 2020	Year ended 31 March 2019
Year 1	2.12	2.13
2 to 5 years	9.09	9.33
6 to 10 years	27.85	28.28
More than 10 years	135.12	143.88

(All amounts in ₹ Lacs, unless otherwise stated)

19 Employee benefits expenses (Contd.)

(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 2020	Year ended 31 March 2019
Other borrowing costs	0.07	0.14
Amortisation of lease rentals [refer note 5(b)]	3.57	1.38
	3.64	**1.52**

21 Depreciation and amortization expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment [refer note 5(a)]	100.20	112.40
Amortisation of other intangible assets [refer note 5(c)]	8.34	9.35
Amortisation of right-of-use assets [refer note 5(b)]	5.59	-
	114.13	**121.75**

22 Other expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Electricity charges	40.89	43.12
Office expenses	22.04	20.68
Rent	18.16	37.10
Repairs and maintenance:		
- Others	16.07	19.53
Insurance	2.49	2.36
Rates and taxes	3.89	9.32
Travelling expenses	40.56	51.39
Legal and professional charges	54.14	69.23
Auditor's remuneration [refer note (a) below]	14.71	15.32
Director's sitting fees	7.80	11.20
Telephone and other communication expenses	8.19	12.21
Statutory release and publications	3.23	5.91
Net loss on disposal of property, plant and equipment	-	4.29
Net loss on foreign currency transactions and translation	8.42	-

(All amounts in ₹ Lacs, unless otherwise stated)

22 Other expenses (Contd.)

Impairment of non convertible debenture	20.00	-
Miscellaneous expenses	30.08	21.98
	290.67	**323.64**
(a) Auditor's remuneration (excluding taxes)		
Statutory audit	13.00	13.00
Tax audit	0.80	1.00
Other services	0.22	0.50
Reimbursement of expenses	0.69	0.82
	14.71	**15.32**

23 Tax expenses

		Year ended 31 March 2020	Year ended 31 March 2019
(a)	**Income tax in the Statement of Profit and Loss:**		
	Current tax	25.37	44.17
	Deferred tax:		
	- Deferred tax charge / (credit)	19.50	8.19
	- MAT credit entitlement	(25.37)	(45.84)
	Tax adjustments pertaining to previous years	-	0.15
		19.50	**6.67**
(b)	**Income tax recognised in other comprehensive income comprises:**		
	Deferred tax on remeasurement of post-employment defined benefit obligations	2.69	0.74
	Deferred tax on net gain in debt instruments through OCI	(1.09)	2.76
		1.60	**3.50**
(c)	**Reconciliation of income tax expense and the accounting profit for the year:**		
	Profit before tax	**138.38**	**149.62**
	Enacted tax rates (%)	27.82%	27.82%
	Computed expected tax expense	38.50	41.62
	Effect due to adjustment of unabsorbed losses	(2.43)	(23.33)
	Effect due to non-deductible expenses	(3.64)	2.61
	Effect due to change in tax rates	14.75	1.34
	Adjustment for tax relating to earlier years	-	0.15
	Others	1.82	(15.72)
	Total income tax expense as per the Statement of Profit and Loss	**19.50**	**6.67**

		As at 31 March 2020	As at 31 March 2019
(d)	**Income tax balances**		
	Non-current tax assets:		
	Opening balance	19.44	51.19
	Add: Taxes paid	-	-
	Less: Current tax payable for the year	-	-

(All amounts in ₹ Lacs, unless otherwise stated)

23 Tax expenses (Contd.)

		As at 31 March 2020	As at 31 March 2019
	Less: Re-classification from/to current tax assets/(liabilities)	1.07	(31.75)
	Closing balance	**20.51**	**19.44**
	Current tax assets /(liabilities)		
	Opening balance	(9.37)	48.94
	Add: Taxes paid	35.22	23.24
	Less: Current tax payable for the year	(25.37)	(44.17)
	Add-: Re-classification to non-current tax assets	9.37	31.75
	Less: Prior year tax adjustments	(0.16)	(69.13)
	Closing balance	**9.69**	**(9.37)**
	Deferred taxes		
(e)	**Deferred tax assets**		
	Unutilised MAT Credit	1,809.86	1,784.49
		1,809.86	**1,784.49**
(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	133.11	129.21
	- Fair valuation on debt instruments through OCI	(2.24)	(3.33)
	- Fair valuation on mutual fund investments measured at FVTPL	30.17	1.40
	- Amortisation of financial guarantee	48.16	43.35
		209.20	**169.89**
	Deferred Tax asset arising on account of:		
	- Expenses allowable on payment basis	27.81	26.31
	- Fair valuation of security deposits	0.44	0.41
	- Fair valuation of lease rentals	0.66	-
		28.91	**26.72**
	Deferred tax liabilities	**180.29**	**143.17**
	Deferred tax assets, net	**1,629.57**	**1,641.32**

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.)

