IntraSoft Technologies Limited

Annual Report **2016-17**

BUILDING ON **INSIGHT**

Forward Looking Statement

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

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₹ 939.01 Cr.

Revenue from Operations in 2016-17 increased from ₹ 716.87 Crores in 2015-16

₹ 35.68 Cr.

Free Cash flow in 2016-17 improved from ₹ -45.27 Crores in 2015-16

₹ 13.80 Cr.

Profit after Tax in 2016-17 from ₹ 7.10 Crores (before exceptional net gain of ₹ 34.41 Crores) in 2015-16

~50%

123Stores grew by ~50% during the calendar year 2016 as compared to 22% for web only retailers overall (Internet Retailers Top 500 Guide, 2017), increasing our market share year on year.

View online summary and download the full report at **http://www.itlindia.com/annual-reports.html**

Equity Share information

- Market capitalisation (31 March 2017): ₹ 485 Crores
- Proposed a dividend: ₹ 2 per share (Face value ₹ 10)
- Promoters holding: 47.52%
- Foreign Portfolio Investor holding: 9.83%
- National Stock Exchange (NSE): ISFT
- Bombay Stock Exchange (BSE): 533181

We believe

We are in the right business, at the right time with the right acumen.

The wave of digitalisation is evolving businesses, brands and customer aspirations across the world. With digitalisation gaining momentum every day and the young population having easier access and better knowledge of the internet, the opportunities are expected to keep growing.

Brands are product focused, while online marketplaces are customer focused. We help bridge this gap. As a technology-driven multi-channel retailer, we empower our customers with plentiful choices, faster delivery times and competitive prices.

The efficiency of our business model depends on a very large extent on our technological architecture and our in-house talent and teamwork. We work with real-time customer data that help us gauge customer aspirations and preferences.

Our insight helps chart our efficiency curve and serve our customers better every time they engage with us.

We are building our momentum on our insight, and we are inspired to capitalise on the global digital revolution.

Growing Our Prominence **Everyday**

At IntraSoft Technologies, our business leverages the power of the internet to provide a unique shopping experience to millions of customers. We own and operate 123stores.com. 123stores.com is a multi-channel e-commerce retail platform, with a strong technology backbone that primarily serves the US market.

We are ranked #223 on the Internet Retailers 2017 Top 500 list and is ranked #1,641 in Inc.5000 list (2014) of fastest growing private US companies. 123Stores was also ranked 19th among the fastest growing web only retailers, having grown 50% from US$ 95.2 million in 2015 to US$ 142.1 million in 2016.

We offer our customers a wide product range, attractive price points, along with speed and convenience of delivery at their doorsteps. Our proprietary technology, efficient supply chain and deep relationships with suppliers enable us to provide our customers a better price-value proposition and faster delivery. The outcome is repeat business and growing revenues.

We have shop-in-shop partnerships with leading retailers (Amazon.com (US), Amazon Canada, eBay.com, Sears.com, New Egg, Rakuten (buy.com), Jet.com) and sell our products on their online marketplaces. We reach approximately 95% of the total online shoppers in the US. We also sell our products on our own website, www.123stores.com.

28.66 Lacs
Orders

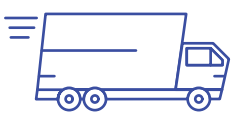
1,900+
Suppliers

6.25 Lacs
Unique Products

800+
Cities Pan-USA Reach

Our Business Model

Supplier Partners



We work with over 1,900 brand owners/manufacturers and offer over 6.25 lacs unique products.

Distribution Centres comprise East Coast (New York) and West Coast (Nevada)

123 Stores

123Stores is a data-driven, multi-channel online retailer, developing innovative solutions to complex logistical challenges.

Shop-in-shop Partners

Amazon.com: We are a Platinum Seller, with a Seller Rating of 97 out of 100.

Rakuten.com: We have 2,00,000+ products listed on the portal.

eBay.com: We are a Titanium Power Seller.

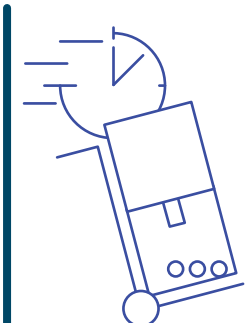
Sears.com: We are a Preferred Seller, selling close to 3,00,000 products.

We rank among the top sellers on other marketplaces like Jet.com, Newegg, and Amazon Canada.

Our Markets

USA and Canada

Order Fulfilment



We also have deep relationships with UPS and FedEx (leaders in the logistics industry) as well as partnerships with several regional carriers.

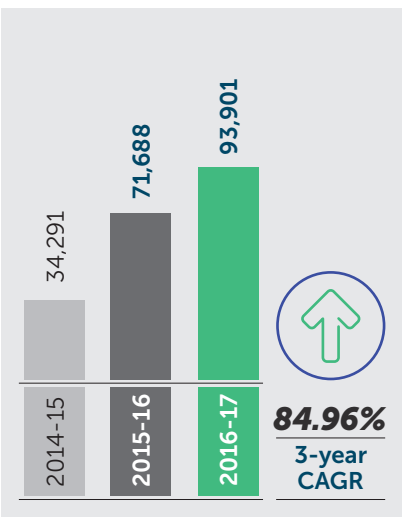
Assured delivery to 95% of US zip codes in 2-3 business days.

Key Performance **Indicators**

Net Revenue

(₹ in lacs)

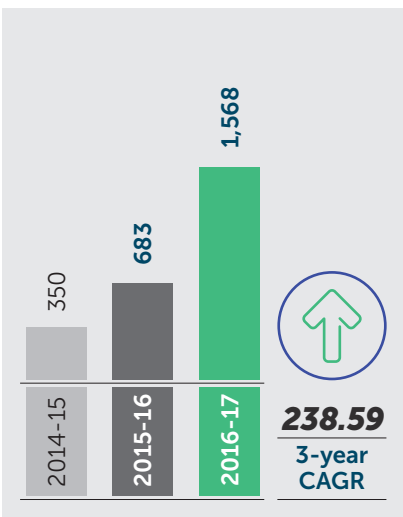
Net revenue rose owing to greater scale and higher sales.



Operating Profit

(₹ in lacs)

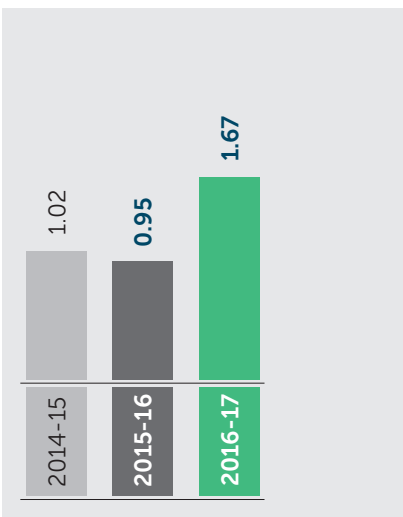
Operating profit strengthened owing to better control of key cost components and higher automation.



Operating profit margins

(%)

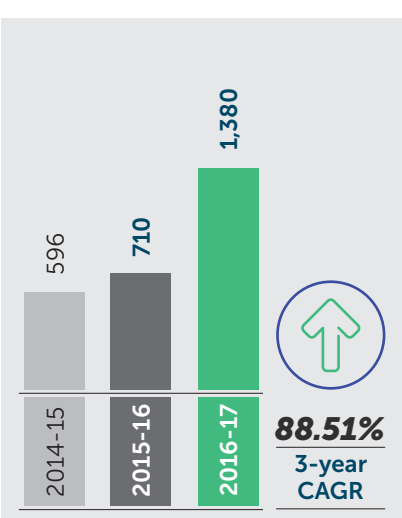
Operating profit margins grew on account of higher operational profits.



Net Profit

(₹ in lacs)

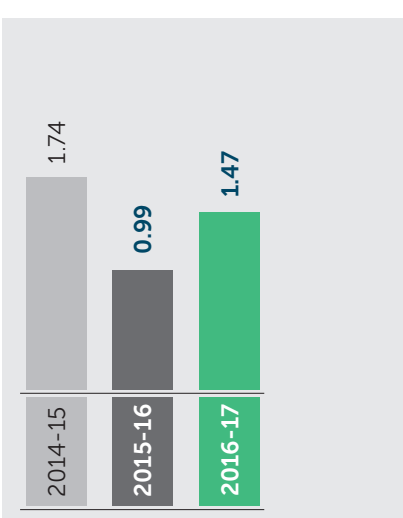
Net profit (before exceptional income) surged owing to better cost management and steady realisations.



Net Profit Margins

(%)

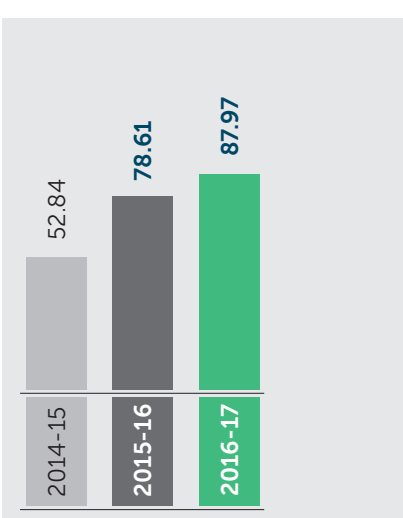
Net profit strengthened due to better profit growth.



Book Value/ Share

(₹)

The Company's book value per share has consistently increased in line with rising profits.



Consistent dividend payout

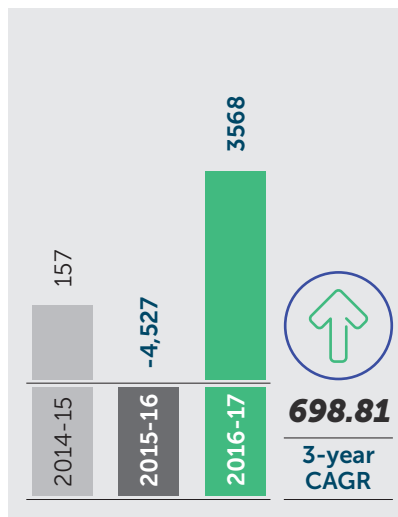
(%)

Dividend per share reflects strong earnings and cash performance.

Free cash flow

(₹ in lacs)

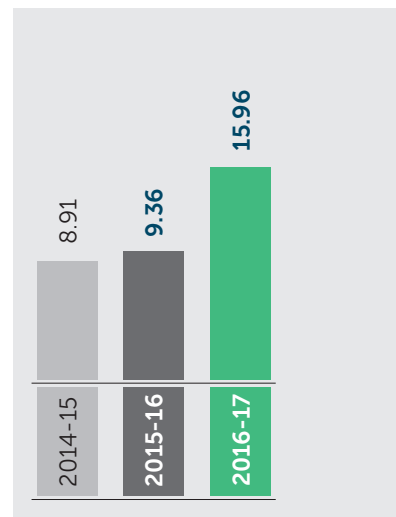
Free cash increased consistently which would help the business to scale and take full advantage of evolving market opportunities.



Return on equity (ROE)

(%)

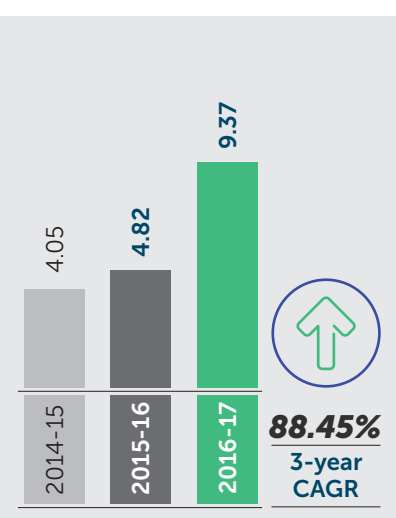
Return on equity (based on PBT) grew reflecting better earnings for our shareholders.



Earnings per share

(₹)

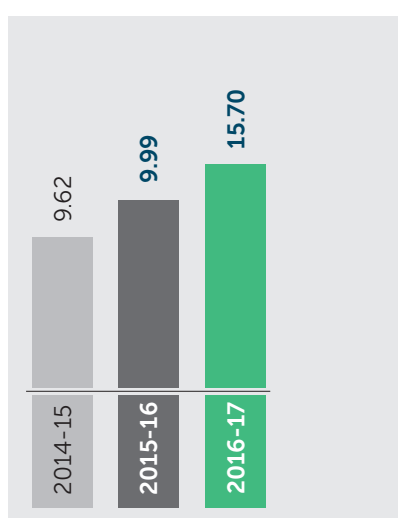
Earnings per share grew on account of higher profitability.



Return on capital employed (ROCE)

(%)

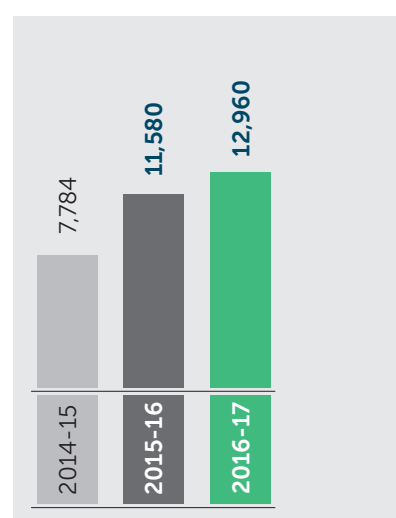
Return on capital employed (based on EBIT) grew on account of effective utilisation of capital.



Net Worth

(₹ in lacs)

The increased net worth is a testimony to the stable earnings over a period of time.



Efficient Working **Capital Model**

We have achieved a capital-efficient working capital model with a constant focus on strengthening our efficiency ratios.

We continued to increase investments in our proprietary technology, leading to higher levels of automation enabling us to improve the Inventory Turnover (average Trailing Twelve Months). This improvement enabled us to reduce our working capital significantly. Additionally, a faster turning inventory leads to lower levels of risk of obsolescence and wear and tear.

Our data analytics team greatly improved the algorithms which helped us increase our inventory turns. This innovation has not only freed up capital but we were able to warehouse more SKUs making them eligible for faster delivery thereby positively impacting sales. The focus for this year has been to increase cash flow generation and we have been able to achieve that through a mix of increased inventory efficiency, better terms from our suppliers and a substantial reduction in vendor advance during the year. These measures have greatly enhanced our ability to scale and we believe we will continue to generate enough free cash flow to grow the business.

2016-17 was a transformational year for us as we generated more than ₹ 35 Crores of Free Cash Flow during the year enabling us to move to higher levels of growth in the future without any foreseeable requirements of equity dilution.

Our Working Capital Cycle continues to improve. While we started the year with a 22 days of working capital requirement, we ended the year with an 18 days requirement, a 20% improvement.

Working Capital Management

	2015-16	2016-17
Inventory holding days	32	27
Accounts receivable days	4	4
Accounts payable days	14	13
Working capital days	22	18

2015-16 2016-17

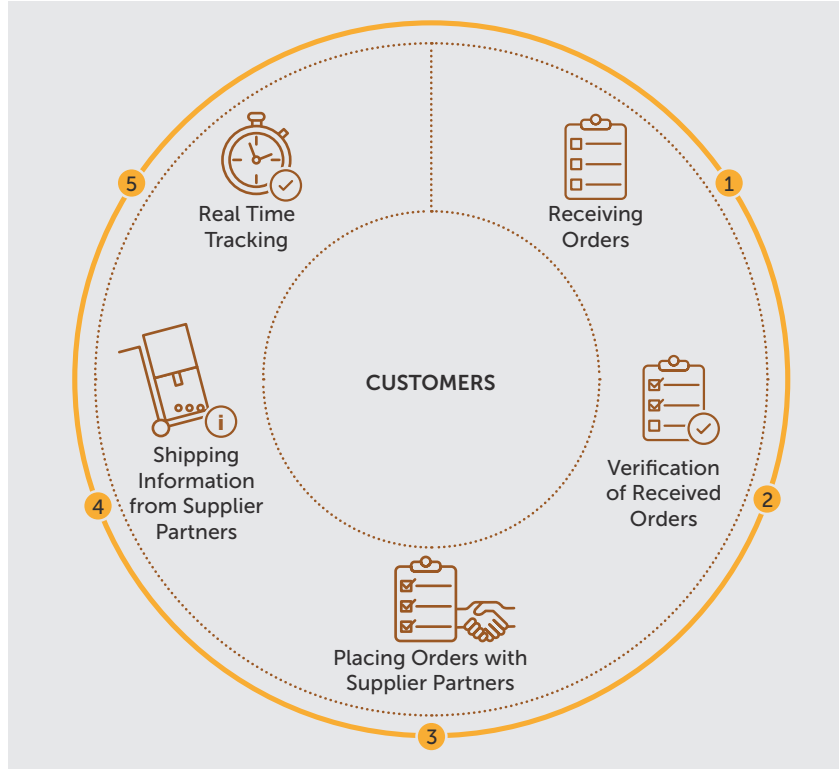
Our TECHNOLOGY performs ingeniously at a gigantic scale

At the centre of our core value proposition is our new-age, e-commerce platform. It is a set of complex algorithms designed to automate every process in the entire supply chain. The platform has the flexibility to integrate diverse formats and generate relevant output with speed and precision.

The level of automation is such that only exceptions are flagged for human intervention. We scan special cases, rebuild the path and pattern and assimilate those cases to the technology ecosystem.

Our consistent focus on increasing levels of automation also enabled double digit gains in employee productivity during the year as well as a healthy growth in the number of orders. We expect gains in productivity to continue as automation and process optimisation drive efficiencies, enabling cost savings as we grow volumes.

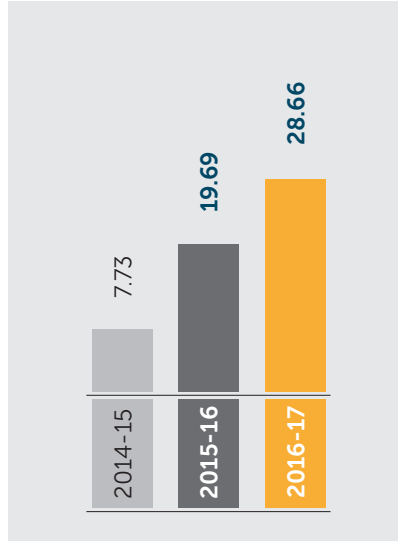
Our 360° Approach



Growing Orders

(₹ in Lacs)

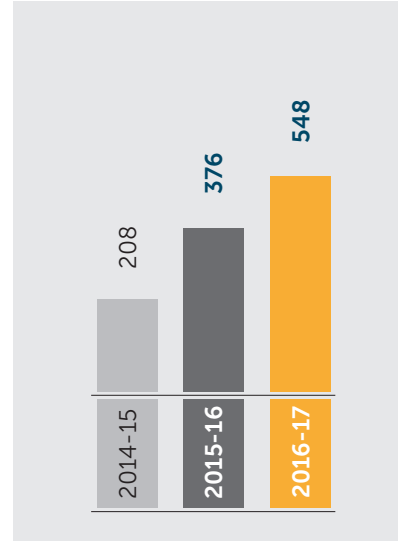
We relentlessly deploy our technological expertise towards building highly automated order fulfilment systems, which allow us to scale.



