



IRIS BUSINESS SERVICES LIMITED

**IRIS BUSINESS SERVICES LIMITED
17TH ANNUAL REPORT
2016-2017**



IRIS BUSINESS SERVICES LIMITED
BOARD'S REPORT

To
The Members,

Your Board of Directors ('Board') is pleased to present the Seventeenth Annual Report of your Company, IRIS Business Services Limited, for the financial year ended March 31, 2017. In line with the requirements of the Companies Act, 2013 and the rules framed thereunder, this report covers the financial results and other developments during 1st April 2016 to 31st March 2017 in respect of IRIS Business Services Limited ('IRIS').

1. SUMMARY OF OPERATIONS/RESULTS

Particulars	Standalone for the year ended 31 st March	
	2017	2016
	(Amt in Rs.)	(Amt in Rs.)
Turnover	27,17,11,979	32,10,38,969
Other Income	1,67,47,17	66,15,005
Total Expenditure	38,47,03,272	40,93,53,298
Operating Profit	(11,13,16,576)	(8,16,99,324)
Exceptional Items	43,76,928	(2,18,93,846)
Net Profit before tax	(11,56,93,504)	(5,98,05,478)
Provision for tax	-	-
Deferred Tax Liability	(1,56,42,720)	(23,30,871)
Tax expense/(income) for earlier years	-	-
Profit for the year	(10,00,50,784)	(5,74,74,607)

2. PERFORMANCE OF THE COMPANY

In the reporting year, although the turnover and the operating profit of your company have declined as compared to the previous year, the rate of decline has been arrested. In the reporting year, the company has also made substantial progress in its transition from an outsourced service oriented business model to a product driven business based on in-house IP.

3. STATE OF COMPANY AFFAIRS

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

The market for your company's structured data based offerings is clearly witnessing significant interest across segments such as regulators and enterprises. Countries across the world are in the process of adopting XBRL as the reporting standard for external reporting. Regulators across capital markets, banking, business registries and taxation are at the forefront of XBRL adoption. Adoption paves the way for your company to enter the emerging markets through filing solutions and associated offerings to a range of filing



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entities. Your company's regulatory filing platform, iFile already has regulator clients across South Africa, Macedonia, UAE, Qatar, Thailand, Saudi Arabia, Singapore, Mauritius, Kuwait and India. Malaysia and Jordan are recent additions to the list. Multiple types of regulators and geographies have given your company an unparalleled depth of knowledge in the XBRL domain, which is leveraged in driving the software product strategy as well. Your company is also represented at various XBRL international forums through representations at the board level, steering committees and working groups that set the specification and direction of the structured data standard.

Your company's XBRL filing report creation business that cater to the USA, UK, Italy and Indian markets has largely moved to our collaborative cloud (SaaS) based XBRL reporting solution named 'Carbon'. This enables your company to move up the value chain and build global scale while mitigating customer concentration risks. Your company is also in the process of building comprehensive corporate fundamental datasets for a range of potential customers, leveraging its global XBRL data consumption platform. Your company is also happy to state that we have leveraged our well recognised strengths in compliance reporting platforms to enter the nascent GST compliance market in India. This newly emerged market has significant potential and offers interesting adjacent opportunities too. Your company has been empanelled as a GST Suvidha Provider (GSP) and offers an integrated SaaS based GSP and ASP solution for enterprises. Within a few months from the launch, Your company has notched up a marquee list of customers in the GST compliance space as well.

4. TRANSFER TO RESERVE

The Company does not propose to transfer any amount to any reserves.

5. DIVIDEND AND TRANSFER TO IEPF

The Board of Directors does not recommend any dividend on equity shares.

The Company was not required to transfer any unpaid/unclaimed amount of dividend to IEPF during the financial year ended March 31, 2017.

6. CHANGE IN THE NATURE OF BUSINESS

There are no changes in the nature of business during the financial ended March 31, 2017.

7. MATERIAL CHANGES AND COMMITMENT, IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no material changes and commitment affecting financial position of the Company between end of the financial year to which this financial statements relate and the date of the report.

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

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



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9. RISK AND CONCERN

In a fast changing enterprise market for financial reporting, your company would need to build adequate marketing spend and product differentiation to establish presence and build market share for its cloud based reporting solutions. In the regulator market, smaller regulators have in the past, adopted simpler non XBRL filing platforms and though XBRL adoption gathering pace across the reporting world, competition is likely to intensify in the broad area of electronic filing platforms. In addition, many regulators initially prefer to offer free tools to enterprises to create the regulatory filings which hamper market growth. Migration from free tools to paid platforms is a journey that takes time as well in select markets. The GST compliance business is also likely to witness intense competition from large accounting firms (who are also offering technology solutions) at the higher end to technology start-ups and smaller companies at the lower segments. Your company, however, is confident of the robustness of its product and its strategy that includes a marquee partner network with the ability to build white labelled solutions.

10. RISK MANAGEMENT

Your company is aware of the risks associated with the business. The company is in the process of institutionalizing a mechanism for identifying, minimizing and mitigating risks which will be periodically reviewed.

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

1. Securing critical resources including capital and human resources;
2. Ensuring cost competitiveness;
3. Building product differentiation and the appropriate value proposition
4. Maintaining and enhancing customer service standards.
5. Need to step up marketing and branding activities

11. DEPOSITS

The Company had not accepted any deposits during the financial year ended March 31, 2017 nor there were any unpaid/unclaimed deposits at the financial year ended on March 31, 2017. Further as the Company has never accepted deposits there have been no defaults in repayments thereof nor any non compliance thereto.

12. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has the following subsidiaries:

1. IRIS BUSINESS SERVICES (ASIA) PTE. LTD.
2. IRIS BUSINESS SERVICES, LLC
3. ATANOU SRL

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

The Audited Consolidated Financial Statements pursuant to Section 129(3) of Companies Act, 2013 of all the above subsidiaries forms part of Annual Report



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

The consolidated financial statements of the Company, forms a part of this Annual Report. A Statement containing salient features of the financial statement of subsidiaries pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 are enclosed as “Annexure A” to this report.

14. SHARE CAPITAL

Following changes were made in the share capital of the company between end of the financial year to which this financial statements relate and the date of the report:

The Authorized Share Capital of the Company has been increased from Rs. 8,00,00,000 divided into 80,00,000 equity shares of Rs. 10/- to Rs. 25,00,00,000/- divided into 2,50,00,000 equity shares of Rs. 10/- in the Extra Ordinary General Meeting held on 13th September 2017.

Further, The Company has issued and allotted 6937581 Bonus Shares of Rs. 10/- each in the ratio of 1:1 i.e. one bonus share for every one share held to equity Shareholders of the Company.

- i. **Issue of Equity Shares with Differential Rights:** The Company has not issued any equity shares with differential rights during the financial year ended March 31, 2017.
- ii. **Issue of Sweat Equity Shares:** The Company has not issued any Sweat Equity Shares during the financial year ended March 31, 2017.
- iii. **Issue of Employee Stock Options:** The Company has approved IRIS Employee Stock Options Scheme at the Extra Ordinary General Meeting held on 13th September 2017. However, as the options have yet not granted the Options hence the details of Employee Stock Options scheme as required under rule 9 of Companies (Share Capital and debentures) rules, 2014 are not provided.

15. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has internal financial control and risk mitigation system which is constantly assessed and strengthened. The Company also conducts an internal audit from time to time. The Audit Committee actively reviews the internal audit report, adequacy and effectiveness of the Internal Financial Control and suggests the improvements for the same.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Swaminathan Subramaniam (DIN - 01185930), Wholetime Director retires by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment.



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During the year under review i.e. from 1st April 2016 to 31st March 2017, none of the Directors were appointed or resigned from the Board.

Further Mr. U.R. Bhat (DIN- 00008425) and Mr. Rakesh Kathotia (DIN-00165880) Resigned as a director of the Company w.e.f. 03rd September, 2017 and 12th September, 2017 respectively.

Mr. K Balachandran was appointed as Chief Financial Officer of the Company w.e.f. 11th September 2017 and Mr. Rajesh Singh was appointed as Company Secretary of the Company w.e.f. 11th September, 2017.

The current composition of Board of Directors is as follows:

Sr No	Name of Director	DIN	Category
1.	Balachandran Krishnan	00080055	Promoter, Whole Time Director
2.	Deepta Rangarajan	00404072	Promoter, Whole Time Director
3.	Swaminathan Subramaniam	01185930	Promoter, Whole Time Director & CEO
4.	Sanjoy Bhattacharyya	00059480	Non Executive Independent Director
5.	Narayan Seshadri	00053563	Non Executive Independent Director
6.	Partho Datta	00040345	Non Executive Independent Director

17. DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from the independent directors under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013

18. BOARD MEETINGS

The Board met four (4) times during the financial year ended March 31, 2016; the details as required under Standard 9 of Secretarial Standard 1 on Board Meetings are enclosed as "*Annexure B*" to this report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

19. AUDIT COMMITTEE

The Constitution and terms of reference of the committee are in compliance with the requirements of section 177 of the Companies Act, 2013.

The composition of the Audit Committee is as follows:

Name of the Committee Member	Category
Mr. Partho Datta (Chairman)	Independent Non-Executive Director
Mr. Narayan Seshadri	Independent Non-Executive Director
Mr. K. Balachandran	Whole time Director



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Due the resignation of Mr. U. R. Bhat and Mr. Rakesh Kathotia, they ceased to be the member of the Audit Committee w.e.f. 3rd September 2017 and 11th September 2017 respectively.

20. NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee ('NRC') had formulated a policy for the Nomination and Remuneration of the Directors, Key Managerial Personnel and Senior Management.

The policy inter alia broadly includes the following:

- The matters to be dealt with and recommended by the Committee to the Board;
- Criteria for appointment and removal of Director, KMP and Senior management;
- Criteria and evaluation process for determining the remuneration for the whole-time directors, KMP and senior management personnel.

A detailed copy of the Nomination and Remuneration policy is available on the website of the company viz. www.irisbusiness.com.

21. STATUTORY AUDITORS:

The Members at the 15th Annual General Meeting ("AGM") had approved the appointment of M/s. M. P. Chitale & Co. as the statutory auditors of your Company for a period of 5 year to hold office as such till the conclusion of the sixth consecutive AGM subject to ratification of appointment by the members at every AGM.

In terms of Section 139 of the Companies Act, 2013, M/s. M. P. Chitale & Co. has confirmed their eligibility to act as the Auditors of your Company for the year 2016-2017 in terms of Section 141 and 144 of the Companies Act, 2013 and the rules framed thereunder.

Accordingly, your Directors recommend the ratification of appointment of the Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

22. STATUTORY AUDITORS' REPORT

The Statements made by the Auditors in their report are self-explanatory and doesn't require any comments by the Board of Directors.

23. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the provisions of Section 135 of the Companies Act, 2013, the details with regards to CSR Expenditure and the salient features of the CSR Policy of the Company are enclosed as "*Annexure C*" to this report.

The CSR policy of the Company is available on the website www.irisbusiness.com.



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24. BOARD EVALUATION

The performance evaluation of the Non-Independent Directors and the Board was carried out by the Independent Directors and they expressed their satisfaction with the evaluation process.

25. EXTRACT OF ANNUAL RETURN

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

26. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not granted any Loans to any Persons or body corporate. Further the details of Guarantees given and Investments made as covered under the provisions of Section 186 of the Companies Act, 2013 forms part of notes to the Standalone Financial Statements of the Company.

27. RELATED PARTY TRANSACTIONS

The details of transactions entered into by the Company with related parties are at arm's length and in ordinary course of business. The details of the transactions as per section 188 of the Companies Act, 2013 and Rules framed thereunder are enclosed as "*Annexure E*" in Form AOC-2, as required under Rule 8(2) of Companies (Accounts) Rules, 2014.

28. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and information and based on the information and explanations provided to them by the Company, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013 (the Act):

- a. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures
- b. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. That the directors had prepared the annual accounts on a going concern basis.
- e. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



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29. HUMAN RESOURCES / INDUSTRIAL RELATIONS, INCLUDING NUMBER OF PEOPLE EMPLOYED

Your company provides regular training to employees to improve skills. Your company has put in place a performance appraisal system that covers all employees.

30. PARTICULARS OF REMUNERATION DIRECTORS, KMP AND EMPLOYEES

The details of the top 10 employees in terms of remuneration drawn pursuant to section 197 (2) of the Companies Act, 2013 shall be available at the registered office of the Company during the business hours.

There are no employees in receipt of remuneration over and above the limits specified in Section 197(12) read with rule 5 (i), (ii) & (iii) of the Companies Act 2013.

None of the Whole time Directors are in receipt of any commission from the Company nor any remuneration or Commission from its holding or subsidiary company.

31. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is enclosed as '*Annexure F*' to this report.

32. ACKNOWLEDGEMENTS

Your Board takes this opportunity to thank all its employees for their dedicated service and firm commitment to the goals of the Company. Your Board also wishes to place on record its sincere appreciation for the wholehearted support received from members, distributors, bankers and all other business associates. We look forward to continued support of all these partners in progress.

Date : 13th September 2017
Place : Navi Mumbai

For IRIS Business Services Limited

S. Swaminathan Deepta Rangarajan K. Balachandran
(DIN: 01185930) (DIN: 00404072) (DIN: 00080055)



IRIS BUSINESS SERVICES LIMITED
"Annexure A"

FormAOC-1

(Pursuant to first provision to sub-section(3) of section129 read with rule 5 of
Companies(Accounts)Rules,2014)

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

Part A Subsidiaries

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

Sl.No.	1	2	3
Name of the subsidiary	IRIS Business Services LLC	IRIS Business Services (Asia) Pte. Ltd.	Atanou S.r.l.
The date since when subsidiary was acquired	26.02.2010	07.07.2010	31.07.2015
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	April-March	January-March	April-March
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD Exchange Rate used Rs. Per unit for foreign currency BS 64.84, P& L 67.09	SGD Exchange Rate used Rs. Per unit for foreign currency BS 46.43, P& L 48.39	EURO Exchange Rate used Rs. Per unit for foreign currency BS 69.25, P& L 73.61
Share capital	7,02,975	1,13,82,041	7,12,000
Reserves and surplus	-5,23,831	-1,64,99,250	-16,728
Total assets	4,25,860	59,98,819	16,58,342
Total Liabilities	4,25,860	59,98,819	16,58,342
Investments	-	-	-
Turnover	-	4,01,29,067	7,65,583
Profit before taxation	-	10,70,853	-17,813
Provision for taxation	-	4,28,051	-
Profit after taxation	-	6,42,802	-17,813
Proposed Dividend	-	-	-
Extent of shareholding (in percentage)	-	-	-



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

Part B- Joint Ventures and associates

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

Date : 13th September 2017
Place : Navi Mumbai

For IRIS Business Services Limited

S. Swaminathan (DIN: 01185930)	Deepta Rangarajan (DIN: 00404072)	K. Balachandran (DIN: 00080055)
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IRIS BUSINESS SERVICES LIMITED
"Annexure B"

Disclosure as per Standard 9 of the Secretarial Standards-1 on Board meeting - Dates of meetings of Board and committees held during the financial year 2016-17 indicating the number of meetings attended by each Director.