(g) Movement in deferred taxes

As on 31 March 2019

Particularsw	As at 01 April 2018	Statement of Profit or Loss	Other Comprehensive Income	As at 31 March 2019
Deferred tax assets				
Unutilised MAT credit	1,738.65	45.84	-	1,784.49
	1,738.65	**45.84**	**-**	**1,784.49**
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)	-	-
- Provision for employee benefits	-	-	-	-
Total deferred tax assets	**33.47**	**(6.75)**	**-**	**26.72**
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	(4.52)	-	43.35
Total deferred tax liabilities	**171.95**	**1.44**	**(3.50)**	**169.89**
Deferred tax liabilities,	**138.48**	**8.19**	**(3.50)**	**143.17**
Deferred tax assets, net	**1,600.17**	**37.65**	**3.50**	**1,641.32**

As on 31 March 2020

Particulars	As at 01 April 2019	Statement of Profit or Loss	Other Comprehensive Income	As at 31 March 2020
Deferred tax assets				
Unutilised MAT credit	1,784.49	25.37	-	1,809.86
	1,784.49	**25.37**	**-**	**1,809.86**
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	129.21	3.90	-	133.11
- Fair valuation on debt instruments through OCI	(4.07)	-	1.83	(2.24)
- Fair valuation on mutual fund investments measured at FVTPL	1.40	28.77	-	30.17
- Interest on unwinding (Financial guarantee)	43.35	4.81	-	48.16
Total deferred tax liabilities	**169.89**	**37.48**	**1.83**	**209.20**

(All amounts in ₹ Lacs, unless otherwise stated)

23 Tax expenses (Contd.)

Deferred tax assets for deductible temporary differences on:				
- Expenses allowable on payment basis	26.31	1.50	-	27.81
- Fair valuation of security deposits	0.41	0.03	-	0.44
- Amortisation of financial guarantee	-	0.66	-	0.66
Total deferred tax assets	**26.72**	**2.19**	**-**	**28.91**
Deferred tax liabilities,	**143.17**	**35.29**	**1.83**	**180.29**
Deferred tax assets, net	**1,641.32**	**(9.92)**	**(1.83)**	**1,629.57**

24 Earnings per equity share (EPS)

	Year ended 31 March 2020	Year ended 31 March 2019
Net profit attributable to equity shareholders	118.88	142.95
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 (₹)	0.81	0.97
-Diluted earnings per share (₹)	0.81	0.97

25 The Company has changed its assumption with respect to accounting for fair valuation of corporate guarantee given on behalf of a subsidiary company due to which the audited figures for the quarter and year ended 31 March 2019 have been restated in accordance with the requirement of Ind AS 8, "Accounting Policies, Changes in Accounting Estimates and Errors". The above restatement has no impact on the consolidated financial results of the Company.

The following table summarises the impact on change in estimate on each individual line items for the year ended 31 March 2019. Line items that are not affected by changes have not been included.

Impact on items in Balance sheet

Particulars	31 March 2019 As originally presented	Change	31 March 2019 as restated
Financial assets			
Non-current investments	2,995.73	(403.05)	2,592.68
Equity			
Other equity	**9,971.05**	(20.94)	9,950.11
Non-current liabilities			
Deferred tax liabilities (net)*	168.98	(25.81)	143.17
Other non-current liabilities	**604.01**	**(233.15)**	**370.86**
Other financial liabilities			
Current	**294.39**	**13.87**	**308.26**
Other Current Liabilities	**155.50**	**(137.02)**	**18.48**

(All amounts in ₹ Lacs, unless otherwise stated)

Impact on items in Statement of Profit & Loss

Particulars	31 March 2019 As originally presented	Change	31 March 2019 as restated
Income			
Other Income	610.37	(65.44)	544.93
Expenses			
Finance costs	**20.21**	(18.69)	1.52
Tax expense			
(b) Deferred tax	**(11.84)**	**(25.81)**	**(37.65)**

Impact on items in Statement of Cash flows

Particulars	31 March 2019 As originally presented	Change	31 March 2019 as restated
Cash flow from operating activities			
Profit before tax	196.37	(46.75)	149.62
Adjustments for			
Finance costs	20.21	(18.69)	1.52
Unwinding of financial guarantee	(116.68)	65.44	(51.24)

26 Contingent liabilities and commitments

		As at 31 March 2020	As at 31 March 2019
(a)	**Contingent liabilities**		
	Guarantees given [refer note (i), (ii) & (iii) below]	5,581.25	5,581.25
	Claims against Company, not acknowledged as debt [refer note (iv) below]	17.72	17.72
		5,598.97	**5,598.97**

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)

27 Related party disclosures

Information on related party transactions as required by Ind AS - 24 for the year ended 31 March 2020.

(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 2020	31 March 2019
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

(b) Transactions with related parties

Name of the party	Nature of transaction	Year ended 31 March 2020	Year ended 31 March 2019
123Greetings.com, Inc.	Sale of services	690.06	766.43
		-	-
One Two Three Greetings (India) Private Limited	Loans given repaid	5.00	-
		-	-
Arvind Kajaria	Managerial remuneration (#)	72.11	72.11
	Dividend paid	56.24	56.00
		-	-
Sharad Kajaria	Managerial remuneration (#)	67.61	67.61
	Dividend paid	56.25	56.00
		-	-
Padma Kajaria	Dividend paid	28.00	28.00
		-	-

(All amounts in ₹ Lacs, unless otherwise stated)

27 Related party disclosures (Contd.)

Mohit Kumar Jha	Remuneration	39.38	36.58
	Short term employee benefits	3.13	2.69
	Post employment benefits	4.25	3.02
Pranvesh Tripathi	Remuneration	27.09	25.52
	Post employment benefits	1.67	1.05
Mr. Anil Agrawal	Sitting fees	2.20	3.00
Mrs.Savita Agarwal	Sitting fees	1.80	2.20
Mr. Ashok Bhandari	Sitting fees	1.60	3.00
Mr.Rupinder Singh	Sitting fees	2.20	3.00