Revenue Per Employee

(₹ in Lacs)

Higher levels of automation have led to improved productivity per employee.



We are reaching new

MARKETPLACES

and addressing opportunities

We are fostering partnerships with leading e-retailers to maximise sales and build scale. We continue to maintain our sales momentum as the opportunity landscape, especially in the US e-commerce market is huge.

PREFERRED STATUS

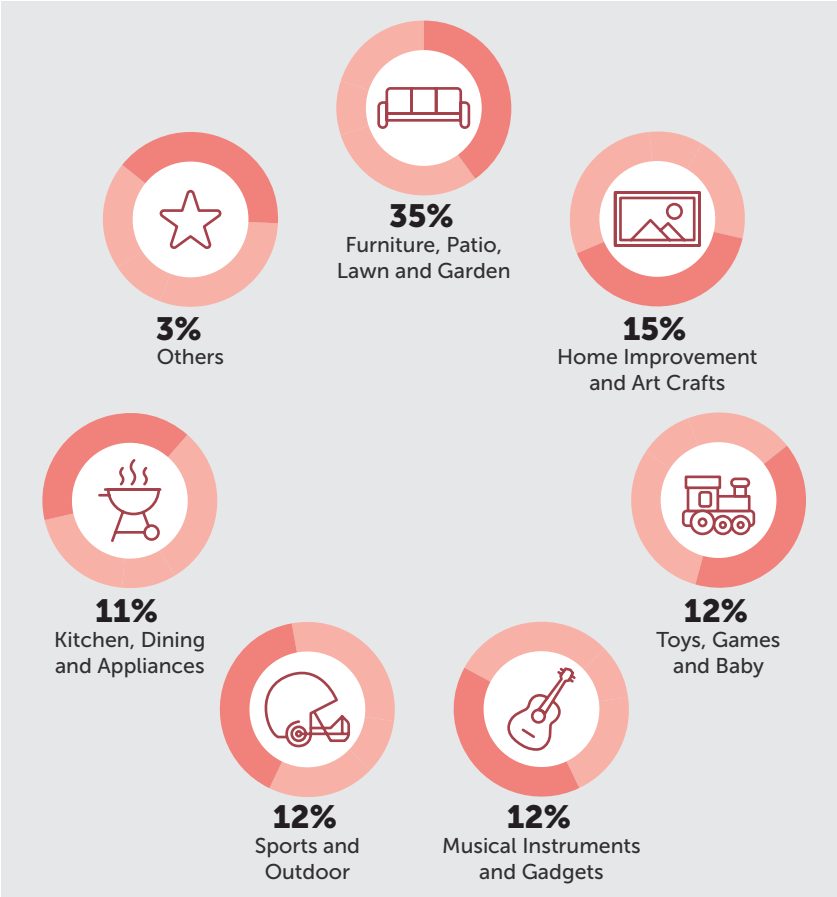
An online marketplace is a large web portal that encourages multiple sellers to showcase their products for customers. In these online marketplaces, sellers are ranked based on efficiency, which may be defined as 'offering products at the most competitive prices at the fastest delivery time with the lowest order cancellation rates.' Marketplaces then grant 'preferred status' to third-party sellers on this basis.

We enjoy 'preferred status' rankings with almost all of our marketplace partners, thanks to our dedicated teams managing each business process with speed and efficiency.

WIN-WIN

It is imperative for our business to align our interests with that of our vendors'. This helps us in improving our supply curves and ultimately deliver differentiated value to our customers.

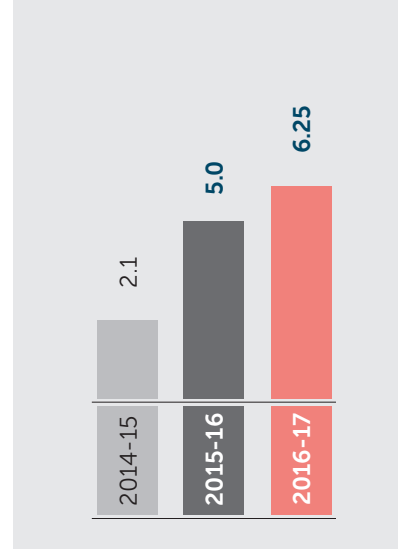
Product Categories



Product Catalogue

(Number in lacs)

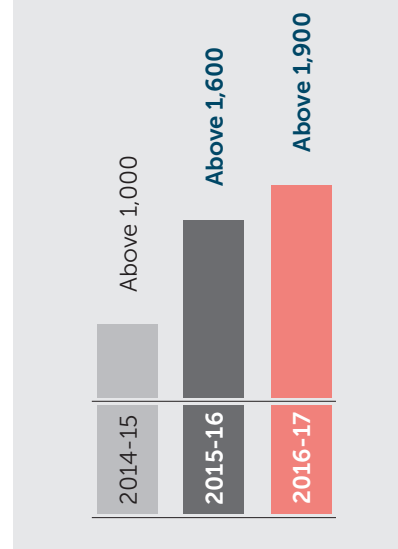
We are consistently increasing our presence across marketplace to provide shoppers with products that they prefer.



Supplier Base

(Number of Suppliers)

We are continuously broad-basing our supplier base



Our CUSTOMERS are at the centre of what we do everyday

We are committed to serve our customers a little better every day. Customers remain our priority and we stay engaged in every step till the successful completion of each transaction. We also provide quality post-sales support, ensuring customer loyalty and repeat business.

CUSTOMER ENGAGEMENT TEAM:

Our customer engagement team stays connected to customers to ensure a seamless experience from the time they place an order till the time it is delivered to their doorstep.

CUSTOMER RELATIONSHIP TEAM:

Our Customer Relationship Team stays alert through the order process to ensure that any inadvertent delays are proactively communicated to customers. They also ensure any product-related or post-sales queries are swiftly answered.

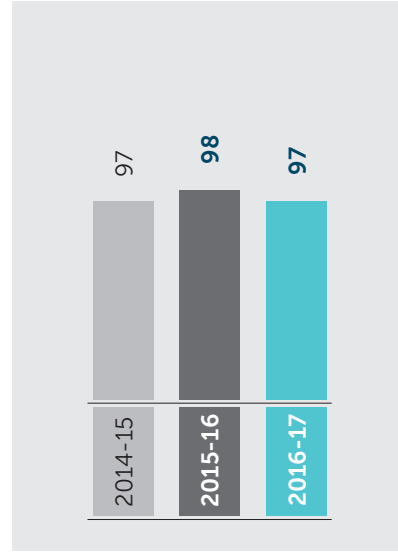
CUSTOMER SUPPORT TEAM:

We ensure our Customer Support Teams are available round the clock to answer any query or handle any customer concern. Providing 24/7 support has been crucial in giving our customers the best experience.

Consistent Ratings

(%)

We maintain 97%+ positive customer rating across most retail markets of our presence



We are committed to

FULFILMENT

of our brand promise

Logistical logjam. Shrinking timelines. Commonplace solutions will not work. We need a breakthrough. At the same time, we need to act with speed. Because we must fulfil our customer pledge.

These are some of the challenges that we often face in a typical working day. We at IntraSoft think that these are moments of truth, and on each occasion, we rise to the challenge. We think through a particular issue, weigh carefully all the pros and cons and then take a decision. At the centre of it all is the commitment that the client must win at the end of the day...every day.

We have mapped competitive routes for our logistical partners like UPS and FedEx. We have developed a network of local in-state carriers, together accounting for the lowest possible shipping costs. The result is that now we have a cost-efficient delivery model.

95%

Our strategic partnerships with our logistics partners have further helped deliver goods to 95% of American online shoppers within 2-3 days.

1,500+

We have a vast order fulfilment network, comprising over 1,500 points in the U.S.

INNOVATIVE SOLUTIONS

Our delivery partners take a particular route from the John F. Kennedy International Airport to deliver products in Manhattan area which take around 40 minutes every time. Suddenly, that same route started taking 50 minutes for seven days in a row, because of new upcoming flyover. We knew we had to act fast. We thought through the issue, discussed the traffic situation in detail and prepared another route that covers that distance in around 40 minutes.

CONSISTENT SURVEILLANCE

Every day we do multiple deliveries from Boston to San Diego through our logistic partners. Our logistic partner follows a delivery roadmap which has three delivery centres in between before it reaches the end customer. At every delivery centre a delivery truck is stationed for around 12 hours. After 12 hours we immediately get a notification. We contact the delivery centre to find out the reason for delay and accordingly take corrective action. At any point of time, we know the exact location of the package.

Suppose, in one of the states in USA has a hurricane alert which means life in that state comes to a standstill for a while. In such a scenario, if we take order for that region we may not be able to deliver on time which might lead to customer dissatisfaction and we might get a negative rating. To avoid such a scenario, for every order, our technology checks the weather forecast of the delivery region. And if any weather emergency is forecasted, we proactively inform the customer that we are happy to accept your order, but there is a weather alert in your area so we cannot fulfil the order if it is within the standard delivery timeframe. Customers love this approach.

RETURNS MANAGEMENT

We also have a robust returns management framework, ensuring happiness to our customers at very low cost.

Managing Director's **Message**

We shipped more than 2.8 million orders during the year, with a 97% positive customer feedback. We remain firmly focused on delighting our customers, as we continue to innovate in terms of selection, service and the customer experience by leveraging our technological expertise.

Dear Shareholders,

2016 MARKED ANOTHER WONDERFUL YEAR FOR THE E-COMMERCE INDUSTRY, AS CONSUMERS CONTINUED TO SHIFT MORE OF THEIR RETAIL SPENDING TO THE WEB.

Online retail sales to consumers in the U.S. reached nearly US$ 400 billion in 2016, according to the data provided by the US Commerce Department. This is a 15.6% escalation, compared to the trend in 2015. That's the biggest jump in three years, and far surpasses the growth in retail sales in physical stores, which barely reached 2.6% last year.

2016-17 IN RETROSPECT

We shipped more than 2.8 million orders during the year, with a 97% positive customer feedback. We remain firmly focused on delighting our customers, as we continue to innovate in terms of selection, service and the customer experience by leveraging our technological expertise.

During 2016-17, we achieved a revenue of ₹ 939 Crores, compared to ₹ 717 Crores in 2015-16. Our consistent growth in revenues vindicates the strength of our business model; and we are committed to serve our customers with better, faster and cost-efficient solutions in the coming years. Our EBIDTA grew to ₹ 25.01 Crores in 2016-17 vis-à-vis ₹ 13.03 Crores in 2015-16; and our net profit surged to ₹ 13.8 Crores in 2016-17 vis-à-vis ₹ 7.1 Crores (before exceptional income) in 2015-16.

Our earnings per share touched ₹ 9.37 in 2016-17 against ₹ 4.82 in 2015-16. Our strong performance was driven by accelerated e-commerce growth across key markets in the USA. As a company focused on rewarding shareholders for supporting our endeavour, we have recommended a dividend of ₹ 2 per share, subject to the approval of shareholders at the AGM.

During the year, we focused on achieving greater economies of scale, leading to better efficiencies. These competencies enabled us to gain momentum in an expanding market.

We continued to strive towards optimising our supply chain, and we made encouraging progress.

We planned to make a structural improvement in our working capital cycle. The objective was to scale seamlessly and make further efforts for long-term value creation. We took measures such as renegotiating contracts with our supplier partners, although it meant sacrificing growth in the medium term.

I am pleased to share that our efforts have started to bear fruit in the form of increased supplier's credit, which diminishes the need for any additional capital and demonstrates our growing importance in the marketplace. We have since moved to a self-sustaining working capital structure, which gives us further headroom to scale and take full advantage of the market momentum.

123STORES

Our e-commerce revenues registered sustainable growth owing to growing scale across product categories. Our proprietary technology platform allows us to scale order volumes with minimal human intervention, enabling us to save costs as we grow volumes.

During the year, we further expanded its catalogue continuing to add products and suppliers and revenue growth was visible across all product categories, displaying a healthy mix of products.

In October, our subsidiary 123Stores, Inc., secured a US$ 8.0 million Line of Credit from UPS Capital®, a subsidiary of UPS®, one of the world's largest package delivery company and a provider of supply chain management solutions. This facility provides added funding to support our growth and strategic initiatives. This financial flexibility will substantially lower our cost of capital, drive significant revenues and profitability to meet our strategic goals as we continue to build long-term shareholder value. We believe that the leverage, that this facility affords us will enable us to eliminate further equity dilution.

GROWTH STRATEGIES

The future holds out significant opportunities for growth. We will continue to work on the following priorities to drive long-term sustainable growth:

- Widen and deepen our reach among the U.S online shopping population;
- Enhance technology investments to better serve our customers at competitive prices;
- Focus more on employee productivity to create a dynamic talent pool;
- Continue to stay asset light;

We are excited about the long-term prospects of the e-commerce industry in the US and Canada. We have demonstrated our ability to create a robust technology-driven multi-channel retail model, and we will continue to build on our insight. Going forward, we will consistently generate strategies to improve delivery capabilities, remain cost-effective, offer competitive pricing and remain profitable.

On behalf of the management, I take this opportunity to convey my sincere thanks to all shareholders, and place on record my gratitude to employees, customers, channel and logistic partners, bankers and suppliers.

Warm regards,

Arvind Kajaria
Managing Director

Management Discussion and Analysis Report

U.S. economy

Driven by a cyclical recovery in inventory accumulation, solid consumption growth, and an easing fiscal policy stance, the U.S. economy is projected to expand at a faster pace in 2017 and 2018, with growth forecast at 2.3% and 2.5%, respectively.

Since the U.S. election, expectations of declining fiscal restraint in the United States have contributed to a stronger dollar and higher U.S. Treasury interest rates, pushing up yields elsewhere as well. Projected growth has been revised upward in the United States, with a strongly picking up consumer price inflation, strengthening wage growth and rising domestic demand. The anticipated shift in the policy mix so far has buoyed financial markets and strengthened business confidence, which could further fuel the current momentum and diminish the economic slack.

E-commerce industry

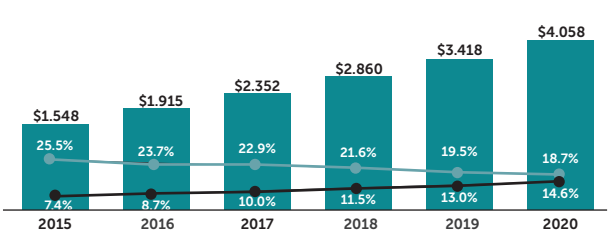
In 2016, total retail sales across the globe is expected to reach $22.1 trillion, up 6.0% from the previous year and is set to top $27 trillion in 2020. The retail e-commerce sales are projected to increase to $4.1 trillion in 2020, making up 14.6% of total retail spending that year.

With driving factors such as favourable demographics, increasing penetration of internet and smartphones changing consumer preferences, there will be strong growth for the e-commerce industry going forward.

(Source: eMarketer latest article)

Retail E-commerce Sales Worldwide, 2015-2020

trillions, % change and % of total retail sales



Note: Includes products or services ordered using the internet via any device, regardless of the method of payment or fulfilment; excludes travel and event tickets
Source: eMarketer, August 2016.

The U.S. e-retail industry

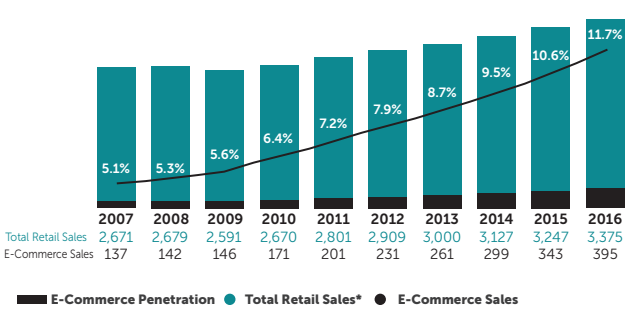
Online retail sales to consumers in the U.S. touched nearly $400 billion in 2016 by the U.S. Commerce Department's measure—a three-year high 15.6% jump compared with 2015. The growth in retail sales in physical stores was far eclipsed, which barely reached 2.6% last year.

E-commerce now comprises 11.7% of total retail sales when factoring out the sale of items not normally purchased online, such as fuel, automobiles and sales in restaurants. It also signifies that in only a decade, the web has more than doubled its share of retail sales as e-commerce was only at 5.1% of total retail purchases ten years back.

(Source: 2017 Internet Retailer, U.S. Department of Commerce)

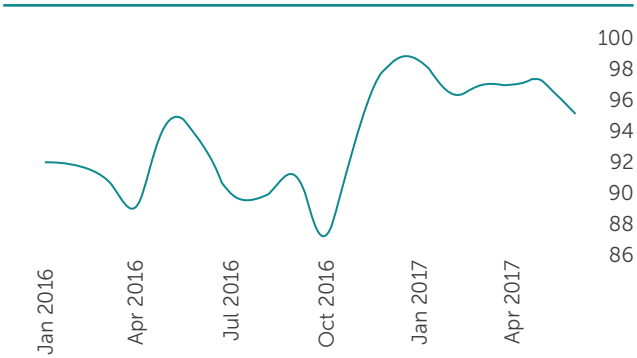
A Decade of the US E-Commerce Growth

E-Commerce vs total retail sales, in $ billions, 2007-2016



Source: Internet Retailer, U.S. Department of Commerce
*Factoring out the sale of items not normally purchased online such as fuel, automobiles and sales in bars and restaurants

US Consumer Sentiment



During the year under review, consumer sentiment in the United States was maintained over 95%.

2017 Top 500 Retailers

The Top 500 has long been a great representation of what's happening at the top of the online retail market as a whole. Top 500 retailers collectively sold roughly $333.24 billion online to U.S. consumers last year representing 84.4% of total U.S. e-commerce sales. It can easily be said that as the Top 500 fares, so goes the online retail market in the U.S. With 38 retailers making their way into the Top 500 Rankings for the first time this year, there remains plenty of room for new players to build successful online retail businesses.