Board Meeting Dates	:	24 th June 2016, 14 th September 2016, 21 st December, 2016, 14 th March 2017 (Total Meetings 04)
Audit Committee Meeting Dates	:	24 th June 2016, 14 th September 2016, 21 st December, 2016, 14 th March 2017 (Total Meetings 04)
NRC Committee Meeting Dates	:	14 th March 2017 (Total Meetings 01)
CSR Committee Meeting Dates	:	21 st December, 2016 (Total Meetings 01)
Share Transfer Committee	:	16 th September, 2016 (Total Meetings 01)

Attendance of Directors at Meetings

Sl. No	Name of the Director	Board meetings attended	Audit Committee meetings attended	NRC Committee meetings attended	CSR Committee Meetings Attended	Share Transfer Committee meetings attended
1.	Mr. K Balachandran	04	04	N.A	N.A	01
2.	Mr. S. Swaminathan	03	N.A	N.A	N.A	01
3.	Ms. Deepta Rangarajan	04	N.A	N.A	01	01
4.	Mr. Partho Datta	01	01	Nil	Nil	N.A
5.	Mr. Narayan Seshadri	02	02	01	N.A	N.A
6.	Mr. Rakesh Kathotia	01	01	N.A	N.A	N.A
7.	Mr. U. R. Bhat	04	04	01	01	N.A
8.	Mr. Sanjoy Bhattacharyya	03	N.A	N.A	N.A	N.A

Date : 13th September 2017
Place : Navi Mumbai

For IRIS Business Services Limited

S. Swaminathan
(DIN: 01185930)

Deepta Rangarajan K. Balachandran
(DIN: 00404072) (DIN: 00080055)



IRIS BUSINESS SERVICES LIMITED
"Annexure C"

Corporate Social Responsibility

- 1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs**

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

A detailed copy of the Corporate Social Committee policy is available on the website of the company viz. www.irisbusiness.com

- 2. The Composition of the CSR Committee is as follows:**

Name of the Committee Member	Category
Ms. Deepta Rangarajan (Chairman)	Whole time Director
Mr. Partho Datta	Independent Non-Executive Director
Mr. S. Swaminathan	Whole time Director

- 3. Average net profit of the company for last three financial years**

The average net profit of the company for last three financial years is Rs. 1,09,62,972/-

- 4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)**

The prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) is Rs. 2,19,259.44/-

- 5. Details of CSR spent during the financial year.**

- a. Total amount to be spent for the financial year - Rs. 2,19,259.44/-
- b. Amount unspent , if any - Rs. 2,19,259.44/-
- c. Manner in which the amount spent during the financial year is detailed below. - Not Applicable. However, Cummulative expenditure made by the Company upto the reporting period is given below:

CSR project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs are undertaken	Amount Outlay (budget) project or programs wise	Amount spend on the projects or programs Sub head : (1) Direct expenditure on project or programs (2) Overheads	Cummulative expenditure upto the reporting period.	Amount spend: Direct or through implementing agency



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				During the F.Y 2016-17		
Isha Vidhya, a not for profit education initiative, works for the economic and social empowerment of rural children in the villages across state of Tamil Nadu, India. Isha Vidhya currently runs 8 schools. The schools presently cater to more than 3488 students from nearby villages, with approximately 60% (2050) of students on free education through donations.	promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects.	The IRIS donation has helped in providing scholarships and infrastructure in Isha Vidhya schools	Nil	Nil	Rs. 2,35,000/- (Spent during the F.Y 2014-15)	Amount donated to the operating NGO; Isha Vidhya

6. Reasons for not spending the full amount of CSR :

The Company has incurred a Loss during the F.Y 2016-17 and hence has not spent any amount on CSR.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

We hereby confirm that the Company has implemented and monitored the CSR Policy in Compliance with CSR Objectives and Policy of the Company.

Date : 13th September 2017
Place : Navi Mumbai

For IRIS Business Services Limited

Deepta Rangarajan
(DIN: 00404072)

Mr. S. Swaminathan
(DIN - 01185930)



IRIS BUSINESS SERVICES LIMITED

"Annexure D"

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:			
1	CIN	:	U72900MH2000PLC128943
2	Registration Date	:	03-10-2000
3	Name of the Company	:	IRIS BUSINESS SERVICES LIMITED
4	Category/Sub-category of the Company	:	Public Company Limited by Shares
5	Address of the Registered office & contact details	:	T-231, Tower 2, 3rd Floor, International Infotech Park, Vashi - 400703, Navi Mumbai.
6	Whether listed company	:	No
7	Details of the Stock Exchanges where shares are listed	:	Not Applicable
8	Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
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(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Software Products and Solutions	4741	100%



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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	IRIS Business Services (Asia) Pte. Ltd.	Company No. - 201200667K	Subsidiary	98%	2(87)
2	IRIS Business Services, LLC	-	Subsidiary	100%	2(87)
3	Aatanu SRL	Company registration No. no. 2073449	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	37,09,110	-	37,09,110	53.46%	37,09,110	-	37,09,110	53.46%	None
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	None
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	None
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	None
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	None
f) Any other	-	-	-	0.00%	-	-	-	0.00%	None
Sub Total (A) (1)	37,09,110	-	37,09,110	53.46%	37,09,110	-	37,09,110	53.46%	None



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(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	None
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	None
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	None
d) Any other	-	-	-	0.00%	-	-	-	0.00%	None
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	None
TOTAL (A)	37,09,110	-	37,09,110	53.46%	37,09,110	-	37,09,110	53.46%	None
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	None
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	None
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	None
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	None
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	None
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	None
g) FII's	-	-	-	0.00%	-	-	-	0.00%	None
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	None
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	None



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Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	None
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	27,15,527	27,15,527	39.14%	-	-	27,32,562	39.39	0.25%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	None
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh		104,375	104,375	1.50%	-	87,340	87,340	1.26%	0.25%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		4,08,569	4,08,569	5.89%	-	408,569	408,569	5.89%	None
c) Others (specify)									
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	None
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	None
Foreign	-	-	-	0.00%	-	-	-	0.00%	None



IRIS BUSINESS SERVICES LIMITED

Nationals									
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	None
Trusts	-	-	-	0.00%	-	-	-	0.00%	None
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	None
Sub-total (B)(2):-	-	3228471	3228471	46.54%	-	3228471	3228471	46.54%	None
Total Public (B)	-	3228471	3228471	46.54%	-	3228471	3228471	46.54%	None
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	None
Grand Total (A+B+C)	3709110	3228471	6937581	100.00%	3709110	3228471	6937581	100.00%	None

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		% change in shareholding during the year	
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Swaminathan S	24,36,084	35.11%	Nil	24,36,084	35.11%	7,30,826	None
2	Deeptha Rangarajan	7,21,026	10.39%	Nil	7,21,026	10.39%	2,16,308	None
3	Balachandran K	5,52,000	7.95%	Nil	5,52,000	7.95%	1,65,600	None



IRIS BUSINESS SERVICES LIMITED

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

No changes during the financial year 2016-17

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Subhkam Growth Fund, under its scheme Subhkam Growth Fund I (c/o) IL&FS Trust Company Limited)						
	At the beginning of the year	01-Apr-16		19,53,799	28.16%	19,53,799	28.16%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		19,53,799	28.16%	19,53,799	28.16%
2	Millennium Developers Pvt. Ltd.						
	At the beginning of the year	01-Apr-16		2,70,000	3.89%	2,70,000	3.89%



IRIS BUSINESS SERVICES LIMITED

	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		2,70,000	3.89%	2,70,000	3.89%
3	Valuable Infrastructure Pvt. Ltd.						
	At the beginning of the year	01-Apr-16		2,34,160	3.38%	2,34,160	3.38%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		2,34,160	3.38%	2,34,160	3.38%
4	Pinky Ventures Private Limited						
	At the beginning of the year	01-Apr-16		1,50,293	2.17%	1,50,293	2.17%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		1,50,293	2.17%	1,50,293	2.17%
5	Mr. Vijay Gupta & Mrs. Rashmi Gupta						
	At the beginning of the year	01-Apr-16		1,50,293	2.17%	1,50,293	2.17%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		1,50,293	2.17%	1,50,293	2.17%
6	IRIS Employee Wellness LLP						
	At the beginning of the year	01-Apr-16		1,07,275	1.55%	1,07,275	1.55%
	Changes during the year		Transfer	17,035	0.25%	17,035	0.25%
	At the end of the year	31-Mar-17		1,24,310	1.79%	1,24,310	1.79%
7	Shailesh Gupta						
	At the beginning of the year	01-Apr-16		97,128	1.40%	97,128	1.40%



IRIS BUSINESS SERVICES LIMITED

	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		97,128	1.40%	97,128	1.40%

8	Sakshi Kachare						
	At the beginning of the year	01-Apr-16		31,020	0.45%	31,020	0.45%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		31,020	0.45%	31,020	0.45%

9	T N V Ayyar						
	At the beginning of the year	01-Apr-16		30,000	0.43%	30,000	0.43%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		30,000	0.43%	30,000	0.43%

10	Rajnikant Patel						
	At the beginning of the year	01-Apr-16		30,000	0.43%	30,000	0.43%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		30,000	0.43%	30,000	0.43%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. K Balachandran						
	At the beginning of the year	01-Apr-16		5,52,000	7.96%	5,52,000	7.96%



IRIS BUSINESS SERVICES LIMITED

	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		5,52,000	7.96%	5,52,000	7.96%
2	Ms. Deepta Rangarajan						
	At the beginning of the year	01-Apr-16		7,21,026	10.39%	7,21,026	10.39%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		7,21,026	10.39%	7,21,026	10.39%
3	Mr. S. Swaminathan						
	At the beginning of the year	01-Apr-16		24,36,084	35.11%	24,36,084	35.11%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		24,36,084	35.11%	24,36,084	35.11%
4	Mr. Partho Datta						
	At the beginning of the year	01-Apr-16		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		-	0.00%	-	0.00%
5	Mr. Narayan Seshadri						
	At the beginning of the year	01-Apr-16		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		-	0.00%	-	0.00%
6	Mr. U. R. Bhat						
	At the beginning of the year	01-Apr-16		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%



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	At the end of the year	31-Mar-17		-	0.00%	-	0.00%
7	Mr. Rakesh Kathotia						
	At the beginning of the year	01-Apr-16		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		-	0.00%	-	0.00%
8	Mr. Sanjoy Bhattacharya						
	At the beginning of the year	01-Apr-16		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		-	0.00%	-	0.00%
9	Mr. S. Swaminathan (CEO)						
	At the beginning of the year	01-Apr-16		24,36,084	35.11%	24,36,084	35.11%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		24,36,084	35.11%	24,36,084	35.11%
10	Mr. K Balachandran (CFO)						
	At the beginning of the year	01-Apr-16		5,52,000	7.96%	5,52,000	7.96%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-17		5,52,000	7.96%	5,52,000	7.96%

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)



IRIS BUSINESS SERVICES LIMITED

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,28,33,385.00	-		14,28,33,385.00
ii) Interest due but not paid	12,24,009.00	-	-	12,24,009.00
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	14,40,57,394.00	Nil	-	14,40,57,394.00
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	(24,009,194.00)	-		(24,009,194.00)
Net Change	(24,009,194.00)	-	-	(24,009,194.00)
Indebtedness at the end of the financial year				
i) Principal Amount	120,048,200.00	-	-	120,048,200.00
ii) Interest due but not paid	1,199,115.00	-	-	1,199,115.00
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	121,147,315.00	-	-	121,147,315.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. K Balachandran	Ms. Deepta Rangarajan	Mr. S. Swaminathan	
	Name	Mr. K Balachandran	Ms. Deepta Rangarajan	Mr. S. Swaminathan	(Rs)
	Designation	Whole-time Director	Whole-time Director	Whole-time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the	2400000	2400000	2400000	72,00,000.00



IRIS BUSINESS SERVICES LIMITED

	Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	24,00,000.00	24,00,000.00	24,00,000.00	72,00,000.00
	Ceiling as per the Act	42,00,000.00	42,00,000.00	42,00,000.00	

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount (Rs)
1	Independent Directors	Mr. U. R. Bhat	Mr. Narayan Seshadri	Mr. Sanjoy Bhattacharya	Mr. Partho Datta	
	Fee for attending board committee meetings	-	-	-	-	-
	Commission					
	Others, please specify					
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	Mr. Rakesh Kathotia				-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-



IRIS BUSINESS SERVICES LIMITED

Total (2)	Nil	-	-	-	-
Total (B)=(1+2)	-	-	-	-	-
Total Managerial Remuneration					-
Overall Ceiling as per the Act					

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

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



IRIS BUSINESS SERVICES LIMITED

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY -					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

Date : 13th September 2017

Place: Navi Mumbai

For IRIS Business Services Limited-

S. Swaminathan
Whole-time Director &
CEO
(DIN: 01185930)

Deepa Rangarajan
Whole-time Director
(DIN: 00404072)

K. Balachandran
Whole-time
Director & CFO
(DIN: 00080055)



IRIS BUSINESS SERVICES LIMITED
"Annexure E"

FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.