(#) 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 2020	As at 31 March 2019
123Greetings.com, Inc.	Receivable	1.49	16.43
One Two Three Greetings (India) Pvt. Limited	Payable	267.37	267.37
	Loans recoverable	70.00	75.00
Mr. Arvind Kajaria	Payable	4.12	6.00
Mr. Sharad Kajaria	Payable	3.87	5.63
Mr. Mohit Kumar Jha	Payable	2.18	3.18
Mr. Pranvesh Tripathi	Payable	1.65	2.00

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)

29 Fair value measurements

(a) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2020 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)	308.62	-	-	308.62	308.62
Investments in perpetual bonds (refer note 6)	-	-	615.29	615.29	615.29

(All amounts in ₹ Lacs, unless otherwise stated)

29 Fair value measurements (Contd.)

Investments in debt mutual funds (refer note 6)	-	6,134.13	-	6,134.13	6,134.13
Trade receivables (refer note 9) (*)	1.49	-	-	1.49	1.49
Cash and cash equivalents (refer note 10(a)) (*)	42.57	-	-	42.57	42.57
Other bank balances (refer note 10(b)) (*)	39.52	-	-	39.52	39.52
Other financial assets					
Loans (refer note 7)	77.82	-	-	77.82	77.82
	1,354.27	**6,134.13**	**615.29**	**8,103.69**	**8,103.69**

The carrying value and fair value of financial assets and liabilities 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 9) (*)	16.43	-	-	16.43	16.43
Cash and cash equivalents (refer note 10(a)) (*)	9.30	-	-	9.30	9.30
Other bank balances (refer note 10(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**

Notes:

(*) The carrying amount of financial assets and financial liabilities measured at amortized 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.

(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:

(All amounts in ₹ Lacs, unless otherwise stated)

29 Fair value measurements (Contd.)

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 2020 and 31 March 2019 :

As at 31 March 2020		Level 1	Level 2	Level 3	Total
(i)	Measured at fair value through OCI (FVOCI)				
	Investments in perpetual bonds (refer note 6)	615.29	-	-	615.29
(ii)	Measured at fair value through profit or loss (FVTPL)				
	Investments in debt mutual funds (refer note 6)	6,134.13	-	-	6,134.13
		6,749.42	**-**	**-**	**6,749.42**

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**

(c) Computation of fair values

Investments in mutual funds are investments made in varied tenure 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 minimize 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 amortized 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.

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 recognized in statement of profit and loss.

(All amounts in ₹ Lacs, unless otherwise stated)

30 Financial risk management (Contd.)

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 amortized 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 2019 - 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 2020 and 31 March 2019 was as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables (refer note 9)	1.49	16.43
Investments (refer note 6)	8,183.11	8,505.03
Cash and cash equivalents (refer note 10(a))	42.57	9.30
Other bank balances (refer note 10(b))	39.52	39.82
Other financial assets		
- Security deposits (refer note 7)	5.25	6.58
- Loan given to subsidiaries and employees (refer note 7)	72.57	81.52
	8,344.51	**8,658.68**

(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.

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.

(All amounts in ₹ Lacs, unless otherwise stated)

30 Financial risk management (Contd.)

As at 31 March 2020:

Particulars	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Lease liability	6.78	7.18	13.80	26.68	54.44
Other financial liabilities (refer note 14)	114.85	-	-	-	114.85
	121.63	**7.18**	**13.80**	**26.68**	**169.29**

As at 31 March 2019:

Particulars	Less than 1 year	1-2 years	2-4 years	4-8 years	Total
Lease liability	-	-	-	-	-
Other financial liabilities (refer note 14)	308.26	-	-	-	308.26
	308.26	**-**	**-**	**-**	**308.26**

(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 2020	As at 31 March 2019
Trade receivables (in USD Lac)	0.02	0.24
	0.02	**0.24**

Sensitivity analysis:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
USD sensitivity:		
INR/USD - increase by 5% (31 March 2019 - 5%)	0.00	0.01
INR/USD - decrease by 5% (31 March 2019 - 5%)	(0.00)	(0.01)

(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).

(All amounts in ₹ Lacs, unless otherwise stated)

30 Financial risk management (Contd.)

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 2020	As at 31 March 2019
Price increase by (1%) - Investments measured at FVTPL	61.34	59.12
Price decrease by (1%) - Investments measured at FVTPL	(61.34)	(59.12)

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 maximize 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 Impact of Covid 19 pandemic

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including the US, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Company has considered the possible effects that may result from the COVID-19 pandemic on the carrying amounts of property, plant and equipment, intangible assets, investments including investments in subsidiaries, receivables and other current assets. In developing assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements, has used internal and external sources of information including economic forecasts. The Company has performed sensitivity analysis on the assumptions used, and based on current estimates expects that the carrying amounts of these assets will be recovered. The Company has taken into account all the possible impacts of known events arising from the COVID-19 pandemic in the preparation of the financial results. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its duration. The Company will continue to monitor any material changes to future economic conditions.

33 Dividends

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Dividend on equity shares paid during the year:		
Final dividend for FY 2018-19 [₹2 (Previous year ₹2) per equity share of ₹10 each]	293.81	293.22
Dividend distribution tax on above	60.57	60.57

Proposed Dividend

The Board of Directors at its meeting held on 30 June 2020 proposed a dividend of ₹1 per equity share (31 March 2019: ₹2 per equity share) amounting to ₹147.32 Lacs (31 March 2019: ₹355.20 Lacs) including dividend distribution tax of ₹ Nil (31 March 2019: ₹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)

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 No. 00106901	**Sharad Kajaria** *Whole-time Director* DIN No. 00108036	**Mohit Kumar Jha** *Chief Financial Officer* PAN: AFQPJ3755G
Place : Gurugram Date : 30 June 2020	Place: Kolkata Date: 30 June 2020		**Pranvesh Tripathi** *Company Secretary* PAN: ACWPT9367K

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of IntraSoft Technologies Limited will be held on 29 October 2020 at 3.00 P.M. through Video Conference ("VC") / Other Audio Visual Means ("OAVM") to transact the following business. The venue of the Annual General Meeting be deemed as Registered Office of the Company at 502A, Prathamesh Raghuvanshi Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013:

ORDINARY BUSINESS

1. To receive, consider and adopt:

   (a) the audited standalone financial statement of the Company for the financial year ended 31 March 2020, and the Reports of the Board of Directors and Auditors thereon; and

   (b) the audited consolidated financial statement for the year ended 31 March 2020 along with auditors report thereon.