(Source: 2017 Internet Retailer, U.S. Department of Commerce)

The category-wise online and total sales are shown in the table below:

2016 Online & Total Sales by Category

Category	% of Total U.S. Top 1000 on-line sales	% of Total U.S. Retail sales
Apparel/ Accessories	17.6	8.0
Automotive Parts/ Accessories	1.0	3.1
Books/ Music/ Video	7.2	0.9
Computers/ Electronics	13.2	3.6
Flowers/ Gifts	1.3	0.7
Food/ Drug	2.3	34.8
Hardware/ Home Improvement	5.3	12.4
Health/ Beauty	2.7	1.9
Housewares/ Home Furnishings	4.3	3.8
Jewellary	1.0	1.1
Mass Merchant	36.6	23.5
Office Supplies	1.9	0.5
Specialty	2.3	3.3
Sporting Goods	1.9	1.7
Toys/ Hobbies	1.3	0.7

Source: Internet Retailer, U.S. Commerce Department

Industry outlook

The e-commerce industry is seen to be fast-growing and consumer-amiable. The technology era further supports the expansion of e-commerce as there is more and more diversion towards digital devices. Virtual reality shopping at home is expected to be a natural next step in 2017. As the Internet becomes mainstream, the number of connected devices will almost triple by 2020, from 13.4 billion to 38.5 billion and the proportion of products sold via e-commerce will be more than double, from 6% in 2014 to 12.8% by 2019.

(Source: Global Competitiveness Report 2016-17)

IntraSoft Technologies Limited – Overview

123stores was ranked 223rd largest online retailer in U.S., with a step up from the last year's 262nd position. Our efficient business model and robust distribution network creates consistent stakeholder value. We endeavour to offer our customers a unique shopping experience through a wide product range, attractive price points along with speed and convenience of delivery at their doorsteps. We focus on growing revenues and attaining customer loyalty by providing superior technology, efficient supply chain and profound relationships with suppliers. These relationships have facilitated us to widen our reach to a large percentage of online U.S. population.

Business Performance

123Stores was also ranked 19th amongst the fastest growing web only retailers, having a growth of 50% from $95.2 million in 2015 to $142.1 million in 2016. Having shipped more than 2.8 million orders during the year, with a 97% customer feedback rating, and growing 50% as compared to 22% for web only retailers, it had been a remarkable year for us.

Financial snippet

FY 2016-17 was a remarkable year for IntraSoft and the biggest accomplishment has been the achievement of financial sustainability. It was marked by high growth opportunities corroborated with increased revenues.

Consolidated Profit & Loss For The Year Ended 31 March 2017

(Amount ₹ in Lacs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Income from Operations	93,901.06	71,687.54
Cost of Goods Sold (Incl. Shipping)	74,747.62	57,440.51
Gross Profit	**19,153.44**	**14,247.03**
Sales & Marketing Expenses	13,573.23	10,060.86
Employee Benefit Expenses	2,333.35	2,278.60
General & Administrative Expenses	1,490.93	1,065.44
Earnings /(Deficit) from Operations	**1,755.93**	**842.13**
Other Income (Net)	745.26	460.24
Earnings Before Interest, Tax, Depreciation & Amortisation & Exceptional Item	**2,501.19**	**1,302.37**
Depreciation & Amortisation	187.44	159.55
Earnings Before Interest, Tax & Exceptional Item	**2,313.75**	**1,142.82**
Finance Costs	355.53	237.05
Profit Before Tax & Exceptional Item	**1,958.22**	**905.77**
Exceptional Items	-	3,441.12
Profit Before Tax (PBT)	**1,958.22**	**4,346.89**
Tax Expense	578.47	196.2
Profit After Tax (PAT)	**1,379.75**	**4,150.69**

Growth Drivers

Technological advancement

With extensive use of technology, the scope for e-commerce industry has improved significantly. The rapid evolution of online and mobile commerce has given rise to financial technology and a wave of new payment methods. People are now technologically advanced and prefer digitally smart ways to transact. This has given a lot of impetus to the industry.

Significant surge in use of multiple digital devices

E-commerce companies constantly have to upgrade their offerings with changing technology. Significantly more users are accessing the web from tablets, smartphones alongwith desktops; they are doing so with more e-commerce intent than ever before. People are increasingly shopping through mobile phones which create the need to devise easy to use mobile apps, hence creating growth.

Convenience

In rush-hour times, online shopping provides customer convenience and saves a lot of time as compared to in-shop retail. E-commerce ensures maximum consumer satisfaction and enriches the shopping experience. It allows us to reach consumers and service them conveniently and economically.

Risk Management

The Company's business is seasonal. Generally, a third of the annual revenue is generated in the third quarter of the financial year.

Mitigation
This is most pertinent for the E-commerce space, which is concentrated in the US market where the third quarter is the festive season. The Company has ensured redundancies are removed from its systems and processes to ensure that it seamlessly addresses the demand spike in the third quarter of the fiscal. In 2016, the Company has already shipped as high as 37,000 packages a day during the week before Christmas. Besides, the proprietary technology, the efficient logistic partners also facilitate the Company to take this number even higher in the coming years.

Managing growth through improved processes and systems could be a challenge.

Mitigation
We eye expansion by targeting the larger group of consumers. We continue to invest business surplus to strengthen the proprietary technology platform and automate processes better through innovative software solutions. Solutions enabling seamless integration of back-end and front-end infrastructure, customer experience enhancement initiatives, integrated inventory management and analytics would be crucial for the e-commerce firms. It will enable us to stay ahead of the curve of customer expectations.

Operational challenges in building up a large supplier network.

Mitigation
We see our suppliers as our customers. We are investing more in manpower who can go on the ground and sign up suppliers. The increased investment in people will help overcome the challenges. The Company has also invested a lot of time in visiting trade shows and conferences where they have successfully been able to sign on new products.

Human Resource Management

Our success is vested in the hands of our trusted employees. We highly value the sustained efforts of our people and take steps for their mature advancement. We are focussed in building a team of exceptional individuals by giving them the best work culture and environment.

At IntraSoft, we provide a large bouquet of opportunities to nurture our people's career. Several training initiatives for the development and skill enhancement of our employees are undertaken to keep them updated of the latest industry developments. We recognise the best talent through various rewards and recognition programmes that keeps our employees motivated and engaged.

As a concerned organisation, we focus primarily on health and safety of our employees and conduct various programmes to address any safety issues. The Company and its subsidiary had 220 employees on its rolls as on 31 March 2017.

Internal Controls

IntraSoft Technologies has a vigorous internal control system in place. Adequate internal control systems safeguard the various process and functions of the company with timely identification and intervention to alleviate risks. The internal control system is designed to maintain efficiency, measurability and reliability of accounting and management information. Internal audit is conducted for all the processes to identify risks and verify whether all systems and processes are commensurate with the business size and structure.

Regular internal checks are carried out to ascertain the existence of adequate system. The Management also reviews the control systems and procedures to ensure its application. The internal controls are verified by the Chairman of Audit Committee to keep a check on the existing systems and take corrective action to further enhance the control measures.

Directors' Report

To
The Shareholders
IntraSoft Technologies Limited

We are pleased to present the Twenty Second Annual Report of **IntraSoft Technologies Limited** ("the Company") together with the Audited Financial Statements for the financial year ended 31 March 2017.

Financial Statements & Results

a. Financial Results:

The consolidated and standalone performance during the year ended 31 March 2017 as compared to the previous financial year, is summarised below:

Consolidated Financials

Amount (₹ in Lacs)

Particulars	2016-17	2015-16
Total Income	94,646.32	72,147.78
Profit before Interest, Depreciation and Exceptional Income	2,501.19	1,302.37
Less: Finance Cost	355.53	237.05
Depreciation	187.44	159.55
Profit before Tax and Exceptional Income	1,958.22	905.77
Exceptional Income	-	3,441.12
Profit before Tax	1,958.22	4,346.89
Less : Provision for Income Tax	578.47	196.20
Profit after Tax	1,379.75	4,150.69

On Standalone basis, Total Income of the Company recorded at ₹ 1925.55 Lacs in FY 2016-17 against ₹ 3289.04 Lacs in FY 2015-16. EBITDA is recorded at ₹ 631.19 Lacs in FY 2016-17 against ₹ 952.24 Lacs in FY 2015-16. PBT is recorded at ₹ 437.76 Lacs against ₹ 4059.44 Lacs in FY 2015-16 (with Exceptional Income of ₹ 3441.12 Lacs). The net profit for the financial year under review is ₹ 401.66 Lacs as compared to ₹ 3973.96 Lacs of the previous financial year.

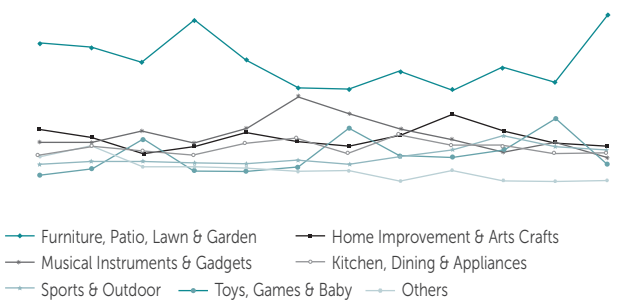
b. Business:

1. The performance of the Company and its subsidiaries during the financial year 2016-17 was remarkable. Our total consolidated income for the financial year under review is ₹ 946,46.32 Lacs as compared to ₹ 721,47.78 Lacs in the previous financial year, registering a growth of 31% . The consolidated net profit for the financial year under review is ₹ 13,79.75 Lacs as compared to ₹ 4,150.69 Lacs in the previous financial year.

   123Stores, the online e-commerce business, maintained the growth momentum and is the major revenue generator for the group and witnessed tremendous growth and improvement in all the parameters. Year 2016 was yet another record year for e-commerce in United States and consumers continued to shift their sizable amount of the retail spending towards Internet and Online purchases. In the year 2016, Online retail sales in United States grew 15.6% year-on-year as compared to barely 2.6% in the case of sales from physical stores. We grew by approximately 50% during the calendar year 2016 in United States as compared to overall 22% growth for Web only retailers increasing our market shares year-on-year basis.

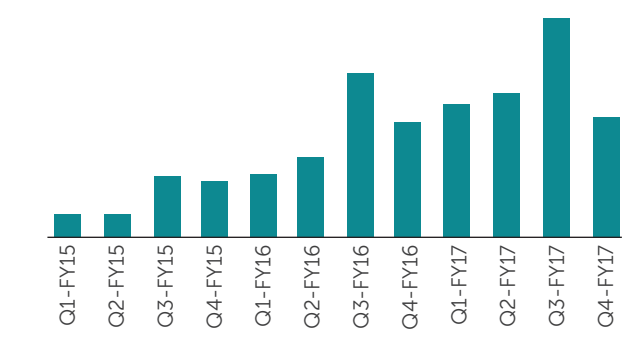
   The E-Commerce revenue grew by 31% from ₹ 716.87 Lacs in FY 2015-16 to ₹ 939.01 Lacs in FY 2016-17. During the year, the Company further expanded its catalogue by continuously adding products and suppliers and revenue growth was visible across all products categories and healthy mix of products.

The category wise breakup of different products is as follows:



The quarter wise number of orders shipped during the financial year was as follows:

No. of Orders



During the year, Our primary focus was a structural improvement to the working capital cycle for the business to scale seamlessly and fully realise the growth potential in long term. And it has been a transformational year for us as we generated more than ₹ 3500 Lacs of free cash flows enabling us to move to higher levels of growth. Additionally, we repaid atleast 50 % of the working capital loans in United States and are a net debt free company on a consolidated basis. The continued improvement in cash flows also reduced finance costs.

Our proprietary technology platform allows us to scale order volumes with minimal human intervention, enabling cost savings as we grow volumes. Increased levels of automation and process optimisations has increased efficiencies and enabled a double digit gain in employee productivity and also helped improve our Inventory turnover ratio.

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

c. **Performance of Subsidiaries, Associates and Joint Venture Companies**

The Company has three wholly owned subsidiaries and two step down subsidiaries as on 31 March 2017 viz. 123Greetings.com, Inc (USA), Intrasoft Ventures Pte. Ltd (Singapore) & One Two Three Greetings (India) Private Limited (India) wholly owned subsidiaries and 123Stores, Inc (USA), wholly owned subsidiary of Intrasoft Ventures Pte. Ltd (Singapore) and 123Stores E Commerce Private Limited (India), wholly owned subsidiary of 123Stores, Inc. The entire group focuses on the E-Commerce business by consolidating all operations related to E-Commerce and online greeting activities to achieve financial and operational efficiencies.

In accordance with Section 129 of the Companies Act, 2013, consolidated financial statements of the Company along with its subsidiaries have been prepared which forms part of this Annual Report. Further, the performance and financial position of each of the subsidiaries for the year ended 31 March 2017 is attached and marked as Annexure I (FormAOC-1) and forms part of this Report.

Appropriations

a. **Dividend**

The Board of Directors of the Company has recommended a final dividend of ₹ 2/- (20%) (previous year ₹ 2/- per equity share) per equity share of face value of ₹10/- for the financial year 2016-17, which if approved would absorb ₹ 354.61 Lacs including dividend distribution tax of ₹ 59.98 Lacs (Previous year ₹ 354.61 Lacs including dividend distribution tax of ₹ 59.98 Lacs).

b. **Transfer to Reserves**
The Board of Directors has not recommended transfer of any amount of profit to reserves during the year under review. Hence, the entire amount of profit for the year under review has been carried forward to the Profit and Loss account.

Revision of Financial Statements

There was no revision of the financial statements of the Company pertaining to the previous financial years during the year under review.

Deposits

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

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

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

Disclosure of Internal Financial Controls

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

Disclosure of Orders passed by Regulators or Courts or Tribunal

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

Particulars of Contracts or Arrangement with Related Parties

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

Your Directors draw attention of the members to Note no. 33 of Standalone financial statements which sets out disclosures on related parties and transactions entered into with the said parties.

Particulars of Loans, Guarantees, Investments and Securities

Full particulars of loans given, investments made, guarantees given and securities provided along with the purposes for which the loans or guarantees or securities are proposed to be utilised by the recipient(s) thereof are provided in Note nos. 13 and 14 of standalone financial statements.

Share Capital

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

Matters Related to Directors and Key Managerial Personnel:

a. **Board of Directors & Key Managerial Personnel**
During the year, the tenure of Mr. Arvind Kajaria as Managing Director and Mr. Sharad Kajaria as Whole-time Director of the Company expired on 31 March 2017. The Board of Directors of the Company at its Meeting held on 18 March 2017, subject to the approval of the shareholders, re-appointed Mr. Arvind Kajaria as Managing Director and Mr. Sharad Kajaria as Whole-time Director of the Company for a further term of 3 (three) years with effect from 1 April 2017.

The Board of Directors at its Meeting held on 18 March 2017 also appointed Mr. Ashok Bhandari as Director in the category of an Independent Director of the Company w.e.f. 18 March 2017. Necessary resolution for seeking approval of members for his appointment in the said office is included in the Notice of Annual General Meeting.

The Board recommends re-appointment of Mr. Arvind Kajaria as Managing Director and Mr. Sharad Kajaria as

Whole-time Director and appointment of Mr. Ashok Bhandari as an Independent Director of the Company.

During the year, Mr. Pranvesh Tripathi was appointed as Company Secretary and Key Managerial Personnel of the Company with effect from 10 May 2016 in place of Mr. Rakesh Dhanuka.

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

b. Declaration by Independent Directors

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

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

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

The Board has as per the recommendation of the Nomination and Remuneration Committee, framed a policy on selection and appointment of Directors and Senior Management and their remuneration. The details of said policy are given in the Corporate Governance Report which forms part of this Annual Report.

Disclosures Related to Board, Committees and Policies:

a. Board Meetings

The Board of Directors met 7 (Seven) times during the financial year 2016-17 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. Detailed information on the Board Meetings is provided in the Corporate Governance Report which forms part of this Annual Report.

b. Director's Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31 March 2017, the Board of Directors hereby confirms that:

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

ii. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2017 and of the profit of the Company for that year;

iii. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

v. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

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

c. Committees of the Board

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

Policies

a. **Vigil Mechanism Policy for the Directors and Employees**

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

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

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

b. **Risk Management Policy**

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

Annual Evaluation of Directors, Committee and Board

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

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

Internal Control Systems

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

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

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

Auditors and Reports:

The matters related to Auditors and their Reports for the year ended 31 March 2017 are as under:-

a. **Observations of Statutory Auditors on Accounts for the Year ended 31 March 2017:**

There are no observations of the Statutory Auditors in their report for the financial year ended 31 March 2017.

b. **Secretarial Audit Report:**

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates the Company to obtain a Secretarial Audit Report in the Form MR-3 from a Practicing Company Secretary. M/s. Rathi and Associates, Company Secretaries had been appointed as Secretarial Auditors to issue Secretarial Audit Report for the financial year 2016-17.

Secretarial Audit Report issued by M/s. Rathi and Associates, Company Secretaries in Form MR-3 for the financial year 2016-17 forms part of this report. As regards the observation made by the Secretarial Auditors for closure of trading window, as given therein none of the designated employees of the Company has traded in the shares of the Company.

c. **Appointment of Auditors:**

Walker Chandiok & Co. LLP, Chartered Accountants were appointed as Statutory Auditors of the Company at the 21st Annual General Meeting held on 8 September 2016, for consecutive term of 5 (five) years i.e. to hold office up to the conclusion of the 26th Annual General Meeting of the Company subject to the ratification of appointment by the shareholders in each Annual General Meeting of the Company. Necessary item in the notice of the ensuing Annual General Meeting is included to seek approval of members for ratification of appointment of Walker Chandiok & Co. LLP for the financial year 2017-18.

The said Auditors have furnished to the Company certificate under Section 141 that they are eligible to

hold the office of Auditors of the Company and also given their consent to hold the office of Auditors of the Company.

d. **Fraud Reporting:**
During the year under review, there were no serious frauds.

Extract of Annual Return

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of Annual Return in the prescribed format for the financial year ended 31 March 2017 is attached as Annexure II which forms part of this Report.

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

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

Annual Report on Corporate Social Responsibility

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

Further, Annual Report on CSR as required to be disclosed under the above mentioned rules for the Financial Year 2016-17 is attached to this report as Annexure IV.