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

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details	Details
1.	Name (s) of the related party & nature of relationship	IRIS Knowledge Foundation	IRIS Business Services (Asia) Pte Ltd
2.	Nature of contracts /arrangements / transaction	Provide Technology supported Services.	Avail Services related to XBRL building Management support and Marketing



IRIS BUSINESS SERVICES LIMITED

3.	Duration of the transaction	For financial year 2016-17	For financial year 2016-17
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	At Arms length price and in Ordinary Course of Business Value of transaction entered is Rs 3,41,406/- during the year 2016-17.	At Arms length price and in Ordinary Course of Business Value of transaction entered is Rs. 2,83,59,753/- during the year 2016-17.
5.	Justification for entering into such contracts or arrangements or transactions'	The Company has unique expertise Technical Services which are provided.	Reimbursement of expenses for Business & Marketing support.
6.	Date of approval by the Board	Not applicable as the transactions entered are at Arm's Length Price and in ordinary course of business as provided under Section 188(1) of the Companies Act, 2013.	
7.	Amount paid as advances, if any	Nil	Nil

Date : 13th September 2017 **For IRIS Business Services Limited**
Place : Navi Mumbai

S. Swaminathan **Deepta Rangarajan** **K. Balachandran**
(DIN: 01185930) (DIN: 00404072) (DIN: 00080055)



IRIS BUSINESS SERVICES LIMITED
"Annexure F"

Particulars in regards to Conservation of energy, Technology Absorption, and Foreign Exchange Earnings and Outgo pursuant to the Companies(Account) Rules, 2014.

(A) Conservation of energy

- i. The steps taken or impact on conservation of energy: As the Company is not engaged in any manufacturing activity the consumption of energy is relatively low. And company takes reasonable steps to conserve energy at its office.
- ii. The steps taken by the company for utilizing alternates source of energy: NIL
- iii. The Capital Investment on energy conservation equipments: NIL

(B) Technology absorption

- i. The efforts made towards technology absorption: NIL
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- iii. In case of imported technology (imported during last three years reckoned from beginning of financial year):
 - (a) Details of technology imported: Nil
 - (b) Year of Import: Nil
 - (c) Whether technology has been fully absorbed: Nil
 - (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof: Nil
- iv. The expenditure incurred on Research and Development: Nil

(C) Foreign exchange earnings and outgo

- i. The Earnings in foreign Exchange during the financial year 2016-17: Rs.20,86,80,303/-
- ii. The outgo in foreign exchange during the financial year 2016-17: Rs. 7,02,24,037/-

Date : 13th September 2017 **For IRIS Business Services Limited**
Place : Navi Mumbai

S. Swaminathan **Deepta Rangarajan** **K. Balachandran**
(DIN: 01185930) (DIN: 00404072) (DIN: 00080055)



IRIS BUSINESS SERVICES LIMITED

Independent Auditor's Report

**To the Members of
IRIS BUSINESS SERVICES LIMITED**

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **IRIS BUSINESS SERVICES LIMITED** ("*the Company*") which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the standalone financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the



IRIS BUSINESS SERVICES LIMITED

Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Loss and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance



IRIS BUSINESS SERVICES LIMITED

with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Association has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 till 30th December, 2016. Based on the audit procedures and replying on the management representation, we report that, the disclosures are in accordance with books of account maintained by the Association and as prescribed by the management. - (Refer Note 32)

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

CA. Viraj Londhe
Partner
Membership number: 45761
Place: Mumbai
Date: September 11, 2017



IRIS BUSINESS SERVICES LIMITED

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal &Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c)The title deed of Leasehold immovable property is held in the name of the Company.
- 2) The Company is engaged in the business of providing services in connection with XBRL and XBRL Conversion, development and maintenance of websites, supply of software & providing software-related services. Accordingly it does not hold any physical inventories. Consequently, the reporting regarding inventories under clause 3(ii) of CARD is not applicable in the case of the Company.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six



IRIS BUSINESS SERVICES LIMITED

months from the date on when they become payable.

- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during theyear.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.



IRIS BUSINESS SERVICES LIMITED

For and on behalf of

M. P. Chitale & Co

Chartered Accountants

Firm's registration number: 101851W

CA. Viraj Londhe

Partner

Membership number: 45761

Place: Mumbai

Date: September 11, 2017



IRIS BUSINESS SERVICES LIMITED

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of IRIS BUSINESS SERVICES LIMITED

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

To the Members of
IRIS Business Service Limited.

We have audited the internal financial controls over financial reporting of IRIS Business Service Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



IRIS BUSINESS SERVICES LIMITED

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become



IRIS BUSINESS SERVICES LIMITED

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of

M. P. Chitale & Co

Chartered Accountants

Firm's registration number: 101851W

CA. Viraj Londhe

Partner

Membership number: 45761

Place: Mumbai

Date: September 11, 2017



IRIS BUSINESS SERVICES LIMITED

IRIS BUSINESS SERVICES LIMITED
Standalone Balance Sheet as at 31.03.2017

(Amount in `)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	69,375,810	69,375,810
(b) Reserves and surplus	4	132,208,264	232,259,048
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	5	98,362,130	121,272,209
(b) Deferred tax liabilities (Net)		4,949,867	20,592,587
4 Current liabilities			
(a) Short-term borrowings	6	54,269,945	32,941,701
(b) Trade payables	7		
(i) Due to micro enterprises and small enterprises		203,982	209,232
(ii) Due to others		28,923,700	9,940,821
(c) Other current liabilities	8	73,635,219	33,356,602
(d) Short-term provisions	9	142,977,073	119,832,845
TOTAL		604,905,990	639,780,855
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	10		
(i) Tangible assets		105,770,509	110,849,494
(ii) Intangible assets		95,116,003	63,386,994
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		176,883,455	200,825,898
(b) Non-current investments	11	12,215,198	12,215,198
(c) Long-term loans and advances	12	474,410	522,680
(d) Other non-current assets	13	3,383,938	2,157,171
2 Current assets			
(a) Trade receivables	14	77,068,944	56,400,137
(b) Cash and cash equivalents	15	1,020,491	58,458,369
(c) Short-term loans and advances	16	5,587,633	778,153
(d) Other current assets	17	127,385,409	134,186,761
TOTAL		604,905,990	639,780,855

As per our Report of even date attached

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

On behalf of the Board of Directors

Viraj Londhe
Partner
Membership No. 45761
Mumbai
Date : September 11, 2017

S Swaminathan Director DIN: 01185930	Deepta Rangarajan Director DIN: 00404072	K Balachandran Director DIN: 00080055
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IRIS BUSINESS SERVICES LIMITED

IRIS Business Services Limited
Standalone Statement of Profit and loss for the year ended 31.03.2017

(Amount in `)

Particulars	Refer Note No.	Figures for the year ended on 31.03.2017	Figures for the year ended on 31.03.2016
I. Revenue from operations	18	271,711,979	321,038,969
II. Other income	19	1,674,717	6,615,005
III. Total Revenue (I + II)		273,386,696	327,653,974
IV. Expenses:			
Employee benefits expense	20	154,890,127	161,436,002
Finance costs	21	20,823,759	16,780,205
Depreciation and amortization expense	22	46,118,944	45,638,150
Other expenses	23	162,870,441	185,498,941
Total expenses		384,703,272	409,353,298
V. Profit from ordinary activities before exceptional and extraordinary items and tax (III-IV)		(111,316,576)	(81,699,324)
VI. Exceptional expenses / (incomes)	24	4,376,928	-21,893,846
Profit from ordinary activities before extraordinary items and tax (V - VI)		(115,693,504)	(59,805,478)
VIII. Extraordinary Items		-	-
IX. Profit from ordinary activities before tax (VII- VIII)		(115,693,504)	(59,805,478)
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(15,642,720)	(2,330,871)
(3) Tax expense / (income) for earlier years		-	-
XI Profit (Loss) for the period from continuing operations (IX-X)		(100,050,784)	(57,474,607)
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax) (XII- XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		-100,050,784	-57,474,607
XVI Earnings per equity share:			
(1) Basic		-14.42	-8.28
(2) Diluted		-14.42	-8.28

As per our Report of even date attached

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

On behalf of the Board of Directors

Viraj Londhe
Partner
Membership No. 45761
Mumbai
Date : September 11, 2017

S Swaminathan Director DIN: 01185930	Deepta Rangarajan Director DIN: 00404072	K Balachandran Director DIN: 00080055
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IRIS BUSINESS SERVICES LIMITED

IRIS BUSINESS SERVICES LIMITED		
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017		
	Year ended 31.03.2017	Year ended 31.03.2016
Particulars	(Amount in `)	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(115,693,504)	(59,805,478)
Adjustments for :		
Depreciation / amortisation for the year	46,118,944	45,638,150
Write-off of Withholding tax	13,367,416	-
Loss on Sales / Discarding of Fixed Assets	605,576	-
Exceptional items non cash adjustments during the year	4,376,928	(21,893,846)
Interest Expenses	19,706,284	15,816,839
Interest Income	(759,969)	(4,033,426)
Total	83,415,179	35,527,717
Operating Cash Profit before Working Capital Changes	(32,278,324)	(24,277,761)
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Sundry Debtors	(20,668,807)	51,331,956
(Increase) / Decrease in Short Term Loans and advances	(4,809,480)	36,540,445
(Increase) / Decrease in Other Current Assets	90,991	(3,862,782)
(Increase) / Decrease in Long Term Loans and advances	48,270	15,439,200
(Increase) / Decrease in Other Non - Current Assets	(1,226,767)	18,753,881
(Decrease) / Increase in Trade Payables	18,977,629	(23,113,932)
(Decrease) / Increase in Other Current Liabilities	40,278,617	(3,936,566)
Increase / (Decrease) in Balance of cash credit facilities	21,328,244	5,357,462
(Decrease) / Increase in Short term Provisions	23,144,228	29,581,292
Total	77,162,924	126,090,956
Taxes Paid	(7,279,964)	(13,167,270)
<u>Net Cash Inflow / (Outflow) in course of Operating activities (A)</u>	37,604,636	88,645,925
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including capital advances)	(2,389,526)	(1,637,847)
In-house Software Products Capitalisation	(51,419,502)	(117,191,355)
Interest Income Received	1,382,877	3,759,857
Investment in Subsidiary	-	(712,000)
<u>Net Cash Inflow / (Outflow) in the course of Investing Activities (B)</u>	(52,426,151)	(115,781,345)
CASH FLOW FROM FINANCING ACTIVITIES		
Fresh Loan /(Repayment) of term loans during the year (net)	(22,910,079)	81,536,083
Interest paid on Term Loans	(19,706,284)	(16,398,725)
<u>Net cash flow used in financing activities (C)</u>	(42,616,363)	65,137,358
Net increase / (decrease) in Cash and cash equivalents (A + B + C)	(57,437,878)	38,001,938
Add: Balance of Cash/Cash Equivalents at the beginning of the year	58,458,369	20,456,431
Cash/Cash Equivalents at the close of the year	1,020,491	58,458,369
Cash/Cash Equivalents as at 31.03.2017	1,020,492	58,458,369
Less: FDs given as security not in nature of cash and cash equivalent	-	-
	1,020,492	58,458,369

As per our Report of even date attached

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

On behalf of the Board of Directors

Viraj Londhe
Partner
Membership No. 45761
Mumbai
Date : September 11, 2017

S Swaminathan Director DIN: 01185930	Deepta Rangarajan Director DIN: 00404072	K Balachandra Director DIN: 00080055
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IRIS BUSINESS SERVICES LIMITED

1. CORPORATE INFORMATION

IRIS Business Services Limited (“The Company”) is a public limited company domiciled and headquartered in India and incorporated under the provisions of Companies Act, 1956. The registered office of the Company is located at T-231, Tower 2, 3rd Floor, International Infotech Park, Vashi, Navi Mumbai - 400 703

The Company is one of the first provider of full professional XBRL products and solutions to organizations globally. The Company has over eighteen years of proven expertise in the financial information management space, providing customized technology solutions for data and content management, for the dissemination of information to investors and stock exchanges, and for effective content management to institutional clients.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of Financial Statements

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

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

b. Revenue Recognition

Revenue is recognized when no significant uncertainty exists as to either the measurement or ultimate realization of the same.

Revenue from Operations

- i. Revenue from contracts including hosting and maintenance contracts , development or customization of software, advertisement and data conversion services is measured using the proportionate completion method and are recognised, provided at the time of performance it is not unreasonable to expect ultimate collection.
- ii. Revenue from sale of software/ software licenses which do not involve any customization are recognized upon delivery of the software to the clients and Renewal subscription income is recognized as revenue as & when the subscriptions are received.

Other Income

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



IRIS BUSINESS SERVICES LIMITED

c. Fixed Assets

Tangible Fixed Assets are stated at the cost of acquisition less accumulated depreciation. Cost includes incidental expenses incurred during the acquisition/ installation, and excludes taxes and duties for which credit has been claimed.

Intangible assets are recorded at the consideration paid for acquisition of such asset and are carried at cost less accumulated amortisation and impairment.

Capitalisation of Expenses incurred for development of software:

Costs incurred in the development of proprietary software products have been classified and grouped under the heads "Software Developed In-House" & "Intangible Assets under Development" under Fixed Assets as per the recognition criteria laid down under AS 26 .

d. Depreciation & Amortization

Tangible fixed assets are depreciated on straight line basis over the useful life as specified in Schedule II of Companies Act, 2013.

Individual assets whose cost does not exceed Rupees 5,000/- are depreciated fully in the year of purchase.

Where the asset capitalized has a fixed useful life, as in the case of software licenses, the same are written off over the said useful life.

Leasehold Property is being amortised over the remaining leasehold period on straight-line basis.

Software products both proprietary and purchased are amortized over a period of 5 to 6 years, the amortization commences once the said product is available for use.

e. Impairments

The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

f. Investments

Long term investments are stated at cost, and provision for diminution is made when in the management's opinion there is a decline, other than temporary, in the carrying value of such investments. Short term investments are valued at lower of cost and net realizable value.

g. Provisions and contingent liabilities

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



IRIS BUSINESS SERVICES LIMITED

required to settle the obligation, the provision is reversed. Contingent assets are not recognized in the financial statements.

h. Miscellaneous Expenditure (Not Written Off)

Preliminary and other miscellaneous expenses are written off as and when incurred in accordance with the provisions of accounting standard 26

i. Foreign Currency Transactions

The functional currency of the Company is the Indian Rupee.