2. To declare Dividend on Equity Shares for the financial year ended on 31 March 2020.

3. To appoint a Director in place of Mr. Arvind Kajaria (DIN: 00106901), who retires by rotation and being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS

4. Re-appointment of Mr. Arvind Kajaria (DIN: 00106901), as Managing Director of the Company.

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, re-enactment or amendment thereof, for the time being in force) and as per the recommendation of Nomination and Remuneration Committee and the Board, consent of the Company be and is hereby accorded for re-appointment of Mr. Arvind Kajaria (DIN: 00106901) as Managing Director of the Company for a period of 3 (three) years with effect from 01 April 2020 on such terms and conditions detailed in the explanatory statement attached hereto, with the authority to the Board of Directors to revise, amend, alter or otherwise vary the terms and conditions, including remuneration, of the said appointment that may be agreed to between the Board of Directors and Mr. Arvind Kajaria.

   RESOLVED FURTHER THAT in the event of modification/ amendment/ alteration or revision in the limits of remuneration as prescribed under Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, re-enactment or amendment thereof), for the time being in force, during the currency of tenure of Mr. Arvind Kajaria as Managing Director of the Company, the consolidated remuneration payable to the said Managing Director shall automatically stand revised to the maximum permissible amount payable to him as Managerial Remuneration under the said statutory provisions based on the profits / effective capital of the Company.

   RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any financial year during the currency of the tenure of Mr. Arvind Kajaria as Managing Director, the Company shall make payment of remuneration to Mr. Arvind Kajaria at the same substantive level as specified above and that such remuneration shall be considered as the Minimum Remuneration payable to the said Managing Director in accordance with the provisions of the Companies Act, 2013 including any statutory amendments or re-enactment thereof.

   RESOLVED FURTHER THAT any Director of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto."

5. Re-appointment of Mr. Sharad Kajaria (DIN: 00108036) as Whole-time Director of the Company.

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, re-enactment or amendment thereof, for the time being in force) and recommendation of Nomination and Remuneration Committee and the Board, consent of the Company be and is hereby accorded for the re-appointment of Mr. Sharad Kajaria (DIN: 00108036) as Whole-time Director of the Company for a period of 3 (three) years with effect from 01 April 2020 on such terms and conditions detailed in the explanatory statement attached hereto, with the authority to the Board of Directors to revise, amend, alter or otherwise vary the terms and conditions of the said appointment that may be agreed to between the Board of Directors and Mr. Sharad Kajaria.

RESOLVED FURTHER THAT in the event of modification/ amendment/ alteration or revision in the limits of remuneration as prescribed under Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, re-enactment or amendment thereof) , for the time being in force, during the currency of tenure of Mr. Sharad Kajaria as Whole-time Director of the Company, the consolidated remuneration payable to the said Whole-time Director shall automatically stand revised to the maximum permissible amount payable to him as Managerial Remuneration under the said statutory provisions based on the profits / effective capital of the Company.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any financial year during the currency of the tenure of Mr. Sharad Kajaria as Whole-time Director, the Company shall make payment of remuneration to Mr. Sharad Kajaria at the same substantive level as specified above and that such remuneration shall be considered as the Minimum Remuneration payable to the said Whole-time Director in accordance with the provisions of the Companies Act, 2013 including any statutory amendments or re-enactment thereof.

RESOLVED FURTHER THAT any Director of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto."

6. To appoint M/s. Singhi & Co., Chartered Accountants (Firm Registration No. - 302049E) as Statutory Auditors to fill the casual vacancy to hold office upto the conclusion of this Meeting.

   To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') as amended from time to time or any other law for the time being in force, M/s. Singhi & Co., Chartered Accountants (Firm Registration. No 302049E), who have given their consent and certificate pursuant to the said provisions of the Act, be and are hereby appointed as Statutory Auditors of the Company with effect from 11 September 2020 to fill the casual vacancy caused by the resignation of M/s. Walker Chandiok & Co., LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) to hold the office till the conclusion of the this Annual General Meeting at such remuneration as may be mutually agreed upon between the Board of Directors and the Statutory Auditors.

   RESOLVED FURTHER THAT the Board of Directors (including a Committee thereof) and the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and take such steps as may be considered necessary and expedient to give effect to the foregoing resolution."

7. To appoint M/s. Singhi & Co., Chartered Accountants (Firm Registration No. - 302049E) as Statutory Auditors of the Company.

   To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') as amended from time to time or any other law for the time being in force, M/s. Singhi & Co., Chartered Accountants (Firm Registration. No 302049E), who have given their consent and certificate pursuant to the said provisions of the Act, be and are hereby appointed as Statutory Auditors of the Company for a term of five years from the conclusion of this Annual General Meeting till the conclusion of the 30th Annual General Meeting to be held in the year 2025 at such remuneration as may be mutually agreed upon between the Board of Directors and the Statutory Auditors.