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

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

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

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

Management's Discussion and Analysis Report

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

Corporate Governance Report

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

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

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

Acknowledgements and Appreciation

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

For and on behalf of the Board

Arvind Kajaria	**Sharad Kajaria**
Managing Director	Whole-time Director
(DIN No. 00106901)	(DIN No. 00108036)

Place: Kolkata
Date: 24 May 2017

Registered Office:

CIN: L24133MH1996PLC197857

A-502, Prathamesh, Raghuvanshi Mills Ltd. Compound,
Senapati Bapat Marg, Lower Parel (W),
Mumbai – 400 013
Tel: 022 2491 2123 Fax: 022 2490 3123
Email: intrasoft@itlindia.com Website: www.itlindia.com

ANNEXURE I

Form AOC-1
PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

Part A Subsidiaries

(Amount ₹ in Lacs)

1	Name of the subsidiary/Joint Venture/Associate Companies	123 Greetings.com, Inc.	Intrasoft Ventures Pte. Ltd. (Standalone)	One Two Three Greetings (India) Private Limited	123Stores, Inc. * (Consolidated)
2	Date since when Subsidiary was acquired (DOA)	27 May 1999	12 April 2007	31 January 2007	5 September 2015
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company	Same as Holding Company	Same as Holding Company	Same as Holding Company
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	USD, 1 USD = ₹64.85	SGD, 1 SGD = ₹46.41	INR	USD, 1 USD = ₹64.85
5	Share capital	64.85	649.74	200.00	648.50
6	Reserves and Surplus	73.83	(18.91)	10.84	1,174.13
7	Total Assets	346.81	633.70	298.07	7,180.57
8	Total Liabilities	208.13	2.88	87.23	5,357.94
9	Investments	-	627.73	-	-
10	Turnover	1,673.78	6.42	13.75	92,213.53
11	Profit before taxation	5.80	(10.54)	0.38	1,522.10
12	Provision for taxation	4.55	9.22	(0.00)	529.62
13	Profit after taxation	1.25	(19.76)	0.38	992.48
14	Proposed Dividend	-	-	-	-
15	% of shareholding	100	100	100	100
16	Contribution to the overall performance of the Company during the period under report (%)	86.58%	(1.49%)	0.46%	72.76%

* 123Stores, Inc. is a Wholly Owned Subsidiary of Intrasoft Ventures Pte. Ltd (DOA - 1 October 2014). The Consolidated Performance consists of 123Stores, Inc. and its wholly owned subsidiary 123Stores Ecommerce Private Limited (DOA – 5 September 2015).

Part B Associates and Joint Ventures

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

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

Note:

1. There is no subsidiary of the Company which is yet to commence operations.

2. No associates or joint ventures have been liquidated or sold during the year.

ANNEXURE II

EXTRACT OF ANNUAL RETURN
As on financial year ended on 31 March 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS:

CIN	**:**	**L24133MH1996PLC197857**
Registration Date	:	27 February 1996
Name of the Company	:	IntraSoft Technologies Limited
Category / Sub-Category of the Company	:	Public Company limited by Shares/Non-Government Company
Address of the Registered office and contact details	:	A-502, Prathamesh, Raghuvanshi Mills Ltd Compound, Senapati Bapat Marg, Lower Parel (W),Mumbai – 400 013
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	M/s Link Intime India Private Limited C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai – 400 083 Tel. No. 022 49186270 Fax No. 022 49186060

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	IT Enabled Services	631	100%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
1	123Greetings.Com, Inc (USA)	CAWRB19990046 (Foreign Company)	Subsidiary	100	2(87)
2	Intrasoft Ventures Pte. Ltd. (Singapore)	200706172G (Foreign Company)	Subsidiary	100	2(87)
3	One Two Three Greetings (India) Pvt. Ltd. (India)	U72900MH2007PTC167426	Subsidiary	100	2(87)
4	123Stores, Inc (USA)	CAWAZ20070381 (Foreign Company)	Subsidiary	100	2(87)
5	123Stores E Commerce Pvt. Ltd. (India)	U74900WB2015PTC206149	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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	70,00,014	0	70,00,014	47.52	70,00,014	0	70,00,014	47.52	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(A)(1):	**70,00,014**	**0**	**70,00,014**	**47.52**	**70,00,014**	**0**	**70,00,014**	**47.52**	**0.00**
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other: Indian Individuals holding as nominees of Indian and Foreign Body Corporates*	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2):	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	**70,00,014**	**0**	**70,00,014**	**47.52**	**70,00,014**	**0**	**70,00,014**	**47.52**	**0.00**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	22,069	0	22,069	0.15	26,831	0	26,831	0.18	0.03
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	114	0	114	0.00	114	0	114	0.00	0.00
g) FIIs/ Foreign Portfolio Investors	8,36,028	0	8,36,028	5.67	14,48,810	0	14,48,810	9.83	4.16
h) Foreign Venture Capital Funds	15,34,764	0	15,34,764	10.42	0	0	0	0.00	-10.42
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):	**23,92,975**	**0**	**23,92,975**	**16.24**	**14,75,755**	**0**	**14,75,755**	**10.01**	**-6.23**
(2) Non-Institutions									
a) Bodies Corp.:	19,88,570	3,150	19,91,720	13.52	23,14,423	0	23,14,423	15.71	2.19
i) Indian	19,88,570	3,150	19,91,720	13.5	23,14,423	0	23,14,423	15.71	2.19
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals:	27,00,268	32,852	27,33,120	18.56	33,30,961	32,102	33,63,063	22.83	4.27

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	14,36,717	32,852	14,69,569	9.98	18,25,227	32,102	18,57,329	12.61	2.63
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	12,63,551	0	12,63,551	8.58	15,05,734	0	15,05,734	10.22	1.64
c)	Others:(specify)	6,13,849	0	6,13,849	4.16	578,423	0	5,78,423	3.93	-0.23
i)	Hindu Undivided Family	2,68,405	0	2,68,405	1.82	260,056	0	2,60,056	1.77	-0.06
ii)	Non Resident Indians (Non Repat)	21,001	0	21,001	0.14	27,754	0	27,754	0.19	0.05
iii)	Non Resident Indians (Repat)	32,250	0	32,250	0.22	82,298	0	82,298	0.56	0.34
iv)	Clearing member	2,92,193	0	2,92,193	1.98	208,315	0	2,08,315	1.41	-0.57
Sub-total(B)(2):		**53,02,687**	**36,002**	**53,38,689**	**36.24**	**62,23807**	**32,102**	**62,55,909**	**42.47**	**6.23**
Total Public Shareholding (B)=(B)(1)+(B)(2)		76,95,662	36,002	77,31,664	52.48	76,99,562	32,102	77,31,664	52.48	0.00
C. Shares held by Custodian for GDRs & ADRs		0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (C):		**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total(A+B+C)		1,46,95,676	36,002	1,47,31,678	100.00	1,46,99,576	32,102	1,47,31,678	100.00	0.00

ii. SHAREHOLDING OF PROMOTERS:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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.	Mr. Arvind Kajaria	28,00,014	19.01	-	28,00,014	19.01	-	-
2.	Mr. Sharad Kajaria	28,00,000	19.01	-	28,00,000	19.01	-	-
3.	Ms. Padma Kajaria	14,00,000	9.50	-	14,00,000	9.50	-	-
	Total	70,00,014	47.52	-	70,00,014	47.52	-	-

iii. CHANGES IN PROMOTERS' SHAREHOLDING:

Sl. No.	Name & Type of transaction	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Arvind Kajaria				
	At the beginning of the year	28,00,014	19.01	28,00,014	19.01
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	0	0.00	28,00,014	19.01
	At the End of the year	28,00,014	19.01	28,00,014	19.01
2.	Mr. Sharad Kajaria				
	At the beginning of the year	28,00,000	19.01	28,00,000	19.01
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	0	0	28,00,000	19.01
	At the End of the year	28,00,000	19.01	28,00,000	19.01
3.	Ms. Padma Kajaria				
	At the beginning of the year	14,00,000	9.50	14,00,000	9.50
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	0	0.00	14,00,000	9.50
	At the End of the year	14,00,000	9.50	14,00,000	9.50

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of Total Shares of the Company
1.	**University of Notre Dame Du Lac**	4,59,608	3.12			4,59,608	3.12
	Transfer			20 May 2016	4,142	4,63,750	3.15
	Transfer			27 May 2016	15,087	4,78,837	3.25
	Transfer			03 Jun 2016	14,418	4,93,255	3.35
	Transfer			10 Jun 2016	2,14,027	7,07,282	4.80
				At the end of the year		7,07,282	4.80
2.	**Finotex Vinimoy Pvt. Ltd.**	5,00,000	3.39			5,00,000	3.39
				At the end of the year		5,00,000	3.39
3.	**Washington University - Chanakya Capital Partners**	2,57,413	1.75			2,57,413	1.75
	Transfer			10 Jun 2016	1,14,402	3,71,815	2.52
	Transfer			21 Oct 2016	72,269	4,44,084	3.01
	Transfer			18 Nov 2016	12,542	4,56,626	3.10
	Transfer			25 Nov 2016	3,828	4,60,454	3.13

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of Total Shares of the Company
				At the end of the year		4,60,454	3.13
4.	**Lokvani Engineering Private Limited**	383,013	2.60			3,83,013	2.60
	Transfer			22 Jul 2016	(10,000)	3,73,013	2.53
	Transfer			29 Jul 2016	(5,000)	3,68,013	2.50
	Transfer			05 Aug 2016	(2,500)	3,65,513	2.48
	Transfer			21 Oct 2016	(10,000)	3,55,513	2.41
	Transfer			04 Nov 2016	(9,873)	3,45,640	2.35
	Transfer			24 Mar 2017	(10,000)	3,35,640	2.28
	Transfer			31 Mar 2017	(10,000)	3,25,640	2.21
				At the end of the year		3,25,640	2.21
5.	**Mr. Nishid Babulal Shah**	102,678	0.70			1,02,678	0.70
	Transfer			08 Apr 2016	1,510	1,04,188	0.71
	Transfer			15 Apr 2016	11,312	1,15,500	0.78
	Transfer			13 May 2016	(10,000)	1,05,500	0.72
	Transfer			20 May 2016	21,500	1,27,000	0.86
	Transfer			27 May 2016	27,817	1,54,817	1.05
	Transfer			03 Jun 2016	3,334	1,58,151	1.07
	Transfer			10 Jun 2016	22,849	1,81,000	1.23
	Transfer			17 Jun 2016	700	1,81,700	1.23
	Transfer			22 Jul 2016	1,156	1,82,856	1.24
	Transfer			05 Aug 2016	1,000	1,83,856	1.25
	Transfer			12 Aug 2016	644	1,84,500	1.25
	Transfer			23 Sep 2016	38,650	2,23,150	1.51
	Transfer			17 Mar 2017	27,000	2,50,150	1.70
	Transfer			24 Mar 2017	7,000	2,57,150	1.75
				At the end of the year		2,57,150	1.75
6.	**Ajitnath Financial Consultants LLP**	69,673	0.47			69,673	0.47
	Transfer			08 Apr 2016	5,727	75,400	0.51
	Transfer			15 Apr 2016	11,500	86,900	0.59
	Transfer			22 Apr 2016	12,800	99,700	0.68
	Transfer			06 May 2016	650	1,00,350	0.68
	Transfer			13 May 2016	(7,500)	92,850	0.63
	Transfer			20 May 2016	16,440	1,09,290	0.74
	Transfer			27 May 2016	21,913	1,31,203	0.89
	Transfer			03 Jun 2016	212	1,31,415	0.89
	Transfer			10 Jun 2016	22,585	1,54,000	1.04
	Transfer			17 Jun 2016	3,600	1,57,600	1.07
	Transfer			24 Jun 2016	1,750	1,59,350	1.08
	Transfer			23 Sep 2016	14,200	1,73,550	1.18
	Transfer			24 Mar 2017	1,000	1,74,550	1.18
	Transfer			31 Mar 2017	2,800	1,77,350	1.20
				At the end of the year		1,77,350	1.20
7.	**Ms. Nikhita Nishid Shah**	61,000	0.41			61,000	0.41
	Transfer			08 Apr 2016	7,400	68,400	0.46
	Transfer			15 Apr 2016	6,900	75,300	0.51
	Transfer			06 May 2016	300	75,600	0.51

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of Total Shares of the Company
	Transfer			20 May 2016	21,990	97,590	0.66
	Transfer			27 May 2016	11,375	1,08,965	0.74
	Transfer			03 Jun 2016	740	1,09,705	0.74
	Transfer			10 Jun 2016	21,555	1,31,260	0.89
	Transfer			17 Jun 2016	2,132	1,33,392	0.90
	Transfer			24 Jun 2016	1,108	1,34,500	0.91
	Transfer			15 Jul 2016	8,200	1,42,700	0.97
	Transfer			22 Jul 2016	9,089	1,51,789	1.03
	Transfer			05 Aug 2016	800	1,52,589	1.03
	Transfer			12 Aug 2016	411	1,53,000	1.04
	Transfer			23 Sep 2016	13,800	1,66,800	1.13
	Transfer			24 Mar 2017	3,500	1,70,300	1.16
	Transfer			31 Mar 2017	3,500	1,73,800	1.18
				At the end of the year		1,73,800	1.18
8.	**GP Emerging Markets Strategies, LP**	0	0.00			0	0.00
	Transfer			30 Sep 2016	6,129	6,129	0.04
	Transfer			07 Oct 2016	90,152	96,281	0.65
	Transfer			14 Oct 2016	5,000	1,01,281	0.69
	Transfer			21 Oct 2016	33,044	1,34,325	0.91
	Transfer			18 Nov 2016	8,968	1,43,293	0.97
	Transfer			25 Nov 2016	1,203	1,44,496	0.98
				At the end of the year		1,44,496	0.98
9.	**Mr. Pawan Kumar Kejriwal**	144,000	0.98			1,44,000	0.98
				At the end of the year		1,44,000	0.98
10.	**Massachusetts Institute of Technology 2**	95,007	0.64			95,007	0.64
	Transfer			10 Jun 2016	41,571	1,36,578	0.93
				At the end of the year		1,36,578	0.93
11.	**Ambika Fincap Consultants Pvt. Ltd.**	182,422	1.24			1,82,422	1.24
	Transfer			15 Apr 2016	8,628	1,91,050	1.30
	Transfer			22 Apr 2016	1,100	1,92,150	1.30
	Transfer			29 Apr 2016	500	1,92,650	1.31
	Transfer			06 May 2016	(1,838)	1,90,812	1.29
	Transfer			13 May 2016	56,661	2,47,473	1.68
	Transfer			20 May 2016	(22,780)	2,24,693	1.52
	Transfer			27 May 2016	(47,693)	1,77,000	1.20
	Transfer			10 Jun 2016	37,103	2,14,103	1.45
	Transfer			24 Jun 2016	897	2,15,000	1.46
	Transfer			15 Jul 2016	(2,000)	2,13,000	1.44
	Transfer			22 Jul 2016	(2,039)	2,10,961	1.43
	Transfer			05 Aug 2016	2,300	2,13,261	1.45
	Transfer			12 Aug 2016	889	2,14,150	1.45
	Transfer			23 Sep 2016	(66,650)	1,47,500	1.00
	Transfer			17 Mar 2017	(27,000)	1,20,500	0.82
	Transfer			31 Mar 2017	(2,000)	1,18,500	0.80

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of Total Shares of the Company
				At the end of the year		1,18,500	0.80
12.	**JMP Securities Pvt. Ltd.**	1,26,000	0.85			1,26,000	0.85
	Transfer			08 Apr 2016	(1,312)	1,24,688	0.85
	Transfer			15 Apr 2016	(40,765)	83,923	0.57
	Transfer			22 Apr 2016	7,784	91,707	0.62
	Transfer			29 Apr 2016	(22,427)	69,280	0.47
	Transfer			06 May 2016	(6,180)	63,100	0.43
	Transfer			13 May 2016	15,333	78,433	0.53
	Transfer			20 May 2016	(9,607)	68,826	0.47
	Transfer			27 May 2016	(3,300)	65,526	0.44
	Transfer			03 Jun 2016	674	66,200	0.45
	Transfer			10 Jun 2016	(12,666)	53,534	0.36
	Transfer			17 Jun 2016	(1, 834)	51,700	0.35
	Transfer			24 Jun 2016	800	52,500	0.36
	Transfer			30 Jun 2016	(1,100)	51,400	0.35
	Transfer			01 Jul 2016	915	52,315	0.35
	Transfer			08 Jul 2016	4,959	57,274	0.39
	Transfer			15 Jul 2016	(950)	56,324	0.38
	Transfer			22 Jul 2016	3,236	59,560	0.40
	Transfer			29 Jul 2016	2,142	61,702	0.42
	Transfer			05 Aug 2016	165	61,867	0.42
	Transfer			12 Aug 2016	2,001	63,868	0.43
	Transfer			19 Aug 2016	99	63,967	0.43
	Transfer			26 Aug 2016	(50)	63,917	0.43
	Transfer			02 Sep 2016	986	64,903	0.44
	Transfer			09 Sep 2016	2,401	67,304	0.46
	Transfer			30 Sep 2016	1,000	68,304	0.46
	Transfer			07 Oct 2016	(48,915)	19,389	0.13
	Transfer			14 Oct 2016	(4,025)	15,364	0.10
	Transfer			21 Oct 2016	(15,114)	250	0.00
	Transfer			28 Oct 2016	899	1,149	0.00
	Transfer			04 Nov 2016	22,334	23,483	0.16
	Transfer			11 Nov 2016	(1,000)	22,483	0.15
	Transfer			16 Dec 2016	(21,883)	600	0.00
	Transfer			13 Jan 2017	2,000	2,600	0.02
	Transfer			27 Jan 2017	4,000	6,600	0.04
	Transfer			03 Feb 2017	(4,700)	1,900	0.01
	Transfer			10 Feb 2017	(1,600)	300	0.00
	Transfer			17 Feb 2017	(200)	100	0.00
	Transfer			17 Mar 2017	500	600	0.00
	Transfer			24 Mar 2017	376	976	0.01
	Transfer			31 Mar 2017	19,024	20,000	0.14