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

The monetary items denominated in the foreign currency as at the end of the year are translated using the RBI exchange rates prevailing on the date of the balance sheet and the corresponding loss or gain on translation adjusted in the Profit & Loss A/c.

j. Prepaid Expenses

Expenses which are incurred in one year and which spill over to the subsequent years are recognised as prepaid on proportionate basis only if such prepaid amount exceeds Rupees. 5,000/-.

k. Employee Benefits

Short-term employee benefits including salaries, wages, bonus and other benefits are recognized as expenses at the actual value as per contractual terms & charged to the profit and Loss Account for the year in which the related service is rendered.

The employees are eligible for leave as per leave policy of the company. The un-utilised leave can be carried forward and utilised during the course of employment. No encashment is allowed of unutilised leave. The obligation for the leave encashment is recognised based on an independent actuarial valuation at the Balance Sheet date. The expense is recognized in the statement of profit and loss at the present value of the amount payable determined based on actuarial valuation using "projected unit credit method".

The Company has provided for gratuity payable to employees on the basis of actuarial valuation carried out by an independent actuary as per Projected Unit Credit Method carried out at the closed of the year. The Company makes annual contributions in respect of those employees who have completed five years in service, to the Group Gratuity Cash Accumulation Scheme of the LIC, which is a funded defined benefit plan.

The disclosures required as per AS 15 are given hereunder -

(A) Change in Present Value of Obligation -	31.03.2016	31.03.2017
Defined Benefit Obligation, Beginning of Period	3,80,59,586	1,89,56,458
Service Cost	31,97,584	31,34,643
Interest Cost	29,64,482	14,84,052
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	(2,36,84,154)	8,82,748
Changes in Foreign Currency Exchange Rates	-	-



IRIS BUSINESS SERVICES LIMITED

Acquisition/Business Combination/Divestiture	-	-
Benefit paid directly by the Company	(15,81,040)	(50,11,625)
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of Period	1,89,56,458	1,94,46,276

(B) Change in Fair Value of plan assets **31.03.2016** **31.03.2017**

Fair value of Plan Assets, Beginning of Period	81,83,480	71,93,533
Expected Return on Plan Assets	5,78,025	4,76,064
Actual Company Contributions	46,235	28,46,994
Actual Plan Participants' Contributions	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/ (Losses)	(33,167)	(1,96,694)
Benefits Paid by the insurer	(15,81,040)	(50,11,625)
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
Fair value of Plan Assets, End of Period	71,93,533	53,08,272

(C) Amount recognized in the Balance Sheet **31.03.2016** **31.03.2017**

Defined Benefit Obligation	1,89,56,458	1,94,46,276
Fair value of Plan Assets	71,93,533	53,08,272
Funded Status - (Surplus)/Deficit	1,17,62,925	1,41,38,004
Past Service Cost not yet Recognised	-	-
Unrecognised Asset due to Limit in Para 58(B)	-	-
(Asset)/Liability Recognised in the Balance Sheet	1,17,62,925	1,41,38,004

(D) Net Gratuity Cost **31.03.2016** **31.03.2017**

Service Cost	31,97,584	31,34,643
Interest Cost	29,64,482	14,84,052
Expected Return on Plan Assets	(5,78,025)	(4,76,064)
Past Service Cost	-	-
Net Actuarial Losses/(Gains) Recognised during the period	(2,36,50,987)	10,79,442
(Gain)/Loss due to Settlements/Curtailments/Terminations/Divestitures	-	-
Unrecognised Asset due to Limit in Para 58(B)	-	-
Total Expense/(Income) included in "Employee Benefit Expense"	(1,80,66,946)	52,22,073

(E) Assumptions used in accounting for gratuity costs

Date of Valuation	31.03.2016	31.03.2017
Discount Rate	7.79%	7.00%
Salary Escalation Rate	7.00%	7.00%
Expected Rate of Return on Assets	7.79%	7.00%
Demographic Assumptions		



IRIS BUSINESS SERVICES LIMITED

Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Employee Turnover/ Withdrawal Rate#	18.00%	23.00%
Retirement Age	60 years	60 years

1. Taxation

Provision for taxation is made on the basis of taxable profits computed for the current accounting period in accordance with the Income Tax Act 1961.

Deferred tax resulting from timing difference between Book Profits and Tax Profits is accounted for at applicable rate of tax to the extent the timing difference are expected to be crystallized. In case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax assets with virtual certainty that there would be adequate future income against which Deferred Tax Assets can be realized.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes total MAT credit balance available as an asset in a year when it is first actually utilized. Once the "MAT credit Entitlement" asset is recognized, the Company will review this asset at each reporting date and will be recognized only to the extent to which it will be utilized during the subsequent period.

m. Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Rental charges over the term of such leases, after taking in to account the escalation clause, are charged to the Profit and Loss Account on a straight line basis over the extended lease term.

n. Service Tax

Service tax is accounted in accordance with the Guidance note on Accounting of Service Tax issued by ICAI. Accordingly input credit to the extent not utilized for payment of service tax accounted as asset as it would be available for adjustment against Service Tax payable in the future.



IRIS BUSINESS SERVICES LIMITED

IRIS Business Services Limited
Note 3 Share Capital

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number		Number	
Authorised				
Equity Shares of Rs. 10/- each	8,000,000	80,000,000	8,000,000	80,000,000
Issued				
Equity Shares of Rs. 10/- each	6,937,581	69,375,810	6,937,581	69,375,810
Subscribed & Paid up				
Equity Shares of Rs. 10/- each fully paid	6,937,581	69,375,810	6,937,581	69,375,810
Total	6,937,581	69,375,810	6,937,581	69,375,810

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

Particulars	Equity Shares			
	Number	in Rupees	Number	in Rupees
Shares outstanding at the beginning of the year	6,937,581	69,375,810	6,937,581	69,375,810
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	6,937,581	69,375,810	6,937,581	69,375,810

The Company does not have any holding company.

Shares in the Company held by each shareholder holding more than 5 percent share specifying the number of shares held:

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
S Swaminathan	2,436,084	35	2,436,084	35
Subhkam Growth Fund, under its scheme Subhkam Growth Fund I (c/o) IL&FS Trust Company Limited)	1,953,799	28	1,953,799	28
Deepta Rangarajan	721,026	10	721,026	10
K Balachandran	552,000	8	552,000	8
Total	5,662,909		5,662,909	

As per records of the Company, including its Register of Members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Aggregate number of shares issued as fully paid up for consideration other than cash, bonus shares issued and shares bought back during the period of 5 years immediately preceding the reporting date.

Particulars	Year (Aggregate No. of Shares)				
	2016-17	2015-16	2014-15	2013-14	2012-13
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

Rights, preferences and restrictions attached to equity shares

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.



IRIS BUSINESS SERVICES LIMITED

IRIS Business Services Limited

Note 4 Reserves & Surplus

Particulars	As at 31 March 2017	As at 31 March 2016
a. Securities Premium Account		
Opening Balance	70,114,550	70,114,550
Add : Securities premium credited on Share issue		
<u>Less : Premium Utilised for various reasons</u>		
Premium on Redemption of Debentures For Issuing Bonus Shares		
Closing Balance	70,114,550	70,114,550
b. General Reserves		
Opening Balance	475,000	475,000
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	475,000	475,000
c. Surplus		
Opening balance	161,669,498	219,144,105
(+) Net Profit/(Net Loss) For the current year	(100,050,784)	(57,474,607)
Closing Balance	61,618,714	161,669,498
Total	132,208,264	232,259,048

Note 5 Long Term Borrowings

Particulars	As at 31 March 2017	As at 31 March 2016
Secured		
(a) Term loans		
# from Federal Bank	121,147,315	144,057,394
(Secured against Property at T-231, 3rd Floor, Tower No. 2, International Infotech Park, Vashi, Navi Mumbai - 400 703)		
Loan Sanctioned ` 16,00,00,000 on 16th March 2015		
Interest Rate - Base rate + 1.15% p.a. (variable)		
Current Interest Rate 11.35% (Previous year 11.35%)		
Repayable in 84 months in 28 quarterly instalments		
This loan is guaranteed by executive directors of the company		
Amount disclosed under the head Other Current Liabilities		
See Note No. 5 (a)	(22,785,185)	(22,785,185)
Total	98,362,130	121,272,209

Note 6 Short Term Borrowings

Particulars	As at 31 March 2017	As at 31 March 2016
Secured		
(a) Loans repayable on demand		
from banks		
Cash Credit from Federal bank	54,269,945	32,941,701
Loan Sanctioned ` 7,00,00,000 on 19th September 2016		
Interest Rate - Base rate + 2.01% p.a. (variable)		
Current Interest Rate 11.53% (Previous year 11.35%)		
This loan is guaranteed by executive directors of the company		
Total	54,269,945	32,941,701.00



IRIS BUSINESS SERVICES LIMITED

IRIS Business Services Limited

Note 7 Trade Payables

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Dues to Micro, Small & Medium Enterprises (MSMEs)	203,982	209,232
(b) Dues to Others	28,923,700	9,940,821
Total	29,127,682	10,150,053

Note 8 Other Current Liabilities

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Current maturities of long-term debt - Federal	22,785,185	22,785,185
(b) Interest accrued and not due on borrowings	-	-
(c) Advance from Customers	22,197,828	1,360,281
- Refundable Deposits received	90,000	90,000
- Statutory Dues	3,335,506	1,968,239
- Amounts Payable to staff against Expenses incurred	563,426	183,516
- Salaries, Wages & Bonus Payable	24,359,382	6,609,490
- Contribution to PF / ESIC / MLWF Payable	303,891	359,891
Total	73,635,219	33,356,602

Note 9 Short Term Provisions

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Provision for employee benefits		
- Incentives	45,551,514	31,542,603
- Gratuity	14,138,004	11,762,925
- Leave Encashment	2,853,027	4,318,186
(b) Others (Specify nature)		
Provision for Expenses Payable		
- Audit Fees	819,000	1,134,000
- Consultancy Charges	8,547,506	1,058,810
- Others	4,396,498	3,344,797
Provision for Taxes	66,671,524	66,671,524
Total	142,977,073	119,832,845



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Note 10 Fixed Assets

	Particulars	Gross Block				Accumulated Depreciation				Net Block		
		Balance as at 1 April 2016	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance As at 31 March 2017	Balance as at 1 April 2016	Depreciation charge at 31 March 2017	Adjustment due to revaluations / Impairment	On disposals	Balance As at 31 March 2017	Balance As at 31 March 2016
a	Tangible Assets											
	Land											
	Buildings (Leasehold)	107,093,510	-	-	-	107,093,510	6,753,695	1,947,156		8,700,851	100,339,815	98,392,659
	Plant and Equipment	57,676,727	1,517,679	-	-	59,194,406	50,968,650	2,546,294		53,514,944	6,708,077	5,679,462
	Furniture and Fixtures	9,180,952	-	-	-	7,960,535	6,682,893	634,928	-	614,841	2,498,059	1,257,555
	Office equipment	6,743,421	7,590	-	-	6,751,011	5,439,878	870,301		6,310,179	1,303,543	440,833
	Total	180,694,610	304,852	-	-	180,999,462	69,845,116	5,998,679	-	614,841	110,849,494	105,770,509
b	Intangible Assets											
	Database	600,450	-			600,450	600,450			600,450	-	-
	URL's	500,000	-			500,000	500,000			500,000	-	-
	Computer software	18,514,147	864,257			19,378,404	12,720,960	2,256,500		14,977,460	5,793,187	4,400,944
	Software developed in-house	176,018,576	75,361,945	-		251,380,521	118,424,768	37,863,765	4,376,928	160,665,461	57,593,808	90,715,059
	Total	195,633,173	76,226,202	-	-	271,859,375	132,246,178	40,120,265	4,376,928	-	63,386,995	95,116,003
c	Capital Work In Progress											
	Total	-	-	-	-	-	-	-	-	-	-	-
d	Intangible assets under Development											
		200,825,898	51,419,502	-	-	176,883,455	-	-	-	-	200,825,898	176,883,455
			(75,361,945)									
	Total	577,153,681	52,588,611	-	-	629,742,292	202,091,294	46,118,944	4,376,928	614,841	375,062,387	377,769,967



IRIS BUSINESS SERVICES LIMITED

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 Note 11 Non-Current Investments

	Particulars	As at 31 March 2017	As at 31 March 2016
A	Other Investments (Refer B below)		
	(a) Investment Properties		
	(b) Investment in Equity instruments - Singapore	11,195,389	11,195,389
	(c) Investment in Equity instruments - US	702,975	702,975
	(d) Investment in Equity instruments - Italy	712,000	712,000
	Total (A)	12,610,364	12,610,364
	Grand Total (A + B)	12,610,364	12,610,364
	Less : Provision for diminution in the value of Investments	395,166	395,166
	Total	12,215,198	12,215,198

B. Details of Other Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (`)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of
			2017	2016			2017	2016	2017	2016		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	Investment in Equity Instruments											
	IRIS Business Services, LLC	Subsidiary	15000	15000	Unquoted	Fully Paid	100	100	702,975	702,975	Yes	N.A.
	IRIS Business Services (Asia) Pte Ltd	Subsidiary	299900	299900	Unquoted	Fully Paid	98	98	11,195,389	11,195,389	Yes	N.A.
	Atanou Srl	Subsidiary			Unquoted	Fully Paid	100	100	712,000	712,000	Yes	N.A.
	Total								12,610,364	12,610,364		



IRIS BUSINESS SERVICES LIMITED

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Note 12 Long Term Loans and Advances

	As at 31 March 2017	As at 31 March 2016
Particulars		
a. Security Deposits		
Secured, considered good		
Unsecured, considered good	474,410	522,680
Doubtful		
Less: Provision for doubtful deposits	-	-
	474,410	522,680
Total	474,410	522,680