   RESOLVED FURTHER THAT the Board of Directors (including a Committee thereof) and the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and take such steps as may be considered necessary and expedient to give effect to the foregoing resolution."

By Order of the Board of Directors

Place: Kolkata
Date: 11 September 2020

Pranvesh Tripathi
Company Secretary

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

Notes:

a) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated 05 May 2020 read with Circular No. 14 dated 08 April 2020 and Circular No. 17 dated 13 April 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM Mode instead of physical presence of the Members at a common venue.

b) Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM Mode, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.

c) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act

d) The dividend on Equity Shares, as recommended by the Board of Directors, if approved by the shareholders, will be credited / dispatched on or after 30 October 2020 to those members whose names shall appear on the Company's Register of Members on 22 October 2020. In the case, if postal services are not working on to their capacity because of the current Covid-19 pandemic situation, the despatch of warrants may get delayed and the warrants will be despatched in due course of time upon normalisation of the postal In respect of the shares held in dematerialized 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.

e) Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after 01 April 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to send the required documents in accordance with the provisions of the IT Act through email at intrasoft@itlindi.com or upload the required documents on LinkIntime India Pvt Limited's (RTA) web portal as mentioned hereinafter in the Notice.

For Resident shareholders, taxes shall be deducted at source (on dividend distributed during financial year 2020-21 only) under Section 194 of the IT Act as follows:

- Members having valid PAN: 7.5% or as notified by the Government of India
- Members not having PAN / valid PAN: 20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by him/her during the financial year 2020-21 does not exceed ₹5,000. Furthermore, no tax shall be deducted in cases where members provide Form 15G or Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act.

Resident shareholders / member may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For Non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable Sections of the IT Act, at the rates inforce. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable.

However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member if they are more beneficial to them. For availing the benefits under DTAA, Non-resident shareholder will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member.
- Copy of Tax Residency Certificate (TRC) for the financial year 2020-21 obtained from the revenue authorities of the country of tax residence, duly attested by member.
- Self-declaration in Form 10F.
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with

the applicable tax treaty (read with the applicable multilateral instrument).

- Self-declaration of beneficial ownership by the non-resident shareholder.
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member.

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

The aforesaid declarations and documents need to be submitted by the shareholders on or before 22 October 2020. Members shall receive Form16A only at their registered Email id.

f) Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM Mode on its behalf and authorization for voting through remote e-voting/electronic voting at AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to js@rathiandassociates.com with copy marked to the Company at intrasoft@itlindia.com.

g) Registration of email ID / Bank Account details and Tax Exemption Forms/Certificates:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

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.

In case, the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or **not updated the Bank Account mandate** for receipt of dividend, the following instructions to be followed:

(i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit. OR

(ii) In the case of Shares held in Demat mode:

Alternatively, the shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

h) The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated 12 May 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website www.itlindia.com and websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at www.nseindia.com and www.bseindia.com respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

i) Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.

j) Relevant documents referred to in the accompanying Notice and the Statement are to be available and open for inspection by the members on Company's website at www.itlindia.com up to the date of the Meeting.

k) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23 October 2020 to Thursday, 29 October 2020 (both days inclusive) for the purpose of payment of dividend, if declared at the Meeting.

l) Shareholders who have not encashed their dividend warrants for the dividends declared for the financial years 2012-13 to 2018-19 (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 10 September 2019 (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.

m) **Instructions for Shareholders/Members to Attend the Annual General Meeting through InstaMeet:**

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

i) Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

ii) Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis.

iii) Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

Open the internet browser and launch the URL for InstaMeet <<https://instameet.linkintime.co.in>> and register with your following details:

a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company

b. PAN: Enter your 10 digit Permanent Account Number (PAN)

c. Mobile No.

d. Email ID

Click "Go to Meeting"

iv) Note : Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

v) Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches. Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

vi) Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at Company ID at intrasoft@itlindia.com from 26 October 2020 to 28 October 2020. Shareholders who have registered themselves as speakers will only be allowed to express their views/ask questions during the Meeting. Similarly, Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at intrasoft@itlinda.com. The same will be replied by the company suitably.

vii) The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

viii) Please reach out to Mr. Rajeev Ranjan at instameet@linkintime.co.in and/ or Mr. Pranvesh Tripathi at intrasoft@itlindia.com should you have any queries on video conferencing.

ix) The members are requested to contact on – instameet@linkintime.co.in or at the helpline number i.e. + 91 22 49186175 who need assistance for using the technology before or during the meeting.

x) **Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: Insta MEET and for Speakers.**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. Insta MEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the path of the Links provided as under on the Website of the Company.

https://itlindia.com/docs/InstaMeet_Platform_Special_Instructions.pdf

https://itlindia.com/docs/InstaMeet_Software_Installation_Guide.pdf

n) **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 at the time of AGM held through VC/OAVM Mode, ("remote e-voting") will be provided by Link Intime India Pvt. Limited.

ii. The members who have cast their vote by remote e-voting may attend the meeting held through VC/OAVM mode but shall not be entitled to cast their vote again.

iii. The remote e-voting period commences on Monday, 26 October 2020 (9:00 am) and ends on Wednesday, 28 October 2020 (5:00 pm). During this period members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. on 22 October 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

iv. **The process and manner for remote e-voting are as under:**

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

   Those shareholders/ members who are first time users of LIIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

   Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

   A. User ID: Enter your User ID

      - Shareholder/ member holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
      - Shareholder/ member holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
      - Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company

   B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

   C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

   D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

   - Shareholders/ members holding shares in CDSL demat account shall provide either 'C' or 'D', above
   - Shareholders/ members holding shares in NSDL demat account shall provide 'D', above
   - Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

   ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

   ▶ Click "confirm" (Your password is now generated).