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of Total Shares of the Company
	At the end of the year	20,000	0.14				
13	**Intel Capital (Mauritius) Limited**	1,534,764	10.42			15,34,764	10.42
	Transfer			13 May 2016	(7,50,000)	7,84,764	5.33
	Transfer			10 Jun 2016	(7,84,764)	0	0.00
	At the end of the year	0	0.00				
14.	**Edelweiss Securities Ltd**	116,520	0.79			1,16,520	0.79
	Transfer			01 Apr 2016	(1,00,010)	16,510	0.11
	Transfer			08 Apr 2016	(95)	16,415	0.11
	Transfer			15 Apr 2016	23,089	39,504	0.27
	Transfer			22 Apr 2016	91,146	1,30,650	0.89
	Transfer			29 Apr 2016	(14,807)	1,15,843	0.79
	Transfer			06 May 2016	(70,470)	45,373	0.31
	Transfer			13 May 2016	76,614	1,21,987	0.83
	Transfer			20 May 2016	(3,231)	1,18,756	0.81
	Transfer			27 May 2016	(1,00,700)	18,056	0.12
	Transfer			03 Jun 2016	(4,398)	13,658	0.09
	Transfer			10 Jun 2016	4,440	18,098	0.12
	Transfer			17 Jun 2016	(2,370)	15,728	0.11
	Transfer			24 Jun 2016	1,126	16,854	0.11
	Transfer			30 Jun 2016	1,124	17,978	0.12
	Transfer			01 Jul 2016	98,983	1,16,961	0.79
	Transfer			08 Jul 2016	(108)	1,16,853	0.79
	Transfer			15 Jul 2016	2,354	1,19,207	0.81
	Transfer			22 Jul 2016	(765)	1,18,442	0.80
	Transfer			29 Jul 2016	(91,880)	26,562	0.18
	Transfer			05 Aug 2016	98,124	1,24,686	0.85
	Transfer			12 Aug 2016	1,120	1,25,806	0.85
	Transfer			19 Aug 2016	(1,12,281)	13,525	0.09
	Transfer			26 Aug 2016	3,142	16,667	0.11
	Transfer			02 Sep 2016	267	16,934	0.11
	Transfer			09 Sep 2016	(1,019)	15,915	0.11
	Transfer			16 Sep 2016	4,392	20,307	0.14
	Transfer			23 Sep 2016	(6,645)	13,662	0.09
	Transfer			30 Sep 2016	(720)	12,942	0.09
	Transfer			07 Oct 2016	1,50,662	1,63,604	1.11
	Transfer			14 Oct 2016	(60)	1,63,544	1.11
	Transfer			21 Oct 2016	(2,678)	1,60,866	1.09
	Transfer			28 Oct 2016	(42,005)	1,18,861	0.81
	Transfer			04 Nov 2016	(12,779)	1,06,082	0.72
	Transfer			11 Nov 2016	61,351	1,67,433	1.14
	Transfer			18 Nov 2016	156	1,67,589	1.14
	Transfer			25 Nov 2016	(10,540)	1,57,049	1.07
	Transfer			09 Dec 2016	(25,584)	1,31,465	0.89
	Transfer			16 Dec 2016	1,150	1,32,615	0.90
	Transfer			23 Dec 2016	(1,150)	1,31,465	0.89
	Transfer			30 Dec 2016	(1,31,233)	232	0.00
	Transfer			06 Jan 2017	1,88,033	1,88,265	1.28
	Transfer			13 Jan 2017	(1,88,265)	0	0.00
	At the end of the year	0	0.00				

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Arvind Kajaria, Managing Director				
	At the beginning of the year	28,00,014	19.01	28,00,014	19.01
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	0	0.00	28,00,014	19.01
	At the End of the year	28,00,014	19.01	28,00,014	19.01
2.	Ms. Sharad Kajaria, Whole-time Director				
	At the beginning of the year	28,00,014	19.01	28,00,014	19.01
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	0	0.00	28,00,014	19.01
	At the End of the year	28,00,014	19.01	28,00,014	19.01
3.	Ms. Savita Agarwal, Independent Director				
	At the beginning of the year	0.00	0.00	0	0.00
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
4.	Mr. Anil Agrawal, Independent Director				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
5.	Mr. Rupinder Singh, Independent Director				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
6.	Mr. Ashok Bhandari, Independent Director (w.e.f. 18 March 2017)				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7.	Mr. Rakesh Dhanuka, Company Secretary (up to 9 May 2016)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	0	0.00	0	0.00
	At the End of the year	-	-	-	-
8.	Mr. Mohit Kumar Jha, Chief Financial Officer				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
9.	Mr. Pranvesh Tripathi, Company Secretary (w.e.f. 10 May 2017)				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00

V INDEBTEDNESS:

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

(Amount ₹ in Lacs)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	349.18	Nil	Nil	349.18
ii)	Interest due but not paid	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	2.79	Nil	Nil	2.79
Total (i+ii+iii)		**351.97**	**Nil**	**Nil**	**351.97**
Change in Indebtedness during the financial year					
•	Addition	Nil	Nil	Nil	Nil
•	Reduction	349.18	Nil	Nil	349.18
Net Change		**(349.18)**	**Nil**	**Nil**	**(349.18)**
Indebtedness at the end of the financial year					
i)	Principal Amount	Nil	Nil	Nil	Nil
ii)	Interest due but not paid	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)		**Nil**	**Nil**	**Nil**	**Nil**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/ OR MANAGER:

(Amount ₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount (in INR)
		Mr. Arvind Kajaria, Managing Director	Ms. Sharad Kajaria, Whole-time Director	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	72.00	67.50	139.50
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.11	0.11	0.22
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others, please specify			
	Total (A)	72.11	67.61	139.72
	Overall Ceiling as per the Act	10% of the Net profit of the Company/ Schedule V		

B. REMUNERATION TO OTHER DIRECTORS:

(Amount ₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Rupinder Singh	Mr. Anil Agrawal	Ms. Savita Agarwal	Mr. Ashok Bhandari (w.e.f. 18 March 2017)	
1.	**Independent Directors**					
	• Fee for attending board / committee meetings	3.20	2.80	2.20	0.20	8.40
	• Commission					
	• Others, please specify					
	Total (1)	**3.20**	**2.80**	**2.20**	**0.20**	**8.40**
2.	**Other Non-Executive Directors**	-	-	-	-	-
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**3.20**	**2.80**	**2.20**	**0.20**	**8.40**
	Total Managerial Remuneration (A+B)					**148.12**
	Overall Ceiling as per the Act	11% of the Net profit of the Company (Excluding Sitting Fee) / Schedule V				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(Amount ₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Pranvesh Tripathi, Company Secretary (w.e.f. 10 May 2016)	Mr. Mohit Kumar Jha, Chief Financial Officer	Mr. Rakesh Dhanuka, Company Secretary (up to 9 May 2016)	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	20.20	31.65	1.28	53.13
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961				
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify				
5	Others, please specify				
	Total	**20.20**	**31.65**	**1.28**	**53.13**

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

No penalties/ punishment/ compounding fees were imposed on the Company or Directors or any other officer of the Company during the Financial Year 2016-17.

For and on behalf of the Board

Arvind Kajaria
Managing Director
DIN 00106901

Sharad Kajaria
Whole-time Director
DIN 00108036

ANNEXURE III

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

I. Conservation of Energy

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

II. Research and Development

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

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

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

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

3. Future Plan of action:

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

4. Expenditure on R&D:

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

III. Technology absorption, adaptation and innovation

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

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

2. Information regarding technology imported during last 5 years:

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

3. Foreign Exchange Earnings and Outgo:

   i) Activities relating to exports:

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

   ii) Total foreign earnings used and earned:

      Information on foreign exchange earnings and outgo is furnished in note no. 26 of Standalone Financial Statements.

ANNEXURE IV

Annual Report on CSR Activities

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programs.	Company's CSR policy is framed within the purview of the Schedule VII of the Companies Act, 2013 and the same is available on the Company's website.
2	Composition of the CSR Committee	a) Mr. Arvind Kajaria, Chairman b) Mr. Anil Agarwal, Member c) Mr. Rupinder Singh, Member d) Mr. Ashok Bhandari, Member
3	Average Net Profit of the Company for last three financial years	The Average net profit for the last three preceding financial years is negative.
4	Prescribed CSR Expenditure	NIL
5	Details of CSR spent during the financial year;	
	a) Total amount to be spent for the financial year	The Company was not required to spend any amount during the Financial Year 2016-17.
	b) Amount unspent if any	Nil
	c) Manner in which the amount spent during the financial year is detailed below: N.A.	

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

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

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

Sd/-
Arvind Kajaria
(Chairman CSR Committee)
DIN: 00106901

ANNEXURE V

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

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

1	Name of Director / KMP	% increase in remuneration in the FY 2016-17	Ratio of remuneration of each Director/KMP to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Mr. Arvind Kajaria Managing Director	NIL	11.52	PAT (before exceptional income) decreased by 24.62% from FY 2015-16
2	Mr. Sharad Kajaria Whole-time Director	NIL	10.80	
3	Mr. Rupinder Singh Independent Director #	Nil	0.51	NA
4	Mr. Anil Agrawal Independent Director #	Nil	0.45	NA
5	Mrs. Savita Agarwal Independent Director #	NIL	0.35	NA
6	Mr. Ashok Bhandari Independent Director *	NA	NA	NA
7	Mr. Mohit Kumar Jha Chief Financial Officer	14	5.07	PAT (before exceptional income) decreased by 24.62% from FY 2015-16
8	Mr. Rakesh Dhanuka Company Secretary !	NA	NA	
9	Mr. Pranvesh Tripathi Company Secretary +	NA	NA	

Only sitting fees is paid to the Independent Directors.
* Appointment is w.e.f. 18 March 2017.
!Resigned w.e.f. 10 May 2016.
+ Appointment is w.e.f. 10 May 2016.

ii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: NA

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

Sr. No.	Name	Designation	Date of Joining	Remuneration (in ₹ Lacs)	Age (years)	Experience (Years)	Qualification	Last employment and designation held
1	Arvind Kajaria	Managing Director	26 June 1998	72.00	52	27	Degree in Business Administration	NA
	Sharad Kajaria	Whole-time Director	27 February 1996	67.50	41	18	Bachelors Degree in Commerce	NA
	Mukesh Goel	General Manager	01 April 1997	63.76	49	26	Masters Degree in Commerce	Cieco Securities Ltd, Accounts Executive
	Rajat Kapur	Sr. Manager - Sales	01 August 2012	36.98	37	16	Diploma in Business Administration	S. K. Products, Operations Manager
	Mohit Kumar Jha	CFO	18 December 2013	31.65	39	14	Chartered Accountants	HDFC Bank Ltd, Sr. Manager
	Priti Chopra	Sr. Manager – Sales Support	27 June 2013	26.54	45	25	Bachelors Degree in Science	Veneza Furniture, Partner
	Sajal Kumar Basu	Technical Head	22 December 2003	24.93	35	13	Master of Science in Information Technology	NA
	Ankit Suresh Saraf	Channel Sales Manager	01 August 2010	23.30	31	15	Bachelor of Management Studies	Millionaire Capital Services Pvt. Ltd., Business Development Manager
	Anibha Tulsian	Sr. Manager – Administration	01 March 2007	21.59	42	18	Bachelor of Arts	Archieve Advisory Services Pvt. Ltd., Overall Incharge
	Pranvesh Tripathi	Company Secretary & Compliance Officer	10 May 2016	20.20	42	16	Company Secretary	Gabriel India Ltd- Company Secretary & Legal Head

iv) Employees employed for the part of the year and drawn remuneration during the financial year 2016-17 at a rate which in aggregate was not less than ₹ 8.50 Lakhs per month: NA

v) The median remuneration of the employees of the Company during the financial year was ₹ 624,881/-

vi) In the financial year 2016-17, there was an increase of 6.37% in the median remuneration of employees.

vii) There were 86 permanent employees on the rolls of the Company as on 31 March 2017.

viii) Explanation on the Relationship between average increase in remuneration and Company performance:
As compared to the Profit of the Company (before exceptional income)for the FY 2016-17 which was decreased by 24.62%, the average increase in remuneration was 19.30%.

ix) Comparison of remuneration of the KMP against the performance of the Company:
The total remuneration of KMP was increased by 7% compared to PAT(before exceptional income) which was decreased by 24.62%.

x) Variations in the market capitalisation of the Company: The market capitalisation as on 31 March 2017 was ₹485 Cr. (₹557 Cr. as on 31 March 2016)

xi) Price Earnings ratio of the Company as at 31 March 2017 was 120.76 as against 14.02 as at 31 March 2016.

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

Particulars	31 March 2017	12 April 2010 (Date of Listing)	% increase
Market Price (BSE)	₹ 329.25	₹ 159.35	106.62
Market Price (NSE)	₹ 330.45	₹ 159.10	107.70

xiii) Average percentage increase made in the salaries of employees other than the KMP in the FY 2016-17 was 24% whereas the increase in the KMP remuneration for the same FY was 7%.

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

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

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

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

Sd/-
Arvind Kajaria
(Chairman CSR Committee)
DIN: 00106901

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31 March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure I, for the financial year ended on 31 March 2017, according to the provisions of:

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

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

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

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

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

      i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and

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

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

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

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

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

   iv. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

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

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

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

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

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

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except trading window for the Board Meeting held on 7 November 2016, which reopened before the minimum stipulated period under the Code. However, as per information furnished by the Management, none of the designated persons have traded in the securities of the Company within the said stipulated period.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Mr. Ashok Bhandari was appointed as an Independent Director of the Company with effect from 18 March 2017.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

For **RATHI & ASSOCIATES**
COMPANY SECRETARIES

JAYESH M. SHAH
PARTNER
FCS No. 5637
COP No. 2535

Date: 24 May 2017
Place: Mumbai

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

ANNEXURE – I

List of documents verified

1. Memorandum & Articles of Association of the Company;

2. Annual Report for the financial year ended 31 March 2016;

3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Company along with the respective Attendance Registers for meetings held during the financial year under report;

4. Minutes of General Body Meeting held during the financial year under report;

5. Copies of Notice, Agenda and Notes to Agenda circulated to all the directors / members for the Board Meetings and Committee Meetings.

6. Proof of circulation and delivery of notice, agenda and notes to agenda for Board and Committee meetings.

7. Proof of circulation of draft as well as certified signed Board & Committee meetings minutes as per Secretarial Standards.

8. Policies framed by the Company viz:
   - Policy on Related Party Transactions;
   - Policy on Material Subsidiaries;
   - Whistle Blower Policy;
   - Corporate Social Responsibility Policy;
   - Risk Management Policy;
   - Nomination & Remuneration Policy;
   - Code of Conduct for Independent Directors;
   - Policy for Determination of Material Events;
   - Archival Policy for preservation of documents and
   - Directors Appointment and Evaluation Policy.

9. Statutory Registers viz.
   - Register of Directors & Key Managerial Personnel and their shareholding
   - Register of loans, guarantees and security and acquisition made by the Company (Form No. MBP-2),
   - Register of Contracts with related party and contracts and Bodies etc. in which directors are interested (Form No. MBP-4), and
   - Register of Charge (Form No. CHG-7).

10. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2) and Section 149(7) of the Companies Act, 2013;

11. Intimations received from directors and other insiders under the prohibition of Insider Trading Code;

12. E-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;

13. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year under report;

14. Filings made with Reserve Bank of India under the Foreign Direct Investment Guidelines and for Overseas Direct Investments made by the Company;

15. Documents related to payments of dividend made to its shareholders during the financial year under report;

16. E-mails evidencing dissemination of information related to closure of Trading window;

17. Internal Code of Conduct for prevention of Insider Trading by Employees / Directors / Designated Persons of the Company;

18. Statement of Related Party Transactions entered into by the Company during the financial year under report;

19. Compliance Certificate placed before the Board of Directors from time to time;

20. Details of Sitting Fees paid to all directors for attending the Board Meetings and Committees.

ANNEXURE - II

List of applicable laws to the Company

1. Income Tax Act, 1961
2. Finance Act, 1994 (Service Tax)
3. Companies Act, 2013 and Rules thereunder.
4. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
5. SEBI (Prohibition of Insider Trading) Regulations, 2015
6. Foreign Exchange Management Act, 1999 and Rules, Regulations, Policies made thereunder.
7. Cenvat Credit Rules, 2004
8. The Maharashtra State Tax on Professions, Trade, Callings & Employment Act, 1975
9. The West Bengal State Tax on Professions, Trade, Callings & Employment Act, 1979
10. Employees Provident Funds & Miscellaneous Provisions Act, 1952
11. Employees State Insurance Act, 1948
12. Payment of Wages Act, 1936
13. Payment of Gratuity Act, 1972
14. Payment of Bonus Act, 1965
15. The Bombay Shop & Establishment Act, 1948
16. The West Bengal Shops & Establishment Act, 1963
17. Software Technology Park of India
18. Foreign Exchange Management (Export of Goods and Services) Regulations, 2000
19. West Bengal Policy on Information and Communication Technology, 2012
20. Collection of Statistics Act, 2008(No. 7 of 2009) & Rules framed there under in 2011

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

a) Composition of the Board:

The Board has an ideal combination of Executive and Non-Executive Independent Directors, which is in conformity with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). As on 31 March 2017, the Board comprises of 6 (Six) Directors of which 2 (Two) are Executive Directors representing promoters and 4 (Four) are Non-Executive Independent Directors including one Woman Director. Both the Executive Directors are liable to retire by rotation.

All the independent directors meet with the criteria as provided in the Listing Regulations and their respective tenure is in accordance with the provisions of the Companies Act, 2013. The terms of appointment of Independent Directors is disclosed on the website of the Company.

The Company has received disclosures from all the directors about their Directorship and membership on the Board & Committees of other companies. As per disclosure received from Director(s), none of the Directors holds membership in more than 10 (Ten) Committees and Chairmanship in more than 5 (Five) Committees. The composition of the Board during the year ended 31 March 2017 and other relevant details relating to Directors are given below:

Name of the Director	Designation	Category of Director-ship	Other Companies		
			Board Directorship**	Committee Member-ship#	Committee Chairmanship#
Mr. Arvind Kajaria	Managing Director	Promoter; Executive	-	-	-
Mr. Sharad Kajaria	Whole-time Director	Promoter; Executive	-	-	-
Mrs. Savita Agarwal	Director	Non-Executive; Independent	1	-	-
Mr. Rupinder Singh	Director	Non-Executive; Independent	-	-	-
Mr. Anil Agrawal	Director	Non-Executive; Independent	1	-	-
*Mr. Ashok Bhandari	Director	Non-Executive; Independent	5	-	-

* Appointed w.e.f. 18 March 2017

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

\# Memberships of only Audit Committee and Stakeholders' Relationship Committee have been considered

b) **Appointment/Re-appointment of Directors:**
The tenure of Mr. Arvind Kajaria as Managing Director and Mr. Sharad Kajaria as Whole-time Director of the Company expired on 31 March 2017. The Board of Directors of the Company at its Meeting held on 18 March 2017, subject to the approval of the shareholders, re-appointed Mr. Arvind Kajaria as Managing Director and Mr. Sharad Kajaria as Whole-time Director of the Company for a further term of 3 (three) years with effect from 1 April 2017.

The Board of Directors at its Meeting held on 18 March 2017 appointed Mr. Ashok Bhandari as an Additional Director in the category of an Independent Director of the Company w.e.f. 18 March 2017 pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013.

The Board has recommended re-appointments of Mr. Arvind Kajaria as Managing Director, Mr. Sharad Kajaria as Whole-time Director and appointment of Mr. Ashok Bhandari as an Independent Director of the Company for the approval of the Shareholders and necessary agenda for approval has been included in the accompanying notice convening the Annual General Meeting of the Company.