Note 13 Other non-current assets

Particulars	As at 31 March 2017	As at 31 March 2016
a. Term Deposits with remaining maturity exceeding 12 months (Term Deposits offered as security against bank guarantees)	3,383,938	2,157,171
Total	3,383,938	2,157,171



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Note 14 Trade Receivables

Particulars	As at 31 March 2017	As at 31 March 2016
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	68,170,857	42,616,886
Unsecured, considered doubtful	186,084	197,655
Less: Provision for doubtful debts	(186,084)	(197,655)
	68,170,857	42,616,886
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	8,898,087	13,783,251
Unsecured, considered doubtful	2,300,933	112,225
Less: Provision for doubtful debts	(2,300,933)	(112,225)
	8,898,087	13,783,251
Total	77,068,944	56,400,137

Trade Receivable stated above include debts due by:

Particulars	As at 31 March 2017	As at 31 March 2016
Proprietorship of Directors	8,591,115	16,085,730
Other officers of the Company *	Nil	Nil
Firm in which director is a partner *	Nil	Nil
Private Company in which director is a member	1,231,991	624,910
Total	9,823,106	16,710,640

*Either severally or jointly

Note 15 Cash & Cash Balances

Particulars	As at 31 March 2017	As at 31 March 2016
Cash & Cash Equivalents		
a. Balances with banks	791,512	12,834,573
b. Cash on hand	13,723	102,769
c. Term Deposits with Original Maturity less than or equal to 3 months	215,256	45,521,027
Total	1,020,491	58,458,369



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Note 16 Short-term loans and advances

Particulars	As at 31 March 2017	As at 31 March 2016
a. Loans and advances to related parties		
Secured, considered good		
Unsecured, considered good (IRIS Knowledge Foundation)	-	-
Less:Provision for doubtful loans and advances	-	-
b. Others (specify nature)		
Secured, considered good		
Unsecured, considered good		
Prepaid Expenses	5,515,680	719,787
Loans to Staff	52,691	-
Advances to Staff	19,262	58,366
Other Advances	-	-
	5,587,633	778,153
Total	5,587,633	778,153

Note 16(a) Loans and advances to related parties

Particulars	As at 31 March 2017	As at 31 March 2016
Private Company in which director is a member	-	-
Total	-	-

*Either severally or jointly

Note 17 Other current assets

Particulars	As at 31 March 2017	As at 31 March 2016
Interest Accrued on Fixed Deposits	60,782	683,690
Taxes on Income	95,930,731	102,018,184
Service Tax Refund Claim	6,143,714	6,794,026
Service Tax Input Credit	3,651,888	9,261,857
Unbilled Revenue (net)	21,435,588	15,421,404
Other Current Assets	162,706	7,600
Total	127,385,409	134,186,761



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Note 18 Revenue from Operations

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Sale of products	21,858,201	29,047,069
XBRL Related Projects & Services	221,532,766	263,288,522
myiris.com, Content and Technology Services	28,321,012	28,703,378
Total	271,711,979	321,038,969

Note 19 Other Income

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Interest Income	759,969	4,033,426
Other non-operating income (net of expenses directly attributable to such income)	914,748	2,581,579
Total	1,674,717	6,615,005

Note 20 Employee Benefits Expense

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
(i) salaries and wages,	147,199,569	155,463,799
(ii) contribution to provident and other funds,	7,193,927	5,136,563
(iii) staff welfare expenses	496,631	835,640
Total	154,890,127	161,436,002

Note 21 Finance Cost :

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Interest expense	19,118,159	14,453,838
Bank Charges/ Commission	1,117,475	963,366
Other Finance costs	588,125	1,363,001
Total	20,823,759	16,780,205

Note 22 Depreciation and amortisation expenses

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Depreciation	46,118,944	45,436,910
Amortisation of preliminary Expenses	-	201,240
Total	46,118,944	45,638,150



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Note 22(a) **Other Expenses (I)**

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Legal, Professional and Consultancy Fees	31,589,797	20,559,474
Directors' Sitting Fees	-	300,000
Travelling and Conveyance	2,313,613	2,102,257
STPI - Annual Service Charges	-	225,000
Commission / Brokerage Charges	-	438,359
Postage, Telephone & Communication Charges	1,541,103	1,376,127
Printing & Stationery	303,029	507,036
Business Promotion Expenses	66,110	120,219
Foreign Travel Expenses including onsite project expenses	21,644,313	21,603,489
Onsite Marketing & Sales Expenses	29,777,042	31,565,602
Software Development Expenses	943,500	377,850
Conference Expenses	1,424,846	197,476
Data Sourcing Expenses	647,092	941,985
Internet Co-Location Charges	6,074,767	9,659,610
Membership Fees	735,723	1,068,352
Exchange Loss / (Gain)	2,218,424	805,281
Office Maintenance Expenses	2,192,078	2,933,535
Repairs & Maintenance Expenses	931,885	1,288,174
Staff Recruitment Charges	-	264,148
Kuwait Retention Expenses	1,259,715	-
Software Licence & Hardware Fees	20,941,214	64,133,003
Bad debts written off	344	43,933
Sundry Balance Written-Off	3,972,309	-
Provision for Doubtful Debts	12,458,737	309,880
Loss on Disposals of Fixed Assets	605,576	-
Total	141,641,216	160,820,790

Note 22(b) **Other Expenses (II)**

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Payment to auditors as		
Auditor	625,000	625,000
For taxation matters	220,000	220,000
For other services	65,000	415,000
Reimbursement of expenses	7,500	32,783
Total	917,500	1,292,783

Note 22(c) **Other Expenses (III)**

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Prior year Adjustments (Net) Expense / (Income)	10,492,608	121,182
Total	10,492,608	121,182



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Note 22(d) Other Expenses (IV)

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
(a) Electricity & Water Charges	3,490,285	6,618,139
(b) Rent	3,237,025	13,877,304
(c) Repairs to machinery	847,421	979,886
(d) Insurance	146,691	211,395
(e) Rates and taxes, excluding, taxes on income	1,521,700	912,523
(f) Miscellaneous expenses	575,996	664,940
Total	9,819,118	23,264,186
Note 21(a+b+c+d)	162,870,441	185,498,941

Note 23 Exceptional items

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Exceptional items		
Write back of provision for Gratuity Liability	-	-18,066,946
Write back of Provision for Leave Encashment	-	-2,463,570
Write back of old deposits received from channel partners	-	-649,800
Electricity Tarrif revision claim accepted by MSED	-	-2,723,361
Service tax refund claims not accepted	-	1,953,498
VAT refund claims not accepted	-	56,333
Write-off of Withholding tax	-	-
Impairments On Fixed Assets	4,376,928	-
Total	4,376,928	-21,893,846

Note 24 Contingent Liabilities and Commitments

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
(a) Guarantees	3,383,938	2,157,171
(b) Revenue Commitment	3,110,107	4,203,940
Total	6,494,045	6,361,111

As per our Report of even date attached

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

On behalf of the Board of Directors

Viraj Londhe
Partner
Membership No. 45761
Mumbai
Date : September 11, 2017

S Swaminathan Director DIN: 01185930	Deepta Rangarajan Director DIN: 00404072	K Balachandran Director DIN:00080055
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25. Taxes on Income

Current Tax is determined as the amount of tax payable in respect of the taxable income for the period. Deferred tax is computed in respect of timing differences in accordance with Accounting Standard 22. The components of deferred tax liabilities / assets are as under -

Particulars		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
		Assets		Liabilities	
(a)	Depreciation			2,82,21,017	2,60,38,856
(b)	Provision for Gratuity & Leave Encashment	52,50,229	52,17,516		
(c)	Provision for Bad Debts	39,45,503	1,00,541		
(d)	Provision for Bonus	1,40,75,418			
	Total	2,32,71,150	54,46,269	2,82,21,017	2,60,38,856
	Net Deferred Tax Asset / Liability			49,49,867	2,05,92,587

Minimum Alternative Tax (MAT) Credit

In accordance with accounting policy of the company, MAT credit balance not recognised as an assets as at 31.03.2017 is Rs. 3,75,54,770/- (As at 31.03.2016 is Rs. 3,75,54,770/-).

26. Related Party Transactions

a. Names of related parties and nature of relationship where control exists

Category of Related Party	Names
Subsidiaries	1. IRIS Business Services, LLC 2. IRIS Business Services (Asia) Pte. Ltd. 3. AtanouSrl
Entities over which the promoters exercise significant influence/ control	1. FinX Solutions (UAE) 2. IRIS Knowledge Foundation
Promoters & Key Management Personnel	1. S. Swaminathan 2. DeeptaRangarajan 3. K. Balachandran
Independent Directors *	1. U R Bhat 2. Narayan Seshadri



IRIS BUSINESS SERVICES LIMITED

	3. Partho Datta 4. Sanjoy Bhattacharya 5. Rakesh Kathotia (Nominee Director)
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b. Transactions and balances with related parties

Nature of Transaction/ Balance	Atanou SRL	IRIS Business Services, LLC	IRIS Business Services (Asia) Pte. Ltd.	FinX Solutions (Rs.)	IRIS Knowledge Foundation
<u>Transactions</u>					
Investments made	-	-			
	(7,12,000)	-			
Services rendered				-	3,41,406
				(1,89,48,033)	-
Services availed			2,83,59,753		
			(3,16,01,185)		
<u>Balances</u>					
Investments	7,12,000	7,02,975	1,11,95,389		
	(7,12,000)	(7,02,975)	(1,11,95,389)		
Security Deposit					90,000
					(90,000)
Loans/ Advances Recoverable					
Payable against services availed			9,60,782		
			-		
Receivable against services rendered/ expenses incurred				85,91,115	12,31,991
				(1,60,85,730)	(4,55,550)

Nature of Transaction/ Balance	S. Swaminathan	Deepta Rangarajan	K. Balachandran
<u>Transactions</u>			
Reimbursement of Expenses	14,92,809	16,12,594	15,27,295
	(12,81,934)	(5,23,199)	(1,28,349)
Managerial Remuneration	24,00,000	24,00,000	24,00,000
	(24,00,000)	(24,00,000)	(24,00,000)
<u>Balances</u>			
Loans/ Advances Recoverable		12,496	



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		-	
Payable against services availed	21,62,934	2,56,363	8,31,883
	(3,09,035)		-
Receivable against services rendered/ expenses incurred			

* During the year there are no transactions with any of these Independent Directors. There are no balances due to be paid or received from any of them as on 31.03.2017.

27. Operating Leases

The Company has entered into leave & license arrangement for its office premises for a period of 60 months.

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

Particulars	Current Year (Rupees)	Previous Year (Rupees)
In less than a year	31,10,107/-	28,16,500/-
In 1 year to 5 years	2,61,192/-	30,74,500/-
In greater than 5 years	NIL	NIL

The terms of renewal and escalation clauses are those normally prevalent in similar agreements.

28. Segment reporting:

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

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to a specific segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.



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Geographical revenue is allocated based on the location of the customer. Geographic segments of the company are Middle Eastern Countries, America (including Canada and South American countries), Europe, India and Others:

Revenues by Business Segment:

(Amount in `)

Particulars	Collect: Regulatory Platform	Create: Enterprise Reporting	Consume: Data Consumption Platform	Others	Total
Income from software services and products	17,80,22,185	6,53,68,782	-	2,83,21,012	27,17,11,979
Allocated expenses	15,80,12,454	9,26,27,412	2,69,03,327	2,83,15,118	30,58,58,311
Segmental operating income	2,00,09,731	(2,72,58,630)	(2,69,03,327)	5,894	(3,41,46,332)
Un-allocable expenses					6,69,42,701
Other income, net					16,74,717
Profit before exceptional item and tax					(9,94,14,318)
Exceptional item					66,37,707
Profit before tax					(10,60,52,025)
Tax expense					(60,01,242)
Profit after taxes and exceptional item					(10,00,50,784)

Revenues by Geography:

(Amount in `)

Country	Revenue
China	1,73,817
England	2,87,43,557
India	6,01,89,115
Jordan	86,53,902
Malaysia	2,08,57,320
Kuwait	4,36,77,832
Mauritius	3,37,94,808
Qatar	32,86,889
Saudi Arabia	4,03,99,399



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Singapore	1,65,19,059
Thailand	20,23,633
Turkey	17,58,095
UAE	9,73,988
USA	1,06,60,565
Grand Total	27,17,11,979

29. Earnings Per Share (EPS)

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

Particulars	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
Profit / (Loss) attributable to Equity shareholders (Rupees)	(10,00,50,784)	(5,74,74,607)
No. of Shares (Weighted Average)	69,37,581	69,37,581
Earnings per share in (Rupees)	(14.42)	(8.28)

30. Details of Movement in Provisions and contingent liabilities, in terms of Accounting Standard 29 is as under:

(a) Movements in Provisions

Nature of Provision	Opening Balance as on 01/04/2016	Additions during the year	Reversal/ adjustments	Closing Balance as on 31/03/2017
Provision for Income Tax	6,66,71,524	NIL	NIL	6,66,71,524
Provision for Deferred Tax (Asset)/ Liability	2,05,92,587		1,46,95,474	58,97,113
Provision for Gratuity	1,17,62,925	50,32,550	26,57,471	1,41,38,004
Provision for leave encashment	43,18,186		14,65,159	26,90,508
Provisions in respect of Employee Benefits	3,15,42,603	1,40,08,911		4,55,51,514
Provision for Bad & Doubtful Debts	3,09,880	1,24,79,762	21,025	1,27,68,617
Provision for Other Expenses Payable	55,37,607	1,36,43,004	54,17,607	1,37,63,004
(b) Movements in Contingent				



IRIS BUSINESS SERVICES LIMITED

Liabilities				
Contingent Liabilities	21,57,171	12,26,766	NIL	33,83,937

31. Expenditure and Earning in foreign currency

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
<u>A) Expenditure in Foreign Currency on Account of</u>		
Professional/ Consultation Fees	2,31,41,909	1,47,49,483
Foreign Travel	1,27,30,098	1,33,02,511
Business Promotion/ Conference Expenses	13,41,318	11,358
Sales and Marketing Expenses	2,97,77,042	3,15,65,602
Software License Fess	3,41,638	28,31,416
Software License	NIL	1,78,601
Membership Fees	2,08,971	6,34,928
Kuwait Retention Expenses	12,59,715	NIL
Conference Expenses	14,23,346	NIL
<u>B) Earnings in foreign Exchange</u>		
(i) Export of Services	21,13,92,862	26,33,10,617
Less: Withholding tax Thereon	(36,91,613)	(30,07,008)
Net Earnings	20,85,84,626	26,03,03,609
(ii) Royalty	1,30,002	3,30,565
Less: Withholding Tax Thereon	(34,325)	(1,00,041)
Net Earnings	95,677	2,30,524

32. Disclosure on Specified Bank Notes:

During the year the Company had specified bank notes or denomination note as defined in MCA notification G.S.R. 308 E dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBN	Other Denomination Notes	Total
Closing Cash in Hand as on November 08, 2016	29,500	41,777	71,277
(+) Permitted Receipts		1,55,190	1,55,190
(-) Permitted Payments		1,51,601	1,51,601
(-) Amount deposited in Banks	29,500		29,500



IRIS BUSINESS SERVICES LIMITED

Closing Cash In Hand as on December 30, 2016	-	45,366	45,366
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33. Note on activities of Subsidiary "IRIS Business services (Asia) PTE Ltd."