   Those shareholders/ members who are holding shares in demat form and have registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under 'SHARE HOLDER' tab.

3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.

5. E-voting page will appear.

6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

9. If you have forgotten the password:

   Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'

   Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.

   In case shareholder/ member is having valid email address, Password will be sent to his / her registered e-mail address.

   Shareholder/ member can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

   The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

   It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

10. For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

11. During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

12. Shareholders/ members holding multiple folios/ demat account shall choose the voting process separately for each of the folios/demat account.

13. In case shareholders/ members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and Insta Vote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000. Insta Vote Support Desk, Link Intime India Pvt. Limited.

v. 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. 22 October 2020.

vi. Any person, who acquires shares of the Company and become member of the Company after sending of the notice through E-mail and holding shares as on the cut-off date i.e. 22 October 2020 may obtain the login ID and password by sending a request at enotices@linkintime.co.in or intrasoft@itlindia.com

o) Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

   Once the electronic voting is activated, on the instructions of the Chairman, by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

   i. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".

   ii. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.

   iii. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

   iv. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.

      Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

   v. After selecting the appropriate option i.e. Favour/ Against as desired and having decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

vi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be attending the Annual General Meeting and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through electronic voting facility during the meeting through InstaMeet facility.

Shareholders/ Members who have voted through Remote e-voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call at: - Tel : (022-49186175)

p) 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 e-voting at the AGM held through InstaMeet facility.

q) Mr. Jayesh Shah, Practicing Company Secretary, Partner, M/s. Rathi & Associates has been appointed as the Scrutinizer to scrutinize the voting at VC/OAVM AGM and remote e-voting process in a fair and transparent manner.

r) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting shall make, not later than 48 hours from the conclusion of the meeting, a consolidated scrutinizer's report and submit the same to the Chairman who shall counter sign the same and Chairman shall declare the results of the voting. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.itlindia.com and on the website of Link Intime India Pvt. Ltd. https://instavote.linkintime.co.in 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. The resolutions shall be deemed to be passed at the AGM of the Company scheduled to be held on 29 October 2020.

s) The Annual Accounts of the Subsidiary Companies shall be available on website of the Company in the Section "Financials- Annual Reports" for inspection by any shareholder.

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

Item No. 4

The tenure of Mr. Arvind Kajaria as Managing Director expired on 31 March 2020. The Board of Directors of the Company at its meeting held on 30 June 2020 as per the recommendation of the Remuneration Committee and subject to approval of the Shareholders, approved re-appointment of Mr. Arvind Kajaria as Managing Director of the Company for a period of 3 (three) years w.e.f. 01 April 2020 till 31 March 2023.

The specific terms of appointment including remuneration payable to Arvind Kajaria as Managing Director and other main terms and conditions of the appointment are as under:

A. Period of appointment: 3 (three) years i.e. from 01 April 2020 to 31 March 2023.

B. Basic Salary: ₹400,000/- (Rupees Four Lacs only) per month.

C. Perquisites:

   1. Housing: Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or HRA in lieu thereof.

   2. Provision of a Car: Actual running & maintenance expenses will be borne by the Company.

D. Termination:

   Appointment may be terminated by either party by giving to the other party three months' notice.

E. The Managing Director shall be liable to retire by rotation.

F. Other Terms

   1. Subject to superintendence, control and direction of the Board of Directors of the Company, the Managerial Personnel shall exercise and perform such powers and duties as the Board of Directors of the Company ("the Board") may from time to time determine and shall also do and perform all such other acts, things and deeds which in the ordinary course of business he considers necessary in the interest of the Company.

   2. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to duties and obligations of directors.

   3. The Managerial Personnel shall adhere to the Company's Code of Conduct for Board members and Senior Management for business conduct & Ethics for Directors and Senior Management and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Company.

As per the provisions of Section 196 read with Schedule V of the Companies Act, 2013 and the rules made thereof, no appointment of Managing Director can be made without the approval of members. The Board recommends the Special Resolutions set out at Item No. 4 of the Notice for approval by the shareholders.

The information as regards Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are disclosed hereinafter and forms part of this notice.

Except Mr. Arvind Kajaria, the appointee and Mr. Sharad Kajaria, Whole-time Director of the Company and relatives of Mr. Arvind Kajaria, none of the Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in resolutions set-out under Item no. 4.

Item No. 5

The tenure of Mr. Sharad Kajaria as Whole-time Director expired on 31 March 2020. The Board of Directors of the Company at its Meeting held on 30 June 2020 as per the recommendation of the Remuneration Committee and subject to approval of the Shareholders, approved re-appointment of Mr. Sharad Kajaria as Whole-time Director of the Company for a period of 3 (three) years w.e.f. 01 April 2020 till 31 March 2023.

The specific terms of appointment including remuneration payable to Mr. Sharad Kajaria as Whole-time Director and other main terms and conditions of the appointment are as under:

A. **Period of appointment:** 3 (three) years i.e. from 01 April 2020 to 31 March 2023

B. **Basic Salary:** ₹375,000/- (Rupees Three Lacs Seventy Five Thousand only) per month.

C. **Perquisites:**

   a) **Housing:** Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or HRA in lieu thereof.

   b) **Provision of a Car:** Actual running & maintenance expenses will be borne by the Company.

D. **Termination:**

   Appointment may be terminated by either party by giving to the other party three months' notice.