Further, in terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Sharad Kajaria retires by rotation in the ensuing Annual General Meeting and being eligible he has offered himself for re-appointment. The necessary agenda for approval is included in the Notice convening the Annual General Meeting. The necessary agenda for the approval and the details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting as required under Regulation 36 of SEBI Listing Regulations, 2015 is mentioned in the Notice convening the Annual General Meeting.

c) **Board Meetings and Annual General Meeting:**
During the financial year 2016-17, 7 (Seven) Board Meetings were held on 22 April 2016, 9 May 2016, 27 May 2016, 5 August 2016, 7 November 2016, 6 February 2017 and 18 March 2017. The previous Annual General Meeting of the Company was held on 8 September 2016. The details of attendance of Directors in Board Meetings and the previous Annual General Meeting are as follows;

Name of the Director	No. of Board Meetings Attended	Attendance at Last Annual General Meeting
Mr. Arvind Kajaria	7	Yes
Mr. Sharad Kajaria	7	No
Ms. Savita Agarwal	5	Yes
Mr. Rupinder Singh	7	Yes
Mr. Anil Agrawal	6	No
Mr. Ashok Bhandari*	1	NA

* Appointed w.e.f. 18 March 2017

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

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

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

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

d) Performance Evaluation

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

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

A separate exercise was carried out by the Board to evaluate the performance of individual Directors including the Chairman were evaluated on parameters such as qualification, experience, knowledge and competency, ability to function as a team, initiative, integrity, commitment and contributions. Additionally, Independent Directors were also evaluated for Independence and Independent views and judgement. The Chairperson was evaluated for effectiveness of leadership and ability to steer the meetings, impartiality and ability to keep shareholders' interests in mind etc.

The Nomination and Remuneration Committee also evaluated each individual Directors based on various aspects such as qualification, experience, knowledge and competency, ability to function as a team, initiative, integrity, commitment and contributions. Additionally, Independent Directors including the members of the Committee were also evaluated for Independence and Independent views and judgement.

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

e) Code of Conduct:

The Board has laid down a code of conduct for all the Board Members and Senior Management personnel of the Company. The said code is posted on the website of the Company. All the Board Members and Senior Management personnel have affirmed compliance with the code for the year ended 31 March 2017. The declaration on compliance of the Company's code of conduct duly signed by Mr. Arvind Kajaria, Managing Director is attached and forms part of this Annual Report.

f) Familiarisation Programme

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

3. Audit Committee

a) Constitution of Audit Committee:

As on 31 March 2017, the Audit Committee comprise of 3 (three) Non-Executive Independent Directors and 1 (one) Executive Director. All the members of the Audit Committee are financially literate. The Chairman of the Committee is Ms. Savita Agarwal, Independent Director, a member of the Institute of Chartered Accountants of India.

The Company Secretary acts as Secretary of the Committee.

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

During the Financial Year 2016-17, 4 (four) Meetings of the Audit Committee were held on 27 May 2016, 5 August 2016, 7 November 2016 and 6 February 2017. The composition of the Audit Committee during the year ended 31 March 2017 and the details of number of meetings attended by members of the Committee are as under:

Committee Members	Designation	No. of Meetings Attended
Ms. Savita Agarwal	Chairman	4
Mr. Rupinder Singh	Member	4
Mr. Arvind Kajaria	Member	4
Mr. Anil Agrawal	Member	3

c) **Attendees:**
Mr. Pranvesh Tripathi, Company Secretary and Mr. Mohit Kumar Jha, Chief Financial Officer were in attendance in all the Audit Committee Meetings held during the financial year 2016-17 and the Audit Committee invited such other executives and personnel, as it considered appropriate to be present at its meetings.

d) **The terms of reference of the Audit Committee:**
The terms of reference of the Audit Committee are in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 177 of the Companies Act, 2013 inter alia includes:

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

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

iii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.

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

v) Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

(a) Matters required to be included in the Directors' Responsibility Statement included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

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

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

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

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

(f) Disclosure of any Related party transactions; and

(g) Qualifications in the draft audit report.

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

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

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

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

x) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

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

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

xiii) Scrutiny of inter-corporate loans and investments.

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

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

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

xvii) To review the functioning of whistle blower mechanism.

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

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

e) Powers of Audit Committee:

The Audit Committee has the following powers:

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

II. To seek information from any employee.

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

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

4. Nomination and Remuneration Committee

a) Constitution and Composition:

The Nomination and Remuneration Committee comprises of four non-executive Independent Directors as its members. Mr. Rupinder Singh, Independent Director is the Chairman of the Committee and Mr. Anil Agrawal and Ms. Savita Agarwal are the members of the Committee. On 18 March 2017, the Board reconstituted the Committee by nominating Mr. Ashok Bhandari, as a member of the Committee. The Committee recommends policy relating to the remuneration for the directors, key managerial personnel and other senior level employees. The said Policy is approved by the Board and the same is placed on the Company's website. During the FY 2016-17, 2 (Two) meeting were held. i.e. on 9 May 2016 and 18 March 2017.

Committee Members	Designation	No. of Meetings Attended
Mr. Rupinder Singh	Chairman	2
Ms. Savita Agarwal	Member	1
Mr. Anil Agrawal	Member	2

b) Terms of reference:

The terms of reference of the Committee inter alia includes;

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

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

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

iv) Review the overall performance of the Board of Directors, Key Management Personnel and Senior Management employees.

c) Remuneration Policy:

I. Executive Directors/Key managerial Personnel and other Senior level Employees:

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

(a) annual base salary,

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

(c) equity compensation, if any

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

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

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

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

Details of remuneration paid to Executive Directors during year ended 31 March 2017 are given below:

(Amount ₹ in Lacs)

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

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

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

II. Non-Executive Directors:

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

Details of the Sitting fees paid during the year 2016-17 for attending the Board Meetings and Committee Meetings are as under:

Name of the Non-Executive Director	Sitting Fees paid (₹)
Mrs. Savita Agarwal	2,20,000
Mr. Rupinder Singh	3,20,000
Mr. Anil Agrawal	2,80,000
Mr. Ashok Bhandari*	20,000
Total	8,40,000

*Appointed w.e.f. 18 March 2017

5. Stakeholders Relationship Committee

a) Constitution and Composition

The Stakeholder Relationship Committee comprises of four directors of which majority of them are Independent Directors and the Chairman of the Committee is Mr. Anil Agrawal, an Independent Director. On 18 March 2017, the Board reconstituted the Committee by nominating Mr. Ashok Bhandari, Independent Director as its member. Mr. Arvind Kajaria and Mr. Rupinder Singh are the other members of the Committee. The said Committee primarily looks into various issues relating to shareholders viz. transfer and transmission of shares, non-receipt of dividend and any other grievances of the investors and take necessary steps for redressal thereof.

During the year under review, 2 (Two) meetings of Stakeholders Relationship Committee were held on 25 July 2016 and 28 October 2016. The composition of the Stakeholders Relationship Committee and details of number of meeting attended by the members of the Committee are as under:

Name of Director	Designation	No. of Meetings Attended
Mr. Anil Agrawal	Chairman	2
Mr. Rupinder Singh	Member	2
Mr. Arvind Kajaria	Member	2
Mr. Ashok Bhandari*	Member	_

* Appointed w.e.f. 18 March 2017

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

c) During the year 2016-17, the Company has received complaints from shareholders / investors. There were no complaints pending as at the end of the year. The breakup of the complaints received is as follows:

Nature of Requests/ Grievances/Complaints	Opening Balance as on 1 April 2016	Received during the year	Resolved during the year	Closing Balance as on 31 March 2017
Transfer/Transmission/Dividend	0	4	4	0
Total				0

6. Corporate Social Responsibility Committee

a) Constitution and Composition

The composition of Corporate Social Responsibility Committee is as per the provisions of the Companies Act, 2013 and rules made thereunder. On 18 March 2017, the Board reconstituted the Committee by nominating Mr. Ashok Bhandari, as its member. No meeting of the Corporate Social Responsibility Committee was held during the financial year 2016-17. The composition of the Corporate Social Responsibility Committee is as under:

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

* Appointed w.e.f. 18 March 2017

b) Terms of Reference:

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

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

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

iv) To monitor the amount spent under CSR.

7. General Body Meetings

i) Location, time and date of holding of the last three Annual General Meetings (AGM) are given below:

Financial Year	Date	Time	Location of the Meeting
2013-14	29 August 2014	3:00 P.M.	Orchid Room, Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2014-15	8 September 2015	3.00 P.M.	Orchid Room, Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2015-16	8 September 2016	3.00 P.M.	Royal Room, Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai- 400 018

ii) Special Resolutions during previous three Annual General Meetings:

Financial Year	Particulars of Special Resolution Passed
2013-14	1. Re-appointment of Mr. Arvind Kajaria as Managing Director ;and 2. Re-appointment of Mr. Sharad Kajaria as Whole-time Director of the Company.
2014-15	1. Approval to borrow in excess of limit specified u/s 180(1)(c) of the Companies Act, 2013 2. Approval to create charge, mortgage and/or hypothecation on the assets of the Company u/s 180(1)(a) of the Companies Act, 2013 3. Approval to make investment, give loan, guarantee and/or provide security in excess of limit specified u/s 186 of the Companies Act, 2013
2015-16	No Special Resolution.

iii) **Resolutions through Postal Ballot:**
During the financial year 2016-17 no resolution was passed by way of Postal Ballot process in terms of the provisions of Section 108, 110 and other applicable provisions, if any of the Companies Act, 2013 read with rules made thereunder.

8. Other Disclosures

a. **Related Party transactions:**
All the transactions entered into during the financial year with Related Parties as defined under the SEBI Listing Regulations, 2015 were in the ordinary course of business and at an arm's length pricing basis. All the Related Party Contracts were entered into with its Wholly Owned Subsidiaries. There were no materially significant transactions with related parties during the financial year.

The Board has approved a policy for related party transactions and policy for determining material subsidiaries which has been uploaded on the Company's website. The weblink for the policy on determining material subsidiary is http://www.itlindia.com/docs/Policy_on_Material_Subsidiaries.pdf

And weblink for Policy on dealing with related party transactions is http://www.itlindia.com/docs/Policy_on_Related_Party_Transactions.pdf

b. **Whistle Blower Policy / Vigil Mechanism:**
The Board of Directors of the Company has pursuant to the SEBI Listing Regulations, 2015 framed a "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimisation on raising of genuine concerns. The details of Vigil Mechanism framework is posted on the website of the Company.

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

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Whistle Blower Policy is available on the Company's website.

c. **Shareholdings of the Non-Executive Directors as on 31 March 2017 is as under;**
None of the non- executive directors are holding any shares of the Company.

d. The Company has complied with the requirements of Regulatory Authorities on Capital Markets and no penalty was imposed on the Company during the last three years.

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

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

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

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

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

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

B. **Statement on Impact of Audit Qualifications in Auditors' Report/ Modified opinion(s):** The Company's financial statement for the year 2016-2017 does not contain any Audit qualifications or a modified audit opinion.

10. Means of Communication:

(i) The quarterly results of the Company are published in English newspaper-"The Economic

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

(ii) Following presentations were made to institutional investors or to the analysts during the financial year 2016-17.

(a) To Spark Capital on 24 June 2016 in Kolkata, conducted by Spark Capital.

(b) To Emkay Shares on 19 August 2016 in Mumbai, conducted by Emkay Shares.

(c) To IDFC Securities Limited on 16 November 2016 in Mumbai, conducted by IDFC Securities

(d) To Maybank Kim Eng on 21 February 2017 in Singapore, conducted by Maybank Kim Eng.

(e) To Maybank Kim Eng on 22 February 2017 in Hongkong, conducted by Maybank Kim Eng.

(iii) The Management Discussion and Analysis Report pursuant to SEBI Listing Regulations, 2015 is attached and forms part of this Annual Report.

11. General Shareholder Information

i. Annual General Meeting:

Day, Date and Time: 22 August 2017 at 3:00 P.M.
Venue: Sunville, Orchid Room,9, Dr. Annie Besant Road, Worli, Mumbai – 400 018

ii. Financial Calendar:

The Company follows April-March as its financial year.

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

30 June 2017	:	By 14 August 2017
30 September 2017	:	By 14 November 2017
31 December 2017	:	By 14 February 2018
31 March 2018	:	By 30 May 2018
AGM for the year ending 31 March 2018	:	By 30 September 2018

iii. Book Closure:

15 August 2017 to 22 August 2017 (both days inclusive)

iv. The Payment date of dividend for the year 2016-17, if declared at the meeting will be on or after 23 August 2017 but latest by 21 September 2017.

v. Listing on Stock Exchanges:

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

Note: Listing fees for the year 2017-18 has been paid to the said Stock Exchanges.

vi. Stock Code/Symbol:

BSE – 533181	NSE – ISFT

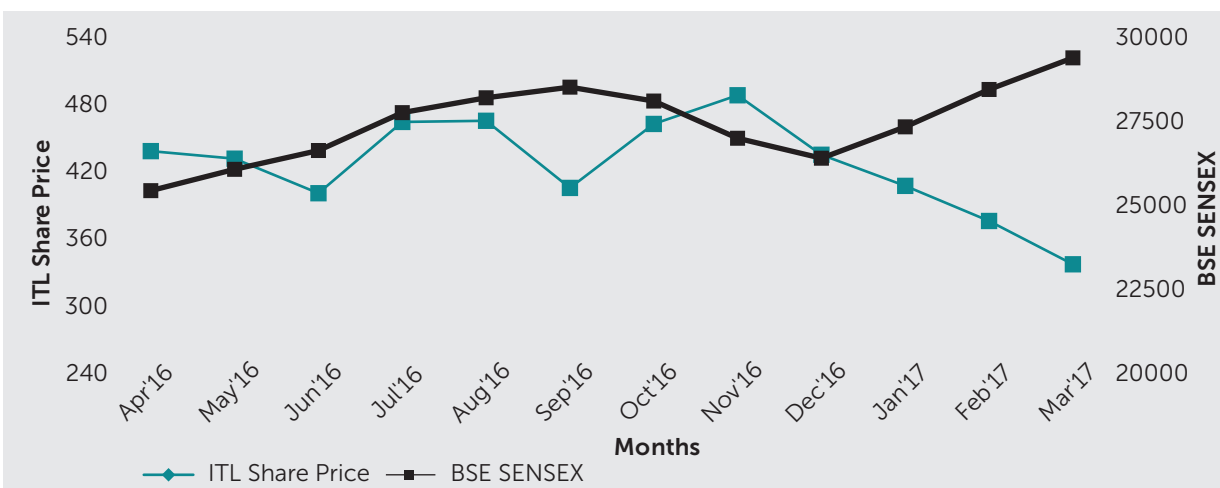
vii. Market Price Data:

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

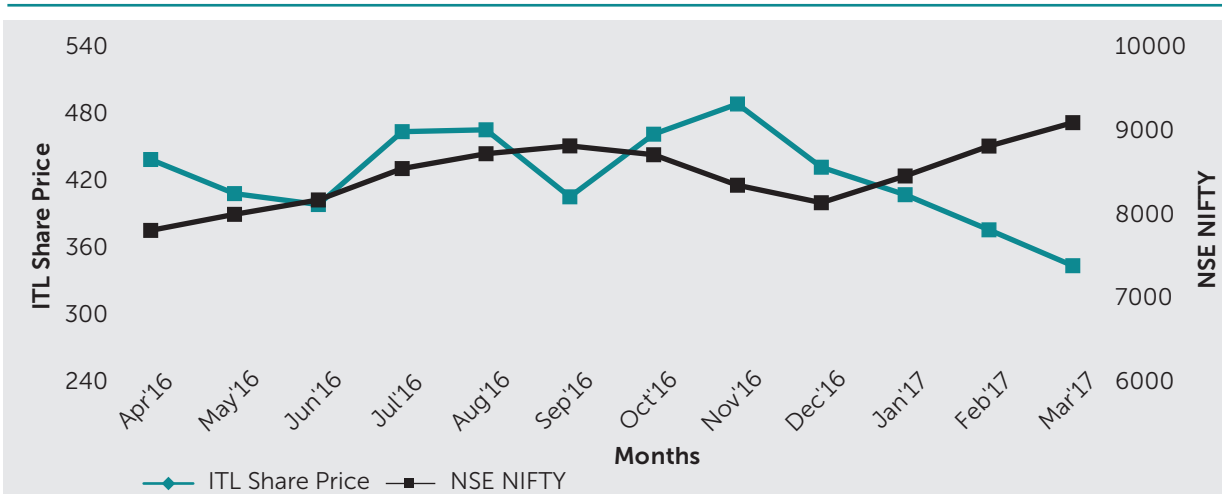
Month	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares Traded
Apr-16	493.00	376.40	286202	493.40	376.55	955151
May-16	495.90	360.00	1746105	449.90	359.05	1198935
Jun-16	437.10	357.00	445930	438.40	351.00	2028907
Jul-16	510.00	411.60	420263	509.50	410.25	1297657
Aug-16	503.35	420.30	220860	504.00	419.10	671377
Sep-16	436.80	366.80	264327	437.65	365.55	802189
Oct-16	530.00	388.00	245388	530.00	385.25	1098316
Nov-16	584.40	384.90	355792	584.00	385.25	984131
Dec-16	477.90	385.00	118805	474.00	382.20	250075
Jan-17	436.00	371.25	102354	437.00	370.00	432552
Feb-17	404.90	339.55	122197	405.00	339.20	754730
Mar-17	361.00	306.00	314605	375.00	305.00	654917

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

Monthly Average Share Price / BSE SENSEX



Monthly Average Share Price / NSE NIFTY



*ITL represents IntraSoft Technologies Limited

ix. Share Transfer System:

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

x. Category wise Shareholding as at 31 March 2017:

Sr. No.	Category	No. of Shares held	% of Total Shares
1.	Promoter and Promoter Group	7000014	47.52
2.	Financial Institutions	6803	0.05
3.	Mutual Fund	-	-
4.	Non-Nationalised Banks	20028	0.14
5.	Insurance Companies	114	0.00
6.	Foreign Portfolio Investors	1448810	9.83
7.	Overseas Body Corporate	-	-
8.	Bodies Corporate	2314423	15.71
9.	Clearing Members	208315	1.41
10.	NRIs/NRNs	110052	0.75
11.	Others	3623119	24.59
	Total	**14731678**	**100.00**

xi. Distribution of Shareholding as at 31 March 2017:

No. of Shares	No. of Shareholders	% of Total Shareholders	Shares Held	% of Total Shares
1 - 500	6609	87.16	588939	4.00
501 - 1000	370	4.88	297017	2.01
1001 - 5000	434	5.72	1034818	7.03
5001 - 10000	83	1.09	598532	4.06
10001 and above	87	1.15	12212372	82.90
TOTAL	**7583**	**100.00**	**14731678**	**100.00**

xii. Dematerialisation of Shares and Liquidity:

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

Equity Shares of the Company representing 99.78% of the Company's share capital are under demat mode as on 31 March 2017. Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE566K01011.

xiii. Unclaimed Dividend:

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

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

xiv. Details of unclaimed shares

In terms of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and the Companies Act, 2013, the Company has sent reminder notices to the shareholders whose share certificates are unclaimed and lying with the Registrar & Share Transfer Agent of the Company. The Company has also started the procedure for transferring the shares which are still unclaimed to the Demat Suspense Account of the Company as required in the said regulations as per details mentioned below;

Particulars	As on 31.03.2017
Number of Shareholders and the aggregate no. of outstanding shares whose share certificates are lying in physical form with our Registrar at the beginning of the year	2 Shareholders 1750 Shares
No. of shareholders who approached issuer for claiming the share certificates lying with the Company and their aggregate no. of outstanding shares	-
Number of Shareholders and the aggregate no. of outstanding shares whose share certificates are lying in physical form with our Registrar at the end of the year	2 Shareholders 1750 Shares

i. **Registrar and Share Transfer Agents:**
Link Intime India Private Limited
C-101, '247 Park',
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083
Tel.: 022-49186270
Fax: 022-49186060

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

iii. **Address for Correspondence:**
For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares:

Link Intime India Private Limited
C-101, '247 Park',
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083
Tel.: 022-49186270
Fax: 022-49186060
Email: rnt.helpdesk@linkintime.co.in

For general correspondence:
IntraSoft Technologies Limited
A-502, Prathamesh,
Raghuvanshi Mills Compound,
SenapatiBapat Marg,
Lower Parel, Mumbai – 400 013
Tel No. 022-24912123
Fax No. 022- 24903123

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
IntraSoft Technologies Limited

We have examined the compliance of conditions of Corporate Governance by IntraSoft Technologies Limited ("the Company") for the year ended 31 March 2017 as stipulated Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

For **Rathi & Associates**
Company Secretaries

Sd/-
Jayesh Shah
Partner
CP No. 2535

Place: Mumbai
Date: 24 May 2017

CODE OF CONDUCT DECLARATION

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

Sd/-
Arvind Kajaria
Managing Director

Place: Kolkata
Date: 24 May 2017

Independent Auditors' Report

To
The Members of
IntraSoft Technologies Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of IntraSoft Technologies Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding 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 prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group are responsible for the design, implementation and maintenance of internal control 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. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

4. 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.