As at 31st March 2017, the subsidiary's total liabilities exceeded its total assets by \$ 140,631/- (Rupees 65,30,000/-). Its financial statements have been prepared on a going concern basis. We are committed to provide necessary financial support as and when necessary and there will not be any financial crisis in the said subsidiary.

34. In the opinion of the Board, all assets other than fixed assets and non-current investments have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.

35. Previous year's figures have been regrouped wherever necessary.

For M. P. Chitale & Co.
Chartered Accountants
Firm Reg. No. 101851W

On Behalf of Board of Directors

Viraj Londhe
Partner, M No. 45761
Mumbai
Date: September 11, 2017

S Swaminathan Deepta Rangarajan K. Balachandran



IRIS BUSINESS SERVICES LIMITED

Independent Auditor's Report on Consolidated Financial Statement

To the Members of

IRIS BUSINESS SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **IRIS BUSINESS SERVICES LIMITED ("the Company")** and its subsidiary companies (the Company and its subsidiary companies together referred as 'the Group'), which comprises the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information ('the consolidated financial statements').

Management's Responsibility for the Consolidated financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the



IRIS BUSINESS SERVICES LIMITED

consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial controls relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors referred to in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention of the members to the note 32 regarding financial position of company's Subsidiary Iris Business Services (Asia) PTE Ltd. The net assets of the company are negative as on the balance sheet date. The management has stated that it will continue to provide its support as and when necessary. Our opinion is not qualified in respect of these matters.

Other Matter

We did not audit the financial statements of two foreign subsidiary companies, whose financial statements reflect total assets of Rupees 20,84,201/- as at March 31, 2017 and total revenues of Rupees 7,65,510/-, net loss of Rupees 17,813/- and net cash flow of Rupees 6,18,684/- for the year ended on that date. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

We did not audit the financial statement of one more foreign subsidiary company, whose financial statement reflect total assets of Rupees 59,98,819/- as at March 31, 2017 and total revenues of Rupees 3,95,48,380/- and net profit of Rupees 6,42,824/- and net cash inflow amounting to Rupees 2,24,627/- for the period of fifteen months ended on that date, as considered in the consolidated financial statements. The said financial statements have been audited by other auditor whose report have been furnished to us by the Management and our



IRIS BUSINESS SERVICES LIMITED

opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the 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 Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements
 - d. in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. we have enclosed our separate report in "Annexure A" with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls of the only Indian company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



IRIS BUSINESS SERVICES LIMITED

- i. The Group does not have any pending litigations which would impact its financial position.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
- iv. The Association has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 till 30th December, 2016. Based on the audit procedures and replying on the management representation, we report that, the disclosures are in accordance with books of account maintained by the Association and as prescribed by the management. - (Refer Note 33)

For and on behalf of

M. P. Chitale & Co

Chartered Accountants

Firm's registration number: 101851W

CA. Viraj Londhe

Partner

Membership number: 45761

Place: Mumbai

Date: September 11, 2017



IRIS BUSINESS SERVICES LIMITED

"Annexure A" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of IRIS BUSINESS SERVICES LIMITED

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

We have audited the internal financial controls over financial reporting of the Holding Company as of March 31, 2017 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company for the year ended on that date. Our reporting on the Internal Financial Controls in the case of consolidated financial statements, is applicable only to the Holding Company, which has been audited by us.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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



IRIS BUSINESS SERVICES LIMITED

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial



IRIS BUSINESS SERVICES LIMITED

reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For and on behalf of

M. P. Chitale & Co

Chartered Accountants

Firm's registration number: 101851W

CA. Viraj Londhe

Partner

Membership number: 45761

Place: Mumbai

Date: September 11, 2017



IRIS BUSINESS SERVICES LIMITED

IRIS BUSINESS SERVICES LIMITED
Consolidated Balance Sheet as at 31.03.2017

(Amount in `)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	69,375,810	69,375,810
(b) Reserves and surplus	4	120,572,781	220,038,335
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	5	98,362,130	121,272,209
(b) Deferred tax liabilities (Net)		4,949,867	20,592,587
4 Current liabilities			
(a) Short-term borrowings	6	54,269,945	32,941,701
(b) Trade payables	7		
(i) Due to micro enterprises and small enterprises		203,982	209,232
(ii) Due to others		29,907,362	10,252,092
(c) Other current liabilities	8	76,403,219	40,437,840
(d) Short-term provisions	9	142,977,073	119,832,845
TOTAL		597,022,169	634,952,651
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	10		
(i) Tangible assets		105,792,192	110,969,480
(ii) Intangible assets		95,116,003	63,386,995
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		176,883,455	200,825,898
(b) Long-term loans and advances	11	474,410	522,680
(c) Other non-current assets	12	3,383,938	2,157,171
2 Current assets			
(a) Trade receivables	13	77,355,214	56,894,000
(b) Cash and cash equivalents	14	3,037,391	61,898,624
(c) Short-term loans and advances	15	5,587,633	778,153
(d) Other current assets	16	129,391,933	137,519,650
TOTAL		597,022,169	634,952,651

As per our Report of even date attached

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

On behalf of the Board of Directors

Viraj Londhe
Partner
Membership No. 45761
Mumbai
Date : September 11, 2017

S Swaminathan Director DIN: 01185930	Deepta Rangarajan Director DIN: 00404072	K Balachandran Director DIN:00080055
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IRIS BUSINESS SERVICES LIMITED

IRIS Business Services Limited
Consolidated Statement of Profit and loss for the year ended 31.03.2017

(Amount in `)

Particulars	Refer Note No.	Figures for the year ended on 31.03.2017	Figures for the year ended on 31.03.2016
I. Revenue from operations	17	273,166,196	322,021,839
II. Other income	18	2,255,461	7,074,551
III. Total Revenue (I + II)		275,421,657	329,096,390
IV. Expenses:			
Employee benefits expense	19	177,635,304	182,925,713
Finance costs	20	20,825,231	16,780,856
Depreciation and amortization expense	21	46,263,809	45,827,630
Other expenses	22	147,538,306	170,571,721
Total expenses		392,262,650	416,105,920
V. Profit from ordinary activities before exceptional and extraordinary items and tax (III-IV)		(116,840,993)	(87,009,530)
VI. Exceptional expenses / (incomes)	23	4,376,928	(19,430,276)
VII. Profit from ordinary activities before extraordinary items and tax (V - VI)		(121,217,921)	(67,579,254)
VIII. Extraordinary Items		-	-
IX. Profit from ordinary activities before tax (VII- VIII)		(121,217,921)	(67,579,254)
X Tax expense:			
(1) Current tax		428,067	528,216
(2) Deferred tax		(15,642,720)	(2,330,871)
(3) Tax expense / (income) for earlier years		-	-
XI Profit (Loss) for the period from continuing operations (IX-X)		(106,003,268)	(65,776,599)
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax) (XII- XIII)		-	-
XV Minority Interest		10,542	(79,967)
XVI Profit (Loss) for the period (XI + XIV)		(106,013,810)	(65,696,632)
XVII Earnings per equity share:			
(1) Basic		-15.28	-9.47
(2) Diluted		-15.28	-9.47

As per our Report of even date attached

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

On behalf of the Board of Directors

Viraj Londhe
Partner
Membership No. 45761
Mumbai
Date : September 11, 2017

S Swaminathan Director DIN: 01185930	Deepa Rangarajan Director DIN: 00404072	K Balachandran Director DIN:00080055
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IRIS BUSINESS SERVICES LIMITED

IRIS BUSINESS SERVICES LIMITED		
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017		
	Year ended 31.03.2017	Year ended 31.03.2016
Particulars	(Amount in `)	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(121,217,921)	(67,579,254)
Adjustments for :		
Depreciation / amortisation for the year	46,263,809	45,827,630
Loss on Sales / Discarding / Disposal of Fixed Assets	605,576	-
Other Adjustments	6,613,754	3,508,592
Interest Expenses	19,706,284	15,816,839
Interest Income	(759,969)	(4,033,426)
Disposal of Fixed Assets	614,841	-
Impairments On Fixed Assets	4,376,928	-
Total	77,421,223	61,119,635
Operating Cash Profit before Working Capital Changes	(43,796,698)	(6,459,619)
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Sundry Debtors	(20,461,214)	56,178,557
(Increase) / Decrease in Short Term Loans and advances	(4,809,480)	27,183,171
(Increase) / Decrease in Other Current Assets	1,417,356	(7,469,241)
(Increase) / Decrease in Long Term Loans and advances	48,270	15,439,200
(Increase) / Decrease in Other Non - Current Assets	(1,226,767)	18,753,881
(Decrease) / Increase in Trade Payables	19,650,020	(22,802,661)
(Decrease) / Increase in Other Current Liabilities	35,965,379	(3,655,605)
Increase / (Decrease) in Balance of cash credit facilities	21,328,244	5,357,462
(Decrease) / Increase in Short term Provisions	23,144,228	7,687,446
Total	75,056,037	96,672,210
Taxes Paid	6,087,453	(13,695,485)
Net Cash Inflow / (Outflow) in course of Operating activities (A)	37,346,792	76,517,106
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including capital advances)	(2,436,088)	(1,737,252)
In-house Software Products Capitalisation	(51,419,502)	(117,191,355)
Interest Income Received	1,382,877	4,033,426
Net Cash Inflow / (Outflow) in the course of Investing Activities (B)	(52,472,713)	(114,895,181)
CASH FLOW FROM FINANCING ACTIVITIES		
Fresh Loan /(Repayment) of term loans during the year (net)	(22,910,079)	81,536,083
Interest paid	(20,825,231)	(16,398,725)
Net cash flow used in financing activities (C)	(43,735,310)	65,137,358
Net increase / (decrease) in Cash and cash equivalents (A + B + C)	(58,861,232)	26,759,283
Add: Balance of Cash/Cash Equivalents at the beginning of the year	61,898,624	35,139,341
Cash/Cash Equivalents at the close of the year	3,037,392	61,898,624
Cash/Cash Equivalents as at 31.03.2017	3,037,391	61,898,624
Less: FDs given as security not in nature of cash and cash equivalent	-	-
	3,037,391	61,898,624

As per our Report of even date attached

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

On behalf of the Board of Directors

Viraj Londhe
Partner
Membership No. 45761
Mumbai
Date : September 11, 2017

S Swaminathan Director DIN: 01185930	Deepta Rangarajan Director DIN: 00404072	K Balachandra Director DIN: 00080055
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IRIS BUSINESS SERVICES LIMITED

1. CORPORATE INFORMATION

IRIS Business Services Limited (“The Company”) is a public limited company domiciled and headquartered in India and incorporated under the provisions of Companies Act, 1956. The registered office of the Company is located at T-231, Tower 2, 3rd Floor, International Infotech Park, Vashi, Navi Mumbai - 400 703

The Company is one of the first provider of full professional XBRL products and solutions to organizations globally. The Company has over eighteen years of proven expertise in the financial information management space, providing customized technology solutions for data and content management, for the dissemination of information to investors and stock exchanges, and for effective content management to institutional clients.

The Consolidated Financial Statements cover IRIS Business Services Limited, (the “Parent Company / Holding Company”), and its Subsidiaries as given below:

Sr. No.	Name of Subsidiary	Country	% of holding	Year ending on
1.	IRIS Business Services LLC	USA	100.00	31-03-2017
2.	IRIS Business Services (Asia) Pte Ltd	Singapore	98.36	31-03-2017
3.	Atanou Srl	Italy	100.00	31-03-2017

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of Financial Statements

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

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

b. Principles of consolidation

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

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

i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income



IRIS BUSINESS SERVICES LIMITED

and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.

ii) The excess of the cost to the parent of its investments in a subsidiary over the parent's portion of equity at the date, on which investment in the subsidiary is made, is recognised as 'Goodwill (on consolidation)'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve (on consolidation)' in the consolidated financial statements. However, since all investments in subsidiary companies were made at the time of its formation, there is no Goodwill or Capital Reserve in the present consolidated financial statements.

iii) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies are made and further movements in their share in the equity, subsequent to the dates of investments. Since minority interest is negative in this consolidation, the same is adjusted against reserves and surplus.

c. Translation to Indian Rupees

The functional currency of the Parent Company is Indian Rupee.

The functional currencies of the subsidiaries are their respective local currencies. Their accounts are converted from their local currency to Indian Rupees in the following manner:

All income and expense items are translated at the annual average rate of exchange applicable for the year. All monetary assets and liabilities are translated at the closing rate of exchanges on the Balance Sheet date. For all non-monetary assets and liabilities opening balances are brought forward from the last year Indian rupee value and addition, deletions and adjustments thereto during the financial year have been made using the average annual rate of exchange applicable for the year. The equity share capital is stated at the exchange rate at the date of investment. The exchange difference arising out of the yearend translation is debited or credited to Foreign Currency Translation Reserve account and is being classified under Reserves and Surplus Account.

d. Revenue Recognition

Revenue is recognized when no significant uncertainty exists as to either the measurement or ultimate realization of the same.