E. The Whole-time Director shall be liable to retire by rotation.

F. Other Terms

1. Subject to superintendence, control and direction of the Board of Directors of the Company, the Managerial Personnel shall exercise and perform such powers and duties as the Board of Directors of the Company ("the Board") may from time to time determine and shall also do and perform all such other acts, things and deeds which in the ordinary course of business he considers necessary in the interest of the Company.

2. The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to duties and obligations of directors.

3. The Managerial Personnel shall adhere to the Company's Code of Conduct for Board members and Senior Management for business conduct & Ethics for Directors and Senior Management and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Company.

As per the provisions of Section 196 read with Schedule V of the Companies Act, 2013 and the rules made thereof, no appointment of Whole-time Director can be made without the approval of members. The Board recommends the Special Resolutions set out at Item No. 5 of the Notice for approval by the shareholders.

None of the Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in resolutions set-out under item no. 5 except Mr. Sharad Kajaria, the appointee and Mr. Arvind Kajaria, Managing Director of the Company and other relatives of Mr. Sharad Kajaria.

The information as regards Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed hereinafter and forms part of this notice.

Item No. 6 & 7

The Members of the Company at the 21st Annual General Meeting held on 08 September 2016 had approved the appointment of M/s. Walker Chandiok & Co, LLP, Chartered Accountants, (Firm Registration No: 001076N/N500013) as the Statutory Auditors of the Company for a term of five years to hold office til1 the conclusion of the 26th Annual General Meeting of the Company. However, they have tendered their resignation on 14 August 2020 as the Auditors of the Company expressing their intention for inability to continue as Statutory Auditors mentioning the reasons, in Annexure A to their letter tendered for Intention to resign as Statutory Auditors dated 14 August 2020, as "the proposed fees for their Audit Assignment in relation to the financial year ending 31 March 2021 is not commensurate with the time and efforts involved in carrying the Audit"

In accordance with the provisions of the Companies Act, 2013, the casual vacancy caused by the resignation of the Auditors shall be filled by the Board within a period of 30 days and such appointment shall also be approved by the Members of the Company within 3 months of the recommendation of the Board. Accordingly, based on the recommendation of the Audit Committee, and the confirmation received from M/s. Singhi & Co., Chartered Accountants (Firm Registration No. - 302049E) on their eligibility, the Board recommends to the Members their appointment as the Statutory Auditors of the Company in Casual Vacancy to hold office with effect from 11 September 2020 till the conclusion of this Annual General Meeting.

The Board of Directors, on the recommendation of the Audit Committee, also recommended to appoint Singhi & Co., Chartered Accountants (Firm Registration No.- 302049E) as Statutory Auditors for a full term of five (5) years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 30th Annual General Meeting of the Company to be held in the year 2025.

The Audit Committee considered various parameters like the years of experience, capability to serve the diverse and unique business landscape as that of the Company, Audit experience in Company's and its Wholly Owned Subsidiaries' Operating business segment and found M/s. Singhi & Co., Chartered Accountants suitable to handle the volume and diverse and complex Audit function of the Company.

The Singhi & Co., Chartered Accountants have given their consent to act as the Auditors of the Company in Casual Vacancy caused by the resignation of the present Auditor and also consented to act as Auditors of the Company for a full term of five (5) years from conclusion of this Annual General Meeting of the Company until the conclusion of the 30th Annual General Meeting of the Company.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this resolution.

The Board recommends the resolutions set at item no. 6 & 7 for your approval.

Information as required as per Regulation 36 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in case of proposed Appointment of the Statutory Auditors of the Company asper Item No 6 above.

Particulars of Disclosure	Details
(a) Proposed Fees payable to the Statutory Auditor (s) along with terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change.	In terms of the Resolution proposed to the Members herewith , the Fees to be paid by the Company to the Statutory Auditors be paid as may be mutually agreed by the Board with M/s. Singhi & Co., Chartered Accountants. There would be no material change in the Fees payable to the Singhi & Co. for their proposed appointment as Auditor in the Casual Vacancy and for a full term of five (5) years from the Conclusion of this Annual General meeting and Fee payable would be as generally being paid by the peers in the Industry for the comparable business operations as that of the Company.
(b) Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed.	On the Audit Committee's recommendations, the Board of Directors considered various parameters like the years of experience, capability to serve the diverse and unique business landscape as that of the Company, Audit experience in Company's and its Wholly Owned Subsidiaries' Operating segment and found M/s. Singhi & Co., Chartered Accountants, suitable to handle the volume and diverse and complex Audit function of the Company. M/s. Singhi & Co. was founded by Late R. C. Singhi, a Chartered Accountant from the United Kingdom. The Firm is amongst the largest assurance service providers in India. They have 80 years of experience in Assurance & Audit, Risk Advisory, International Financial Reporting Standards, tax consulting, corporate finance and Business management Services. The Firm's experts comprises of 24 partners over 8 cities and over 650 other employees.

Information pursuant to Schedule V and other applicable provisions, if any, of the Companies Act, 2013 for the resolutions set out as Item No. 4 & 5 for the respective re-appointments of Managing Director and Whole-time Director:

I General Information:

1. Nature of industry: IT Enabled Services
2. Date or expected date of commencement of commercial production: Not Applicable
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
4. Financial performance based on given indicators for the last three financial years:

(₹ in Lacs)

Particulars	2019-20	2018-19	2017-18
Total Income	1,194.82	1,311.36	1,533.53
Profit before Tax	138.38	149.62	119.90
Less: Provision for Income Tax (Including Deferred Tax)	19.50	6.67	(5.12)
Profit after Tax	118.88	142.95	125.02
Dividend for the Year	₹1 (10%)	₹2 (20%)	₹2 (20%)

5. Foreign investments or collaborations, if any: The Company has Two Foreign Wholly Owned Subsidiaries viz.;
   a) 123Greetings.com,Inc (USA)
   b) Intrasoft Ventures Pte. Ltd, (Singapore)

   The Company do not have any other foreign collaboration.