5. 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 these consolidated financial statements are free from material misstatement.

6. 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the 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 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

9. We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 1,278.59 lacs and net assets of ₹ 980.35 lacs as at 31 March 2017, total revenues of ₹ 1,720.99 lacs and net cash inflows amounting to ₹ 66.65 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, none of the directors of the Group companies are disqualified as on 31 March 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 Holding Company and its subsidiary companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';

g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 33 to the consolidated financial statements;

(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, and its subsidiary companies during the year ended 31 March 2017;

(iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company and its subsidiary companies covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the reports of the other auditors on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

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

per **Anamitra Das**
Partner
Membership No.: 062191

Place: Gurgaon
Date: 24 May 2017

Annexure A to the Independent Auditors' Report of even date to the members of IntraSoft Technologies Limited, on the consolidated financial statements for the year ended 31 March 2017

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

1. In conjunction with our audit of the consolidated financial statements of IntraSoft Technologies Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Holding Company and its subsidiary incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary as aforesaid, based on our audit. We conducted our audit in accordance with 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 IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR 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

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

Opinion

8. In our opinion, the Holding Company and its subsidiary incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. We did not audit the IFCoFR insofar as it relates to one subsidiary company incorporated in India, whose financial statements reflect total assets of ₹ 298.07 lacs as at 31 March 2017, total revenues of ₹ 15.66 lacs and net cash flows amounting to ₹ 3.45 lacs for the year ended on that date. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary company incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiary incorporated in India, is solely based on the corresponding report of the auditor of such company. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

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

per **Anamitra Das**
Partner
Membership No.: 062191

Place: Gurgaon
Date: 24 May 2017

Consolidated Balance Sheet

as at 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

	Notes	As at 31 March 2017	As at 31 March 2016
Equity and liabilities			
Shareholders' funds			
Share capital	5	1,473.17	1,473.17
Reserves and surplus	6	11,649.31	10,333.54
		13,122.48	**11,806.71**
Non-current liabilities			
Long-term borrowings	7	1,621.25	3,312.50
Deferred tax liabilities, net	8	125.54	106.47
Long-term provisions	9	93.83	43.55
		1,840.62	**3,462.52**
Current liabilities			
Short-term borrowings	10	-	330.00
Trade payables:			
- Dues to micro small and medium enterprises	11	-	-
- Dues to creditors other than micro small and medium enterprises		1,738.81	3,242.88
Other current liabilities	12	1,699.79	1,399.24
Short-term provisions	9	478.58	445.17
		3,917.18	**5,417.29**
Total		**18,880.28**	**20,686.52**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	13	1,938.39	1,906.95
Intangible assets	13	49.10	59.12
Capital work-in-progress		-	4.26
		1,987.49	1,970.33
Non-current investments	14	496.00	496.00
Long-term loans and advances	15	2,165.68	2,255.48
		4,649.17	**4,721.81**
Current assets			
Current investments	16	6,684.14	5,361.79
Inventories	17	4,125.04	5,529.82
Trade receivables	18	949.54	900.91
Cash and bank balances	19	1,935.57	1,593.07
Short-term loans and advances	15	497.44	2,562.88
Other current assets	20	39.38	16.24
		14,231.11	**15,964.71**
Total		**18,880.28**	**20,686.52**

Notes 1 - 40 form an integral part of these consolidated financial statements.

This is the balance sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Anamitra Das**
Partner

Gurgaon
24 May 2017

Mohit Kumar Jha
Chief Financial Officer

Pranvesh Tripathi
Company Secretary

Kolkata
24 May 2017

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

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Consolidated Statement of Profit and Loss

for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Revenue			
Revenue from operations	21	93,901.06	71,687.54
Other income	22	745.26	460.24
Total revenue		**94,646.32**	**72,147.78**
Expenses			
Cost of goods sold	23	60,274.63	46,764.04
Shipping and handling expenses	24	14,472.99	10,676.47
Sales and marketing expenses	25	13,573.23	10,060.86
Employee benefits expense	26	2,333.35	2,278.60
Finance costs	27	355.53	237.05
Depreciation and amortisation expense	13	187.44	159.55
Other expenses	28	1,490.93	1,065.44
Total expenses		**92,688.10**	**71,242.01**
Profit before exceptional items and tax		1,958.22	905.77
Exceptional items	29	-	3,441.12
Profit before tax		1,958.22	4,346.89
Tax expense			
Current tax		604.11	967.83
MAT credit entitlement		(81.28)	(863.84)
Deferred tax		19.07	92.31
Tax for earlier years		36.57	(0.10)
		578.47	**196.20**
Profit for the year		**1,379.75**	**4,150.69**
Earnings per equity share of ₹ 10 each (EPS)			
Basic and diluted	30	9.37	28.18

Notes 1 - 40 form an integral part of these consolidated financial statements.

This is the statement of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Anamitra Das**
Partner

Gurgaon
24 May 2017

Mohit Kumar Jha
Chief Financial Officer

Pranvesh Tripathi
Company Secretary

Kolkata
24 May 2017

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

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Consolidated Cash Flow Statement

for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

			Year ended 31 March 2017	Year ended 31 March 2016
A.	**Cash flow from operating activities**			
	Profit before tax		1,958.22	4,346.89
	Adjustment for :			
	Depreciation and amortisation		187.44	159.55
	Loss on sale of fixed assets (net)		6.21	0.26
	Exceptional items		-	(3,441.12)
	Profit on sale of investments (net)		(559.66)	(200.95)
	Interest expenses		146.76	197.60
	Dividend income		(62.49)	(12.00)
	Interest income		(70.36)	(86.81)
	Operating profit before working capital changes		1,606.12	963.42
	Movements in working capital			
	Increase in trade receivables		(48.63)	(583.50)
	Decrease/ (increase) in inventories		1,404.78	(4,316.95)
	Decrease/ (increase) in loans and advances		2,139.79	(1,630.46)
	Increase in other current assets		(17.20)	(160.48)
	Increase/ (decrease) in long term provisions		50.27	(39.29)
	Increase in other current liabilities		348.89	555.92
	Increase/ (decrease) in trade payables		(1,504.07)	1,975.72
	Increase/ (decrease) in short term provisions		(24.66)	31.89
	Cash from/(used in) operating activities		3,955.29	(3,203.73)
	Income tax paid (net of refunds)		(175.62)	(970.02)
	Net cash from/(used in) operating activities	(A)	**3,779.67**	**(4,173.75)**
B.	**Cash flow from investing activities**			
	Purchase of fixed assets (including capital work in progress)		(217.63)	(356.86)
	Sale of investments		8165.31	6,677.03
	Purchase of investments		(8928.00)	(5,361.79)
	Sale of fixed assets		6.81	2.62
	Repayment of Short Term loans given		43.21	299.80
	Dividend received		62.49	12.00
	Interest received		64.42	241.77
	Net cash from/(used in) investing activities	(B)	**(803.39)**	**1,514.57**

(All amounts ₹ in Lacs unless specified otherwise)

		Year ended 31 March 2017	Year ended 31 March 2016
C. Cash flow from financing activities			
Dividend paid		(293.46)	(148.60)
Dividend tax paid		(59.98)	(29.99)
Proceeds from long term borrowings		0.00	4,211.69
Repayment of long term borrowings		(1,691.25)	(1,283.99)
Proceeds from (repayment of) short term borrowings (net)		(349.19)	330.00
Interest paid		(149.55)	(194.81)
Net cash from / (used) in financing activities	**(C)**	**(2543.43)**	**2,884.30**
Net increase in cash and cash equivalents	**(A+B+C)**	**432.85**	**225.12**
Cash and cash equivalents as at beginning of the year		1,536.08	1,251.24
Effects of currency translation on cash and cash equivalents		(63.98)	59.72
Cash and cash equivalents as at end of the year		**1,904.95**	**1,536.08**
Cash and bank balances as per Note 19		1,935.57	1,593.07
Less: Other bank balances		30.62	56.99
		1,904.95	**1,536.08**

This is the cash flow statement referred to in or report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Anamitra Das**
Partner

Gurgaon
24 May 2017

Mohit Kumar Jha
Chief Financial Officer

Pranvesh Tripathi
Company Secretary

Kolkata
24 May 2017

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

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Notes

to the Consolidated financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

Summary of significant accounting policies and other explanatory information.

1. Background

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

2. Principles of consolidation

a) The consolidated financial statements have been prepared in accordance with the Accounting Standard ('AS') – 21 on 'Consolidated Financial Statements' notified under the Companies (Accounting Standards) Rules, 2006, (as amended).

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

Name of the subsidiary	Country of incorporation	Proportion of ownership interest
IntraSoft Ventures Pte. Limited	Singapore	100%
123Greetings.com, Inc.	United States of America	100%
One Two Three Greetings (India) Private Limited	India	100%
123Stores, Inc.	United States of America	100%
123Stores E Commerce Private Limited	India	100%

Consolidation procedure:

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

ii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances, unless otherwise stated.

iii) The difference between the costs of investments in the subsidiary over the net assets at the time of acquisition of shares in the subsidiary is recognised in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.

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

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

3. Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the mandatory Accounting Standards ("AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and with the relevant provisions of the Act, pronouncements of the Institute of Chartered Accountants of India ("ICAI"). The consolidated financial statements have been

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(All amounts ₹ in Lacs unless specified otherwise)

prepared on an accrual basis. The accounting policies applied by the group are consistent with those used in the prior period.

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of the work, the group has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

4. Significant accounting policies

(a) Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the consolidated financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful loans and advances, estimation of sales return in subsequent period, income taxes, classification of assets and liabilities into current and non-current and the useful lives of fixed assets.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

(b) Fixed assets

Fixed assets (tangible and intangible) are stated at cost, net of accumulated depreciation/ amortization and impairment, if any. The cost of an asset comprises its purchase price and any cost directly attributable for bringing the asset to its working condition and location for its intended use. Subsequent expenditures, if any, related to an item of fixed assets are added to its book value only if they increase the future benefits from existing asset beyond its previously assessed standard of performance.

(c) Depreciation/amortization

Depreciation on all tangible assets is provided on straight-line method over the useful lives of assets estimated by management. Management estimates the useful life of Intangible Assets to be six (6) years and all intangible assets are amortized over their useful life on straight line basis. In respect of additions, depreciation is provided on pro-rata basis from the date of acquisition/ installation.

Class of assets	Estimated useful life (in years)
Furniture and fixtures	7 – 10
Office equipment	5
Computers and peripherals	3 - 5
Land and Building	60
Vehicles	8

Repairs and maintenance of property and equipment are expensed as incurred. Enhancement and improvements that extend the life of property and equipment are capitalized. Upon disposition, the cost of accumulated depreciation are deducted from sale proceeds resulting in gains and losses which are recognized in the consolidated statement of profit and loss.

(d) Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the consolidated statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable

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amount subject to a maximum of depreciated historical cost.

(e) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. Provision for diminution in value is made to recognize a decline other than temporary in the value of the long-term investments.

(f) Inventories

Inventory consists of finished goods, for sale to customers, held at various third party warehouses. The Group values inventory at the lower of cost or net realizable value. Inventory costs include all costs incurred in connection with bringing inventory to its present location and condition. These costs include purchase costs of inventory (net of vendor volume discounts) and shipping and handling costs. Net realizable value is determined at market value less selling costs. The "lower of cost and net realizable value", criteria is evaluated for each item of inventory as on balance sheet date.

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably estimated and collectability is reasonably assured.

- Revenue from product sales is recognized when persuasive evidence of arrangement exists, delivery has occurred or the services has been rendered, fee is fixed and determinable and collectability is reasonably ensured.

  The Group recognizes net revenue from sales of products upon delivery to the customer. As the Company ships large volume of packages through multiple carriers, actual delivery dates may not always be available and as such the Group estimates delivery dates based on historical data. Product revenue is recorded at the gross amount as the Group is the primary obligor with the customer and have latitude in establishing price and selecting products sold, discretion in selecting suppliers of products sold, maintain inventory risk from shipment through delivery date and upon accepting returns and bear credit risk. Net revenue includes shipping costs charged to the customer and are recorded net of taxes collected from customers, which are remitted to governmental authorities. Cash discounts, estimated returns and rebates are deducted from gross revenue in determining net revenue. The Group records an allowance for returns based on current period revenue and historical returns experience. Revenue is deferred when cash is collected from the customer prior to the satisfaction of the revenue recognition criteria.

- Revenue from advertising are principally generated from impressions of customer's banners on the Group's web site. Revenues are recognized and billed on the last day of the month using industry recognized reporting.

- Interest income on deposits/bonds/debentures is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

- Profit/Loss on sale of investments is recognized on sale/redemption of respective investments.

- Dividend income is recognized when the Group's right to receive dividend is established.

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(All amounts ₹ in Lacs unless specified otherwise)

(h) Employee retirement benefits

Gratuity

The Group provides for Gratuity, a defined benefit retirement plan covering the eligible employees. The Gratuity Plan provides a lump-sum payment to vested employee at the time of retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. Liabilities with regard to Gratuity are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

Compensated Absences

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

Defined Contribution Plans

The Group provides Defined Contribution Plans in the form of Provident Fund and Employees State Insurance ('ESI') in respect of the employees covered under the respective Acts at the rate specified in the act and the same is charged to revenue. Provident Fund and ESI are classified as defined contribution plans as the Group has no further obligation beyond making the contributions.

(i) Leases

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as Operating Leases. Lease payments under an operating lease are recognized as expense in the consolidated statement of profit and loss on a straight line basis over the lease term.

(j) Tax expense

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 ("IT Act"). The Group accounts for tax credit in respect of Minimum Alternate Tax ("MAT") in situations where the MAT payable is higher than tax payable under normal provisions of the IT Act and where there is a reasonable certainty of adjusting such credit in future years. The credit so availed is adjusted in future years when the tax under normal provisions is higher than MAT payable to the extent of the said difference.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Deferred tax assets and liabilities in respect of foreign subsidiaries are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect

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on the deferred tax assets and liabilities of a change in tax rate is recognized in statement of income in the period that includes the enactment date.

The Group files its federal, state and foreign tax returns on an accrual basis (where applicable).

Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each balance sheet date.

The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(k) Provisions, Contingent liabilities and Contingent Assets

a. A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be 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.

b. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation 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 on outflow of resources is remote, no provision or disclosure is made.

c. Contingent assets are not recognized in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

(l) Transactions in foreign currency

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction. Foreign currency monetary items are reported using the year-end rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

(m) Borrowing costs

Interest on borrowing is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable on the borrowing. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortized over the tenure of the respective borrowings. An unamortized borrowing cost remaining, if any, is fully expensed off as and when the related borrowing is prepaid /cancelled.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash and deposit with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(o) Earnings per equity share

Basic earnings per equity share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the

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year. For the purposes of diluted earnings per equity share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

5 Share capital

	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of ₹ 10 each	252.50	2,525.00	252.50	2,525.00
	252.50	**2,525.00**	252.50	2,525.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	147.32	1,473.17	147.32	1,473.17
	147.32	**1,473.17**	**147.32**	**1,473.17**

a) Reconciliation of shares outstanding at the beginning and at the end of the year

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

b) Terms and rights attached to equity shares

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

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

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

	Number	Holding %	Number	Holding %
Equity shares of ₹ 10 each				
Arvind Kajaria	28.00	19	28.00	19
Sharad Kajaria	28.00	19	28.00	19
Intel Capital (Mauritius) Limited	-	-	15.35	10
Padma Kajaria	14.00	10	14.00	10
	70.00	48	85.35	58

e) In the current financial year, the Board has proposed a dividend @ 20% i.e. ₹ 2.00 per share amounting to ₹ 354.61 lacs including dividend tax of ₹ 59.98 lacs. The proposed dividend by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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(All amounts ₹ in Lacs unless specified otherwise)

6 Reserves and surplus

	As at 31 March 2017	As at 31 March 2016
Capital Reserve	**96.13**	**96.13**
Securities premium reserve	**5,527.10**	**5,527.10**
Foreign exchange translation reserve		
Balance at the beginning of the year	130.80	71.08
Addition / (deduction) during the year	(63.98)	59.72
Balance at the end of the year	**66.82**	**130.80**
General Reserve	**169.15**	**169.15**
Surplus in the statement of profit and loss		
Balance at the beginning of the year	4,410.36	614.28
Add : Transferred from statement of profit and loss	1,379.75	4,150.69
Amount available for appropriation	5,790.11	4,764.97
Appropriations:		
Proposed dividend	-	(294.63)
Tax on proposed dividend	-	(59.98)
Balance at the end of the year	**5,790.11**	**4,410.36**
	11,649.31	**10,333.54**

7 Long-term borrowings (secured)

	As at 31 March 2017	As at 31 March 2016
Term loan		
(i) From bank (car loan)	-	18.57
(ii) From others (car loan)	-	0.62
Foreign currency loan	1,621.25	3,312.50
Less: Current maturities of long-term borrowings (refer note 12)	-	19.19
	1,621.25	**3,312.50**

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

i) The rupee loan obtained has been repaid off during the year.

ii) The foreign currency loan is in the nature of a senior secured committed revolving line of credit, obtained from Citi bank N.A.,with a limit of USD 5 million The credit facility has been obtained at an interest rate of LIBOR plus 1.75% (LIBOR index being one month, floating daily) and has a maturity of twelve months from the closing date renewable annually. The credit facility is supported by a Stand by Letter of Credit Facility (SBLC), of ₹ 3200 lac issued by Citi Bank, N.A., India branch. The credit facility has been availed for general corporate purposes, including meeting short term working capital needs. The short term credit facility in the form of revolving line of credit availed from Citi Bank, N.A., having maturity of 12 months from the closure date, is intended to be refinanced by a long term debt obligation from UPS Capital Corporation. Hence the same has been classified as long term debt.