Revenue from Operations

- i. Revenue from contracts including hosting and maintenance contracts, development or customization of software, advertisement and data conversion services is measured using the proportionate completion method and are recognised, provided at the time of performance it is not unreasonable to expect ultimate collection.
- ii. Revenue from sale of software/ software licenses which do not involve any customization are recognized upon delivery of the software to the clients and Renewal subscription income is recognized as revenue as & when the subscriptions are received.

Other Income

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



IRIS BUSINESS SERVICES LIMITED

e. Fixed Assets

Tangible Fixed Assets are stated at the cost of acquisition less accumulated depreciation. Cost includes incidental expenses incurred during the acquisition/ installation, and excludes taxes and duties for which credit has been claimed.

Intangible assets are recorded at the consideration paid for acquisition of such asset and are carried at cost less accumulated amortisation and impairment.

Capitalisation of Expenses incurred for development of software:

Costs incurred in the development of proprietary software products have been classified and grouped under the heads "Software Developed In-House" & "Intangible Assets under Development" under Fixed Assets as per the recognition criteria laid down under AS 26 .

f. Depreciation & Amortization

Tangible fixed assets are depreciated on straight line basis over the useful life as specified in Schedule II of Companies Act, 2013.

Individual assets whose cost does not exceed Rupees 5,000/- are depreciated fully in the year of purchase.

Where the asset capitalized has a fixed useful life, as in the case of software licenses, the same are written off over the said useful life.

Leasehold Property is being amortised over the remaining leasehold period on straight-line basis.

Software products both proprietary and purchased are amortized over a period of 5 to 6 years, the amortization commences once the said product is available for use.

The accounting policy followed by IRIS Business Services (Asia) Pte Ltd in respect following fixed assets is not in line with the policy followed by the holding company.

Fixed Asset	Rate followed by Subsidiary	Rate followed by the holding Company
Furniture and Fixtures	33 % p.a.	20% p.a.
Office Equipment	33 % p.a.	20% p.a.

Considering the value of fixed assets held by Iris Business Services (Asia) PTE Ltd. and the depreciation thereon, the company is of the view that there are no material differences to the overall consolidated financial statement due to this different depreciation policy followed by the subsidiary.

g. Impairments

The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

h. Investments

Long term investments are stated at cost, and provision for diminution is made when in the management's opinion there is a decline, other than temporary, in the carrying value of such investments. Short term investments are valued at lower of cost and net realizable value.



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i. Provisions and contingent liabilities

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

j. Miscellaneous Expenditure

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

k. Prepaid Expenses

Expenses which are incurred in one year and which spill over to the subsequent years are recognised as prepaid on proportionate basis only if such prepaid amount exceeds Rupees. 5,000/-.

l. Employee Benefits

Short-term employee benefits including salaries, wages, bonus and other benefits are recognized as expenses at the actual value as per contractual terms & charged to the profit and Loss Account for the year in which the related service is rendered.

The employees are eligible for leave as per leave policy of the company. The un-utilised leave can be carried forward and utilised during the course of employment. No encashment is allowed of unutilised leave. The obligation for the leave encashment is recognised based on an independent actuarial valuation at the Balance Sheet date. The expense is recognized in the statement of profit and loss at the present value of the amount payable determined based on actuarial valuation using "projected unit credit method".

The Company has provided for gratuity payable to Indian employees on the basis of actuarial valuation carried out by an independent actuary as per Projected Unit Credit Method carried out at the closed of the year. The Company makes annual contributions in respect of those employees who have completed five years in service, to the Group Gratuity Cash Accumulation Scheme of the LIC, which is a funded defined benefit plan.

m. Taxation

Provision for taxation is made on the basis of taxable profits computed for the current accounting period in accordance with the Income Tax Act 1961 for the holding company and as per the local laws for the subsidiary companies.

Deferred tax resulting from timing difference between Book Profits and Tax Profits is accounted for at applicable rate of tax to the extent the timing difference are expected to be crystallized. In case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax assets with virtual certainty that there would be adequate future income against which Deferred Tax Assets can be realized.



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Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes total MAT credit balance available as an asset in a year when it is first actually utilized. Once the "MAT credit Entitlement" asset is recognized, the Company will review this asset at each reporting date and will be recognized only to the extent to which it will be utilized during the subsequent period.

n. Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Rental charges over the term of such leases, after taking in to account the escalation clause, are charged to the Profit and Loss Account on a straight line basis over the extended lease term.

o. Service Tax

Service tax is accounted in accordance with the Guidance note on Accounting of Service Tax issued by ICAI. Accordingly input credit to the extent not utilized for payment of service tax accounted as asset as it would be available for adjustment against Service Tax payable in the future.



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Note 3 Share Capital

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number	-	Number	-
Authorised				
Equity Shares of Rs. 10/- each	8,000,000	80,000,000	8,000,000	80,000,000
Issued				
Equity Shares of Rs. 10/- each	6,937,581	69,375,810	6,937,581	69,375,810
Subscribed & Paid up				
Equity Shares of Rs. 10/- each fully paid	6,937,581	69,375,810	6,937,581	69,375,810
Total	6,937,581	69,375,810	6,937,581	69,375,810

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

Particulars	Equity Shares			
	Number	in Rupees	Number	in Rupees
Shares outstanding at the beginning of the year	6,937,581	69,375,810	6,937,581	69,375,810
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	6,937,581	69,375,810	6,937,581	69,375,810

The Company does not have any holding company.

Shares in the Company held by each shareholder holding more than 5 percent share specifying the number of shares held:

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
S Swaminathan	2,436,084	35	2,436,084	35
Subhkam Growth Fund, under its scheme Subhkam Growth Fund I (c/o) IL&FS Trust Company Limited)	1,953,799	28	1,953,799	28
Deeptha Rangarajan	721,026	10	721,026	10
K Balachandran	552,000	8	552,000	8
Total	5,662,909		5,662,909	

As per records of the Company, including its Register of Members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Aggregate number of shares issued as fully paid up for consideration other than cash, bonus shares issued and shares bought back during the period of 5 years immediately preceding the reporting date.

Particulars	Year (Aggregate No. of Shares)				
	2016-17	2015-16	2014-15	2013-14	2012-13
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

Rights, preferences and restrictions attached to equity shares

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.



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Note 4 Reserves & Surplus

Particulars	As at 31 March 2017	As at 31 March 2016
a. Securities Premium Account		
Opening Balance	70,114,550	70,114,550
Add : Securities premium credited on Share issue		
<u>Less : Premium Utilised for various reasons</u>		
Premium on Redemption of Debentures		
For Issuing Bonus Shares		
Closing Balance	70,114,550	70,114,550
b. General Reserves		
Opening Balance	475,000	475,000
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	475,000	475,000
c. FCTR	-1,151,706	-1,221,294
d. Minority Interest	-107,578	-119,745
e. Surplus		
Opening balance	150,789,824	213,011,116
(+) Net Profit/(Net Loss) For the current year	-106,013,810	-65,696,632
(+) Other Adjustments	6,466,501	3,475,341
(+) Transfer from Reserves		
(-) Proposed Dividends		
(-) Interim Dividends		
Closing Balance	51,242,515	150,789,824
Total	120,572,781	220,038,335

Note 5 Long Term Borrowings

Particulars	As at 31 March 2017	As at 31 March 2016
Secured		
(a) Term loans		
# from Federal Bank	121,147,315	144,057,394
(Secured against Property at T-231, 3rd Floor, Tower No. 2, International Infotech Park, Vashi, Navi Mumbai - 400 703)		
Loan Sanctioned ` 16,00,00,000 on 16th March 2015		
Interest Rate - Base rate + 1.15% p.a. (variable)		
Current Interest Rate 11.35% (Previous year 11.35%)		
Repayable in 84 months in 28 quarterly instalments		
This loan is guaranteed by executive directors of the company		
Amount disclosed under the head Other Current Liabilities	-22,785,185	-22,785,185
See Note No. 5 (a)		
Total	98,362,130	121,272,209

Note 6 Short Term Borrowings

Particulars	As at 31 March 2017	As at 31 March 2016
Secured		
(a) Loans repayable on demand		
from banks		
Cash Credit from Federal bank	54,269,945	32,941,701
Loan Sanctioned ` 7,00,00,000 on 19th September 2016		
Interest Rate - Base rate + 2.01% p.a. (variable)		
Current Interest Rate 11.53% (Previous year 11.35%)		
This loan is guaranteed by executive directors of the company		
Total	54,269,945	32,941,701.00



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Note 7 Trade Payables

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Dues to Micro, Small & Medium Enterprises (MSMEs)	203,982	209,232
(b) Dues to Others	29,907,362	10,252,092
Total	30,111,344	10,461,324

Note 8 Other Current Liabilities

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Current maturities of long-term debt - Federal	22,785,185	22,785,185
(b) Interest accrued and not due on borrowings	-	-
(c) Advance from Customers	22,197,828	1,360,281
(d) Accrued Expenses	4,658,691	5,399,720
(f) Other Payables	-2,642,890	827,402
- Refundable Deposits received	90,000	90,000
- Advances Received from Others		
- Statutory Dues	3,335,506	1,968,239
- Amounts Payable to staff against Expenses incurred	1,315,626	1,037,632
- Salaries, Wages & Bonus Payable	24,359,382	6,609,490
- Contribution to PF / ESIC / MLWF Payable	303,891	359,891
Total	76,403,219	40,437,840

Note 9 Short Term Provisions

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Provision for employee benefits		
- Incentives	45,551,514	31,542,603
- Gratuity	14,138,004	11,762,925
- Leave Encashment	2,853,027	4,318,186
(b) Others (Specify nature)		
Provision for Expenses Payable		
- Audit Fees	819,000	1,134,000
- Consultancy Charges	8,547,506	1,058,810
- Others	4,396,498	3,344,797
Provision for Taxes	66,671,524	66,671,524
Total	142,977,073	119,832,845



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Note 10 Fixed Assets

	Particulars	Gross Block				Accumulated Depreciation				Net Block		
		Balance as at 1 April 2016	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance As at 31 March 2017	Balance as at 1 April 2016	Depreciation charge at 31 March 2017	Adjustment due to revaluations / Impairment	On disposals	Balance As at 31 March 2017	Balance As at 31 March 2016
a	Tangible Assets											
	Land											
	Buildings (Leasehold)	107,093,510	-	-	-	107,093,510	6,753,695	1,947,156		8,700,851	100,339,815	98,392,659
	Plant and Equipment	58,290,689	1,536,454	-	-	59,827,143	51,486,549	2,655,178		54,141,728	6,804,140	5,685,415
	Furniture and Fixtures	9,776,695	13,319 (1,220,417)	-	-	8,569,597	7,277,775	640,493	-	614,841	7,303,427	2,498,920
	Office equipment	7,072,816	22,058	-	-	7,094,874	5,746,211	900,717		6,646,928	1,326,605	447,947
	Total	182,233,710	351,414	-	-	182,585,124	71,264,230	6,143,544	-	614,841	76,792,933	110,969,480
b	Intangible Assets											
	Database	600,450	-			600,450	600,450			600,450	-	-
	URL's	500,000	-			500,000	500,000			500,000	-	-
	Computer software	18,514,147	864,257			19,378,404	12,720,960	2,256,500		14,977,460	5,793,187	4,400,944
	Software developed in-house	176,018,576	75,361,945	-		251,380,521	118,424,768	37,863,765	4,376,928	160,665,461	57,593,808	90,715,059
	Total	195,633,173	76,226,202	-	-	271,859,375	132,246,178	40,120,265	4,376,928	176,743,371	63,386,995	95,116,003
c	Capital Work In Progress											
	Total	-	-	-	-	-	-	-	-	-	-	-
d	Intangible assets under Development											
		200,825,898	51,419,502 (75,361,945)	-	-	176,883,455	-	-	-	-	200,825,898	176,883,455
	Total	578,692,781	52,635,173	-	-	631,327,954	203,510,408	46,263,809	4,376,928	614,841	253,536,304	375,182,373
	Total	578,692,781	52,635,173	-	-	631,327,954	203,510,408	46,263,809	4,376,928	614,841	253,536,304	377,791,650



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Note 11 Long Term Loans and Advances

Particulars	As at 31 March 2017	As at 31 March 2016
a. Security Deposits		
Secured, considered good		
Unsecured, considered good	474,410	522,680
Doubtful		
Less: Provision for doubtful deposits	-	-
	474,410	522,680
Total	474,410	522,680

Note 12 Other non-current assets

Particulars	As at 31 March 2017	As at 31 March 2016
a. Term Deposits with remaining maturity exceeding 12 months (Term Deposits offered as security against bank guarantees)	3,383,938	2,157,171
Total	3,383,938	2,157,171



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IRIS Business Services Limited
Note 13 Trade Receivables

Particulars	As at 31 March 2017	As at 31 March 2016
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	68,457,127	43,110,749
Unsecured, considered doubtful	186,084	197,655
Less: Provision for doubtful debts	(186,084)	(197,655)
	68,457,127	43,110,749
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	8,898,087	13,783,251
Unsecured, considered doubtful	2,300,933	112,225
Less: Provision for doubtful debts	(2,300,933)	(112,225)
	8,898,087	13,783,251
Total	77,355,214	56,894,000

Trade Receivable stated above include debts due by:

Particulars	As at 31 March 2017	As at 31 March 2016
Proprietorship of Directors	8,591,115	16,085,730
Other officers of the Company *	Nil	Nil
Firm in which director is a partner *	Nil	Nil
Private Company in which director is a member	1,231,991	624,910
Total	9,823,106	16,710,640

*Either severally or jointly

Note 14 Cash & Cash Balances

Particulars	As at 31 March 2017	As at 31 March 2016
Cash & Cash Equivalents		
a. Balances with banks	2,808,412	14,017,977
b. Cash on hand	13,723	102,769
c. Term Deposits with Original Maturity less than or equal to 3 months	215,256	45,521,027
2. Other Bank Balances		
a. Term Deposits with remaining maturity of 12 months or less (Includes Forex hedging)	-	-
Cash In Transit	-	2,256,851
Total	3,037,391	61,898,624



IRIS BUSINESS SERVICES LIMITED

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Note 15 Short-term loans and advances