II. Information about the appointee:

Sr. No.	Particulars	Mr. Arvind Kajaria	Mr. Sharad Kajaria
1	Background details	Mr. Arvind Kajaria is a Commerce Graduate and also holds Bachelor's degree in Business Administration from Adelphi University, New York. He is one of the Promoters of the Company. He has vast experience in finance, marketing, management and Investor Relations.	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.
2	Recognition or awards	Award winner at the Leadership Training Programme by Dale Carnegie (USA).	His knack of understanding new media has been instrumental in the Company's strategic technological initiatives.
3	Past remuneration	2019-20 ₹72.11 Lacs p.a.	2019-20 ₹67.61 Lacs p.a.
4	Job profile and his suitability	He is serving as Managing Director of the Company. He has been the Chairman of the Board since 1998 and has been the driving force behind the Company, especially in areas of business development, expansion, operations, strategic planning and execution. As a management professional with over 30 years of experience, he has built a world-class Enterprise and made revolutionary contributions to the Internet revolution. He looks after day-to-day affairs including Finance, marketing, Investors Relation and overall management of the Company.	Sharad Kajaria is the Whole-time Director of the Company and has been actively associated with it since its incorporation. With over 21 years of experience in internet technologies, Sharad Kajaria spearheaded realigning the business with a stronger focus on new technology, innovation, systems and process reengineering along with expansions of scale. His intuitive sense of advanced technology and his knack of understanding new media has been instrumental in the Company's strategic technological initiatives. He looks after overall business of the Company.
5	Remuneration proposed	As mentioned in the attached explanatory statement.	
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).	It is not possible to find out comparative remuneration in the industry with respect to profile and position. The remuneration proposed for Managing Director and Whole-time Director is purely based on merits.	
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	The Managing Director and Whole-time Director do not have any pecuniary relationship with the Company, except remuneration drawn as Managing Director / Whole-time Director and as a shareholder to the extent of their shareholding in the Company.	Mr. Arvind Kajaria and Mr. Sharad Kajaria are bothers.

III Other information:

1. Reasons of loss or inadequate profits:

   During the year under review the Company saw a fall in Revenue from operations due to competitive pressure in the e-greetings business. This in turn led to overhead costs putting greater pressure on margins. A combination of these factors adversely impacted profitability.

2. Steps taken or proposed to be taken for improvement:

   The Company has initiated measures to improve profitability. Investment in technology, to improve operational efficiency and to better the customer experience, is expected to have a positive impact on profitability.

3. Expected increase in productivity and profits in measurable terms:

   The Company is consciously undertaking measures to improve profitability. However, given the dynamic nature of the e-greetings industry and the ongoing pandemic crisis, it would be difficult to predict the impacts in measurable terms. But, the Company has a positive long-term business outlook.

IV Disclosures:

The remuneration package along with relevant details paid to Mr. Arvind Kajaria and Mr. Sharad Kajaria has been mentioned hereinabove and in report on Corporate Governance attached to Directors' Report. There is no severance fee or stock options being granted to Mr. Arvind Kajaria, Managing Director and Mr. Sharad Kajaria, Whole-time Director.

Details of Directors seeking Appointment/ Re-appointment at the ensuing Annual General Meeting as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name	Arvind Kajaria	Sharad Kajaria
Date of Birth	17 December 1964	17 March 1976
Date of Appointment/Re-appointment (w.e.f.)	01 April 2020	01 April 2020
Qualification	B. Com, Degree in Business Administration from Adelphi University, New York (MBA)	B. Com.
Brief Resume	Mr. Arvind Kajaria is a Commerce Graduate and also holds Bachelor's degree in Business Administration from Adelphi University, New York. He is one of the Promoters of the Company. He has vast experience in finance, marketing, management and Investor Relations.	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 up gradations.
Area of Expertise	Finance, Marketing and Management, Investor Relations.	Business Operations, Internet Technologies & Software.
Experience	30 years	21 years
Other Directorship in Listed Entities	Nil	Nil
Name of the other Companies in Committees of which holds membership/ chairmanship	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. Arvind Kajaria as Managing Director except Mr. Arvind Kajaria himself, Mr. Sharad Kajaria and other relatives of Mr. Arvind 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 of Mr. Sharad Kajaria as Whole-time Director except Mr. Sharad Kajaria himself, Mr. Arvind Kajaria and other relatives of Mr. Sharad Kajaria.
No. of Board Meetings attended during FY 2019-20	4	3
Number of Equity Shares held (as on 31 March 2020)	2,811,797	2,812,500

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CORPORATE INFORMATION

Board of Directors

Mr. Arvind Kajaria - *Managing Director*

Mr. Sharad Kajaria - *Whole-time Director*

Mr. Rupinder Singh - *Independent Director*

Mr. Anil Agarwal - *Independent Director*

Mr. Savita Agarwal - *Independent Director*

Mr. Ashok Bhandari - *Independent Director*

Auditors

M/s Walker Chandiok & Co LLP
Chartered Accountants
Kolkata
(resigned with effect from 11.09.2020)

M/s. Singhi & Co.,
Chartered Accountants
Kolkata
(appointed with effect from 11.09.2020)

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: +022-49186270
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

Suite 301, 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

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