Particulars	As at 31 March 2017	As at 31 March 2016
a. Loans and advances to related parties		
Secured, considered good		
Unsecured, considered good (IRIS Knowledge Foundation)	-	-
Less:Provision for doubtful loans and advances	-	-
b. Others (specify nature)		
Secured, considered good		
Unsecured, considered good		
Prepaid Expenses	5,515,680	719,787
Loans to Staff	52,691	-
Advances to Staff	19,262	58,366
Other Advances	-	-
	5,587,633	778,153
Total	5,587,633	778,153

Note 15(a) Loans and advances to related parties

Particulars	As at 31 March 2017	As at 31 March 2016
Private Company in which director is a member	-	-
Total	-	-

*Either severally or jointly

Note 16 Other current assets

Particulars	As at 31 March 2017	As at 31 March 2016
Interest Accrued on Fixed Deposits	60,782	683,690
Taxes on Income	95,930,731	102,018,184
Service Tax Refund Claim	6,143,714	6,794,026
Service Tax Input Credit	3,651,888	9,261,857
Unbilled Revenue (net)	21,435,588	15,421,404
Other Current Assets	2,169,230	3,340,489
Total	129,391,933	137,519,650



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Note 17 Revenue from Operations

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Sale of products	21,858,201	29,047,069
XBRL Related Projects & Services	221,532,766	263,288,522
myiris.com, Content and Technology Services	28,321,012	28,703,378
Other operating revenues	1,454,217	982,870
Total	273,166,196	322,021,839

Note 18 Other Income

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Interest Income	759,969	4,033,426
Other non-operating income (net of expenses directly attributable to such income)	1,495,492	3,041,125
Total	2,255,461	7,074,551

Note 19 Employee Benefits Expense

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
(i) salaries and wages,	169,748,868	178,996,418
(ii) contribution to provident and other funds,	7,193,927	2,873,575
(iii) staff welfare expenses	692,508	1,055,721
Total	177,635,304	182,925,713

Note 20 Finance Cost :

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Interest expense	19,118,159	14,453,838
Bank Charges/ Commission	1,118,947	964,017
Other Finance costs	588,125	1,363,001
Total	20,825,231	16,780,856

Note 21 Depreciation and amortisation expenses

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Depreciation	46,263,809	45,626,390
Amortisation of preliminary Expenses	-	201,240
Total	46,263,809	45,827,630



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Note 22(a) **Other Expenses (I)**

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Legal, Professional and Consultancy Fees	34,282,951	21,867,932
Directors' Sitting Fees	-	300,000
Travelling and Conveyance	7,055,245	9,692,331
STPI - Annual Service Charges	-	225,000
Commission / Brokerage Charges	-	438,359
Postage, Telephone & Communication Charges	4,851,431	3,263,542
Printing & Stationery	385,104	600,646
Business Promotion Expenses	1,428,386	219,645
Foreign Travel Expenses including onsite project expenses	21,644,313	21,603,489
Onsite Marketing & Sales Expenses	-	-
Software Development Expenses	943,500	377,850
Conference Expenses	1,451,460	464,116
Data Sourcing Expenses	647,092	941,985
Internet Co-Location Charges	6,074,767	9,659,610
Membership Fees	735,723	1,068,352
Exchange Loss / (Gain)	-286,711	1,251,083
Office Maintenance Expenses	2,235,575	3,189,390
Repairs & Maintenance Expenses	1,182,590	1,441,183
Staff Recruitment Charges	-	264,148
Kuwait Retention Expenses	1,259,715	-
Software Licence & Hardware Fees	20,941,214	64,133,003
Bad debts written off	344	43,933
Sundry Balance Written-Off	3,972,309	-
Provision for Doubtful Debts	12,458,737	309,880
Loss on Disposals of Fixed Assets	605,576	-
Total	121,869,321	141,355,476

Note 22(b) **Other Expenses (II)**

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Payment to auditors as		
Auditor	625,000	625,000
For taxation matters	220,000	220,000
For other services	65,000	415,000
Reimbursement of expenses	7,500	32,783
Total	917,500	1,292,783

Note 22(c) **Other Expenses (III)**

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Prior year Adjustments (Net) Expense / (Income)	10,492,608	121,182
Total	10,492,608	121,182



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Note 22(d) Other Expenses (IV)

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
(a) Electricity & Water Charges	3,490,285	6,618,139
(b) Rent	6,039,478	17,057,373
(c) Repairs to machinery	847,421	979,886
(d) Insurance	580,358	429,841
(e) Rates and taxes, excluding, taxes on income	1,521,700	912,523
(f) Miscellaneous expenses	1,779,636	1,804,519
Total	14,258,878	27,802,280

Note 21(a+b+c+d)	147,538,306	170,571,721
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Note 23 Exceptional items

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
Exceptional items		
Write back of provision for Gratuity Liability	-	-18,066,946
Write back of Provision for Leave Encashment	-	-
Write back of old deposits received from channel partners	-	-649,800
Electricity Tarrif revision claim accepted by MSED	-	-2,723,361
Service tax refund claims not accepted	-	1,953,498
VAT refund claims not accepted	-	56,333
Write-off of Withholding tax	-	-
Impairments On Fixed Assets	4,376,928	-
Total	4,376,928	-19,430,276

Note 24 Contingent Liabilities and Commitments

Particulars	For the year ended 31	For the year ended 31
	March 2017	March 2016
(a) Guarantees	3,383,938	2,157,171
(b) Revenue Commitment	3,110,107	4,203,940
Total	6,494,045	6,361,111



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25. Taxes on Income

Current Tax is determined as the amount of tax payable in respect of the taxable income for the period. Deferred tax is computed in respect of timing differences in accordance with Accounting Standard 22. The components of deferred tax liabilities / assets are as under -

Particulars		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
		Assets		Liabilities	
(a)	Depreciation			2,82,21,017	2,60,38,856
(b)	Provision for Gratuity & Leave Encashment	52,50,229	52,17,516		
(c)	Provision for Bad Debts	39,45,503	1,00,541		
(d)	Provision for Bonus	1,40,75,418			
	Total	2,32,71,150	54,46,269	2,82,21,017	2,60,38,856
	Net Deferred Tax Asset / Liability			49,49,867	2,05,92,587

Minimum Alternative Tax (MAT) Credit

In accordance with accounting policy of the company, MAT credit balance not recognised as an assets as at 31.03.2017 is Rupees 3,75,54,770/- (As at 31.03.2016 is Rupees 3,75,54,770/-).

26. Related Party Transactions

a. Names of related parties and nature of relationship where control exists

Category of Related Party	Names
Entities over which the promoters exercise significant influence/ control	1. FinX Solutions (UAE) 2. IRIS Knowledge Foundation
Promoters & Key Management Personnel	1. S. Swaminathan 2. DeeptaRangarajan 3. K. Balachandran
Independent Directors *	1. U R Bhat



IRIS BUSINESS SERVICES LIMITED

	2. Narayan Seshadri 3. Partho Datta 4. Sanjoy Bhattacharya 5. Rakesh Kathotia (Nominee Director)
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b. Transactions and balances with related parties

Nature of Transaction/ Balance	FinX Solutions	IRIS Knowledge Foundation
<u>Transactions</u>		
Investments made		
Services rendered	- (1,89,48,033)	3,41,406 -
Services availed		
<u>Balances</u>		
Investments		
Security Deposit		90,000 (90,000)
Loans/ Advances Recoverable		
Payable against services availed		
Receivable against services rendered/ expenses incurred	85,91,115 (1,60,85,730)	12,31,991 (4,55,550)

Nature of Transaction/ Balance	S. Swaminathan	Deeptha Rangarajan	K. Balachandran
<u>Transactions</u>			
Reimbursement of Expenses	14,92,809 (12,81,934)	16,12,594 (5,23,199)	15,27,295 (1,28,349)
Managerial Remuneration	24,00,000 (24,00,000)	24,00,000 (24,00,000)	24,00,000 (24,00,000)
<u>Balances</u>			
Loans/ Advances Recoverable		12,496	



IRIS BUSINESS SERVICES LIMITED

		-	
Payable against services availed	21,62,934	2,56,363	8,31,883
	(3,09,035)		-
Receivable against services rendered/ expenses incurred			

* During the year there are no transactions with any of these Independent Directors. There are no balances due to be paid or received from any of them as on 31.03.2017.

27. Operating Leases

The Company has entered into leave & license arrangement for its office premises for a period of 60 months.

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

Particulars	Current Year (Rupees)	Previous Year (Rupees)
In less than a year	31,10,107/-	28,16,500/-
In 1 year to 5 years	2,61,192/-	30,74,500/-
In greater than 5 years	NIL	NIL

The terms of renewal and escalation clauses are those normally prevalent in similar agreements.

28. Segment reporting :

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

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to a specific segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

Geographical revenue is allocated based on the location of the customer. Geographic segments of the company are Middle Eastern Countries, America (including Canada and South American countries), Europe, India and Others:



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Revenues by Business Segment:

(Amount in `)

Particulars	Collect: Regulatory Platform	Create: Enterprise Reporting	Consume: Data Consumption Platform	Others	Total
Income from software services and products	17,87,10,893	6,61,34,292	-	2,83,21,012	27,31,66,196
Allocated expenses	16,48,27,123	9,28,86,344	2,71,40,500	2,84,17,386	31,32,71,353
Segmental operating income	1,38,83,770	(2,67,52,052)	(2,71,40,500)	(96,374)	(4,01,05,157)
Un-allocable expenses					6,70,89,040
Other income, net					22,55,461
Profit before exceptional item and tax					(10,49,38,736)
Exceptional item					66,37,707
Profit before tax					(11,15,76,443)
Tax expense					(55,73,175)
Minority interest					10,542
Profit after taxes and exceptional item					(10,60,13,810)
Segment Assets:					
Sundry Debtors	5,26,35,219	1,71,43,396		75,76,599	7,73,55,214
Intangible assets under development	-	1,64,08,243	16,04,75,212	-	17,68,83,455
Un-allocated Assets					34,27,83,500
Total Assets	5,26,35,219	3,35,51,639	16,04,75,212	75,76,599	59,70,22,169

Revenues by Geography:

(Amount in `)

Country	Revenue
China	1,73,817
England	2,87,43,557
India	6,01,89,115
Italy	7,65,509
Jordan	86,53,902
Malaysia	2,08,57,320
Kuwait	4,36,77,832
Mauritius	3,37,94,808
Qatar	32,86,889



IRIS BUSINESS SERVICES LIMITED

Saudi Arabia	4,03,99,399
Singapore	1,72,07,767
Thailand	20,23,633
Turkey	17,58,095
UAE	9,73,988
USA	1,06,60,565
Grand Total	27,31,66,196

29. Earnings Per Share (EPS)

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

Particulars	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016
Profit / (Loss) attributable to Equity shareholders (Rupees)	(10,60,13,809)	(5,74,74,607)
No. of Shares (Weighted Average)	69,37,581	69,37,581
Earnings per share in (Rupees)	(15.28)	(8.28)

30. Details of Movement in Provisions and contingent liabilities, in terms of Accounting Standard 29 is as under:

(c) Movements in Provisions

Nature of Provision	Opening Balance as on 01/04/2016	Additions during the year	Reversal/ adjustments	Closing Balance as on 31/03/2017
Provision for Income Tax	6,66,71,524	NIL	NIL	6,66,71,524
Provision for Deferred Tax (Asset)/ Liability	2,05,92,587		1,46,95,474	58,97,113
Provision for Gratuity	1,17,62,925	50,32,550	26,57,471	1,41,38,004
Provision for leave encashment	43,18,186		14,65,159	26,90,508
Provisions in respect of Employee Benefits	3,15,42,603	1,40,08,911		4,55,51,514
Provision for Bad & Doubtful Debts	3,09,880	1,24,79,762	21,025	1,27,68,617
Provision for Other Expenses Payable	55,37,607	1,83,01,676	54,17,607	1,84,21,676

(d) Movements in Contingent Liabilities



IRIS BUSINESS SERVICES LIMITED

Contingent Liabilities	21,57,171	12,26,766	NIL	33,83,937
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31. Additional information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiaries and Associate

Particulars	Net Assets		Share in Profit / (Loss)	
	As a % of consolidated net assets	Rupees	As a % of consolidated Profit/(Loss)	Rupees
Parent				
IRIS Business Services Limited	109.82%	20,15,84,074	94.38%	(10,00,50,784)
Subsidiaries				
IRIS Business Services LLC	0.23%	4,25,860	0.00%	0.00
Atanou S.r.l.	0.37%	6,74,679	0.02%	-17,813
IRIS Business Services (Asia) Pte. Ltd.	-3.57%	(65,60,127)	-0.61%	6,42,824
Sub Total	106.85%	19,61,24,487	93.80%	-9,94,25,773
Less: Effect of intercompany adjustments / eliminations	6.85%	1,25,68,938	6.20%	65,77,495
Total	100.00%	18,35,55,549	100.00%	-10,60,03,268

32. Note on activities of Subsidiary "IRIS Business services (Asia) PTE Ltd."

As at 31st March 2017, the subsidiary's total liabilities exceeded its total assets by \$ 140,631/- (Rupees 65,30,000/-). Its financial statements have been prepared on a going concern basis. We are committed to provide necessary financial support as and when necessary and there will not be any financial crisis in the said subsidiary.

33. Disclosure on Specified Bank Notes:

During the year the Company had specified bank notes or denomination note as defined in MCA notification G.S.R. 308 E dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBN	Other Denomination Notes	Total
Closing Cash in Hand as on November 08, 2016	29,500	41,777	71,277
(+) Permitted Receipts		1,55,190	1,55,190
(-) Permitted Payments		1,51,601	1,51,601
(-) Amount deposited in Banks	29,500		29,500
Closing Cash In Hand as on December 30, 2016	0	45,366	45,366



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34. Previous year's figures have been regrouped wherever necessary.

**For M. P. Chitale & Co.
Chartered Accountants
Firm Reg. No. 101851W**

On Behalf of Board of Directors

**Viraj Londhe
Partner, M No. 45761
Mumbai**

S. Swaminathan Deepta Rangarajan K. Balachandran

Date: September 11, 2017