8 Deferred tax liabilities, net

	As at 31 March 2017	As at 31 March 2016
Deferred tax liabilities		
-Timing difference on written down value of fixed assets	133.20	133.88
Deferred tax assets		
-Expenses allowable on payment basis	(7.66)	(27.41)
	125.54	**106.47**

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(All amounts ₹ in Lacs unless specified otherwise)

9 Provisions

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Provision for employee benefits				
Provision for gratuity	70.52	1.55	36.65	6.54
Provision for compensated absences	23.31	1.20	6.90	17.62
Proposed dividend (including interim dividend)	-	-	-	294.63
Tax on proposed dividend	-	-	-	59.98
Provision for tax (net of advance tax and TDS)	-	472.71	-	60.01
Other provisions	-	3.12	-	6.39
	93.83	**478.58**	**43.55**	**445.17**

a) Employee benefits

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognised in the balance sheet represents the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets (if any), together with adjustment for unrecognised actuarial gains or losses and past service cost. Independent actuaries calculate the defined benefit obligation annually using the Projected Unit Credit Method . The assumptions used for actuarial valuation of liabilities towards gratuity and leave encashment are as follows :

	As at 31 March 2017 Gratuity	As at 31 March 2016 Gratuity
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	43.19	56.74
Service cost	28.30	11.09
Interest cost	3.40	4.45
Actuarial gains	(2.82)	(13.25)
Benefits paid	-	(15.84)
Projected benefit obligation at the end of the year	**72.07**	**43.19**
Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gain / (loss)	-	-
Employer contributions	-	15.84
Benefits paid	**-**	**(15.84)**
Fair value of plan assets at the end of the year	-	-
Reconciliation of present value of obligation on the fair value of plan assets		
Present value of projected benefit obligation at the end of the year / period	72.07	43.19
Funded status of the plans	-	-
Liability recognised in the balance sheet	**72.07**	**43.19**
Components of employee benefit costs are		
Service cost	28.30	11.09
Interest cost	3.40	4.45
Expected returns on plan assets	-	-
Recognized net actuarial gain	(2.82)	(13.25)
Net employee benefit costs	**28.88**	**2.29**

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(All amounts ₹ in Lacs unless specified otherwise)

Assumptions used	As at 31 March 2017	As at 31 March 2016
Discount rate	7.40%	7.90%
Rate of increase in salaries	5%	5%
Withdrawal rate per annum	2%	2%
Expected average remaining working lives of employees (years)	25.28	27.15
Retirement age	58 Years	58 Years

Amount recognised in the current and previous years	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation at the end of the period	72.07	43.19	56.74	37.74	29.73
Deficit	(72.07)	(43.19)	(56.74)	(37.74)	(29.73)
Net actuarial loss/(gain) recognized during the current year	(2.82)	(13.25)	6.49	(0.27)	3.76

10 Short-term borrowings (secured)

	As at 31 March 2017	As at 31 March 2016
Term loan from bank	-	330.00
	-	**330.00**

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

The loan carried an interest @ 9.95% pa (31 March 2016: 9.95%) and has been repaid during the year. The above loan was secured by pledge of investment in debentures of the Company.

11 Trade payables

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED Act') pertaining to micro or small enterprises. For the year ended 31 March 2017, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED Act.

12 Other current liabilities

	As at 31 March 2017	As at 31 March 2016
Current maturities of long-term borrowings (refer Note 7)	-	19.19
Interest accrued but not due on borrowings	-	2.79
Other payables		
Dues to employees	241.21	269.67
Unpaid dividend *	5.71	4.53
Deposit from employees	24.91	63.27
Statutory dues	113.26	124.48
Advance from customers	308.19	172.69
Capital creditors	13.92	3.75
Accrued expenses	992.59	738.87
	1,699.79	**1,399.24**

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

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to the Consolidated financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

13 Fixed assets

Asset category	Gross block				Depreciation/amortisation				Net block
	As at 01 April 2016	Additions during the year	Sales / adjustment during the year	As at 31 March 2017	Up to 01 April 2016	Charge for the year	Sales / adjustment during the year	Up to 31 March 2017	As at 31 March 2017
A. Tangible assets									
Land and building	1,372.48	-	-	1,372.48	89.70	21.71	-	111.41	1,261.07
Furniture and fixtures	405.54	95.49	14.74	486.29	86.00	44.48	4.72	125.76	360.53
Computers and peripherals	255.90	36.93	0.72	292.11	158.29	49.82	0.59	207.52	84.59
Office equipments	201.72	83.51	5.87	279.36	90.50	36.19	5.20	121.49	157.87
Vehicles	165.18	-	18.45	146.73	69.38	19.50	16.48	72.40	74.33
Total (A)	**2,400.82**	**215.93**	**39.78**	**2,576.97**	**493.87**	**171.70**	**26.99**	**638.58**	**1,938.39**
B. Intangible assets									
Website 123India.Com	63.48	-	-	63.48	63.48	-	-	63.48	-
Softwares	174.90	5.96	0.60	180.26	115.78	15.74	0.36	131.16	49.10
Total (B)	**238.38**	**5.96**	**0.60**	**243.74**	**179.26**	**15.74**	**0.36**	**194.64**	**49.10**
Total (A + B)	**2,639.20**	**221.89**	**40.38**	**2,820.71**	**673.13**	**187.44**	**27.36**	**833.22**	**1,987.49**

Asset category	Gross Block				Depreciation/amortisation				Net block
	As at 01 April 2015	Additions during the year	Sales / adjustment during the year	As at 31 March 2016	Up to 01 April 2015	Charge for the year	Sales / adjustment during the year	Up to 31 March 2016	As at 31 March 2016
A. Tangible assets									
Land and building	1,372.48	-	-	1,372.48	67.99	21.71	-	89.70	1,282.78
Furniture and fixtures	241.38	166.69	2.53	405.54	52.97	34.60	1.57	86.00	319.54
Computers and peripherals	190.50	73.31	7.91	255.90	120.94	44.86	7.51	158.29	97.61
Office equipments	132.21	75.64	6.13	201.72	69.59	25.20	4.29	90.50	111.22
Vehicles	132.40	32.78	-	165.18	48.18	21.20	-	69.38	95.80
Total (A)	**2,068.97**	**348.42**	**16.57**	**2,400.82**	**359.67**	**147.57**	**13.37**	**493.87**	**1,906.95**
B. Intangible assets									
Website 123India.Com	63.48	-	-	63.48	63.48	-	-	63.48	-
Softwares	156.49	18.41	-	174.90	103.48	11.98	0.32	115.78	59.12
Total (B)	**219.97**	**18.41**	**-**	**238.38**	**166.96**	**11.98**	**0.32**	**179.26**	**59.12**
Total (A + B)	**2,288.94**	**366.83**	**16.57**	**2,639.20**	**526.63**	**159.55**	**13.69**	**673.13**	**1,966.07**

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14 Non-current investments

(valued at cost, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016
In non-convertible debentures (quoted, non-trade)		
10.20 % Srei Infrastructure Finance Limited	496.00	496.00
50 shares (Previous year 50 shares) of ₹ 1,000,000 each fully paid up		
	496.00	496.00
Aggregate amount of		
Quoted investments	496.00	496.00
	496.00	**496.00**
Aggregate market value of quoted investments	**505.12**	**493.97**

15 Loans and advances

(Unsecured considered good, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016
Long-term loans and advances		
MAT credit entitlement	1,711.46	1,628.28
Security deposits	21.31	21.04
Service tax receivable, net	392.63	416.79
Advance income tax (net of provisions)	40.28	189.37
	2,165.68	**2,255.48**
Short-term loans and advances		
Loan to a body corporate*	157.00	200.20
Prepaid expenses	27.12	41.84
Advance to suppliers	30.67	2,021.08
Other advances	43.49	117.77
Income tax refund receivable	94.83	-
Advance to employees	2.27	16.37
Security deposit	142.06	165.62
	497.44	**2,562.88**

* Loan is given to a body corporate for business purpose.

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(All amounts ₹ in Lacs unless specified otherwise)

16 Current investments

(valued at lower of cost and fair value)

	As at 31 March 2017		As at 31 March 2016	
	No. of units	Amount	No. of units	Amount
In mutual funds (unquoted)				
Birla Sunlife Corporate Bond Fund (G)	33.50	400.00	-	-
Birla Sunlife Short-term Opportunities Fund (G) (*)	18.46	500.00	-	-
DSP Blackrock Income Opportunities Fund (D)	61.60	688.30	-	-
DSP Blackrock Income Opportunities Fund (G) (*)	-	-	62.44	1,500.00
HDFC Short Term Plan - Regular Plan (G) (*)	21.63	700.00	-	-
ICICI Prudential Corporate Bond Fund (G) (*)	19.76	500.00	-	-
IDFC Super Saver Income Fund Investment Plan (G)	9.91	400.00	-	-
Kotak Low Duration Fund (G)	0.16	320.00	0.62	1,111.79
Kotak Medium Term Fund (G)	29.08	393.22	-	-
L & T Income Opportunities Fund (G) (*)	-	-	64.91	1,080.00
L & T Income Opportunities Fund (D)	33.55	368.75	-	-
L & T Resurgent India Corporate Bond Fund (G) (*)	73.92	900.00	-	-
Reliance Corporate Bond Fund (G) (*)	68.65	900.00	-	-
Reliance Dynamic Bond Fund (G)	17.91	400.00	-	-
Reliance Regular Savings Fund (QD)	16.27	213.87	-	-
Reliance Regular Savings Fund (G) (*)	-	-	82.24	1,670.00
Total current investments		**6,684.14**		**5,361.79**

(*) Pledged with Citibank N.A. towards standby letter of credit for ₹ 3200 lacs in favour of 123Stores Inc.

17 Inventories

(at lower of cost and net realizable value)

	As at 31 March 2017	As at 31 March 2016
Stock-in-trade	4,125.04	5,529.82
	4,125.04	**5,529.82**

18 Trade receivables

(Unsecured considered good, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016
Due for more than six months	3.11	19.23
Other debts	946.43	881.68
	949.54	**900.91**

19 Cash and bank balances

	As at 31 March 2017	As at 31 March 2016
Cash on hand	0.25	0.58
Balances with banks	-	-
- in current accounts	1,904.70	1,535.50
	1,904.95	1,536.08
Other bank balances		
-Unpaid dividend account	5.71	4.54
-Employees deposit account	24.91	52.45
	1,935.57	**1,593.07**

Notes

to the Consolidated financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

20 Other current assets

	As at 31 March 2017	As at 31 March 2016
Interest accrued on loans and debentures	14.20	8.27
Others	25.18	7.97
	39.38	**16.24**

21 Revenue from operations

	Year ended 31 March 2017	Year ended 31 March 2016
Net Sales	93,901.06	71,687.54
	93,901.06	**71,687.54**

22 Other income

	Year ended 31 March 2017	Year ended 31 March 2016
Interest income		
On inter corporate deposits & Fixed Deposits	19.36	33.21
On non-convertible debentures	51.00	51.14
Others	15.24	2.46
	85.60	86.81
Dividend income on long-term investments	62.49	12.00
Net gain on sale of long-term investments	-	90.13
Net gain on sale of current investments	559.66	110.82
Exchange gain, net	13.83	85.49
Other miscellaneous income	23.68	74.99
	745.26	**460.24**

23 Cost of Goods Sold

	Year ended 31 March 2017	Year ended 31 March 2016
Cost of goods sold	60,274.63	46,764.04
	60,274.63	**46,764.04**

24 Shipping and handling expenses

	Year ended 31 March 2017	Year ended 31 March 2016
Shipping and handling charges	14,472.99	10,676.47
	14,472.99	**10,676.47**

25 Sales and marketing expenses

	Year ended 31 March 2017	Year ended 31 March 2016
Marketplace, marketing and referral fees	13,187.82	9,837.57
Advertisement expenses	385.41	223.29
	13,573.23	**10,060.86**

Notes

to the Consolidated financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

26 Employee benefits expense

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, Allowances & Other benefits	2,272.05	2,212.57
Contribution to provident and other funds	27.29	33.42
Staff welfare expenses	34.01	32.61
	2,333.35	**2,278.60**

27 Finance costs

	Year ended 31 March 2017	Year ended 31 March 2016
Interest on loans	146.76	197.60
Other borrowing costs	208.77	39.45
	355.53	**237.05**

28 Other expenses

	Year ended 31 March 2017	Year ended 31 March 2016
Electricity charges	48.54	48.94
Rent	113.98	92.05
Repairs and maintenance		
- Machinery	0.74	18.49
- Building	14.30	14.64
- Others	48.93	14.38
Insurance	7.65	4.62
Rates and taxes	17.31	23.52
Travelling expenses	254.56	200.43
Office expenses	73.24	81.10
Telephone & other communication expenses	37.63	14.35
Legal and professional charges	208.41	130.92
Technology expenses	476.26	206.30
Payment to auditors		
Statutory audit	35.73	33.48
Tax audit	2.59	2.07
Limited review	6.42	2.00
Other services	6.84	1.89
Corporate social responsibility (CSR) expenses (refer note 32)	-	0.55
Loss on sale of fixed assets, net	6.21	0.26
Sundry balances written off	-	26.12
Miscellaneous expenses	131.59	149.33
	1,490.93	**1,065.44**

Notes

to the Consolidated financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

29 Exceptional items

	Year ended 31 March 2017	Year ended 31 March 2016
Gain on sale of shares held under IntraSoft Beneficiary Trust (*)	-	6,076.08
Less : Assets under development written off (refer note below)	-	(2,634.96)
	-	**3,441.12**

(*) on sale of 1,750,000 shares of IntraSoft Technologies Limited held under IntraSoft Beneficiary Trust.

Note: The Group completed the review of the software assets that have been under development for some time. These software assets were related to different features of the E-commerce business that were yet to be launched. Management decided to write off these software assets under development as these software resources would not be contributing to future revenues.

30 Earning per share

	Year ended 31 March 2017	Year ended 31 March 2016
Net profit after tax for the year	1,379.75	4,150.69
Weighted average number of equity shares	147.32	147.32
Basic and diluted earnings per share	9.37	28.18

31 Expenditure in foreign currency

	Year ended 31 March 2017	Year ended 31 March 2016
Travelling expenses	168.80	125.84
Others	3.99	4.65
	172.79	**130.49**

32 Disclosures in respect of CSR expenses under section 135 of the Companies Act, 2013 and rules thereon

		Year ended 31 March 2017	Year ended 31 March 2016
(a)	Gross amount to be spent during the year	-	0.54
(b)	Amount spent during the year on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	-	0.55
		-	**0.55**

33 Contingent liability and commitments

	Year ended 31 March 2017	Year ended 31 March 2016
Capital commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	23.40
Contingent liabilities		
Guarantees given	1.25	1.25
Claims against the Company not acknowledged as debt	47.72	17.72

Notes

to the Consolidated financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

34 As per requirement of AS 17, 'Segment Reporting', no disclosures are required to be made since the Group's activities consists of a single business segment (primary segment) of Internet based delivery of products and services. In respect of geographical segment (secondary segment) information, the Group has identified its geographical segment as (i) Within India and (ii) Outside India. The secondary segment information has been disclosed accordingly.

Secondary segment information (geographical segment)

	Year ended 31 March 2017			Year ended 31 March 2016		
	Within India	Outside India	Total	Within India	Outside India	Total
(i) Segment revenue	13.75	93,887.31	93,901.06	21.00	71,666.54	71,687.54
(ii) Segment assets	1,1671.71	7,208.57	18,880.28	2,423.35	10,200.92	12,624.27
(iii) Capital expenditure	217.69	4.20	221.89	256.43	112.35	368.78

35 In accordance with Accounting Standard (AS) 19 - 'Leases', the Company does not have any non cancellable operating lease. Expenditure incurred on account of operating lease rentals during the year and recognized in Statement of Profit and Loss amount to ₹ 113.98 lacs (Previous Year ₹ 92.05 lacs).

36 Details of Specified Bank Notes (SBN) held and transacted during the period from 9 November 2016 to 30 December 2016

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	0.64	0.23	0.87
(+) Permitted receipts	0.19	1.85	2.04
(+) Cash Withdrawal	-	0.20	0.20
(-) Permitted Payments	-	2.16	2.16
(-) Amount deposited in Banks	0.83	-	0.83
Closing cash in hand as on 30 December 2016	-	0.12	0.12

* SBN means old ₹ 1000 and ₹ 500 notes which got discarded as legal tender w.e.f. 9 November, 2016

Notes

to the Consolidated financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

37 Related party disclosures

a) Names of related parties and description of relationship

Relationship	Name of related party
Key managerial personnel (KMP) and their relatives	Mr. Arvind Kajaria- Managing Director
	Mr. Sharad Kajaria - Whole Time Director
	Mrs. Padma Kajaria- Relative of Director
	Mr. Mohit Kumar Jha - Chief Financial Officer
	Mr. Pranvesh Tripathi - Company Secretary
	(Appointed w.e.f. 10 May 2016)
	Mr. Rakesh Dhanuka- Company Secretary (resigned w.e.f. 10 May 2016)
Enterprise where KMP have significant influence or control	IntraSoft Beneficiary Trust (Trust has been dissolved in FY 2015-16)

b) Transactions and balances with related parties

Name of the party	Nature of transactions	Year ended 31 March 2017	Year ended 31 March 2016
Mr. Arvind Kajaria	Dividend paid	28.00	28.00
	Remuneration	72.11	72.11
Mr. Sharad Kajaria	Dividend paid	28.00	28.00
	Remuneration	67.61	67.61
Mrs. Padma Kajaria	Dividend paid	14.00	14.00
Intrasoft Beneficiary Trust	Dividend paid	-	17.50
	Sale consideration for shares	-	6,246.21
Mr. Mohit Kumar Jha	Remuneration	31.65	20.22
Mr. Pranvesh Tripathi	Remuneration	20.20	
Mr. Rakesh Dhanuka	Remuneration	1.28	7.49

Notes

to the Consolidated financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

38 Additional information pursuant to the Schedule III of the Companies Act 2013 in Consolidated Financial Statements:

Name of the Enterprise	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Year ended 31 March 2017	As % of consolidated profit or loss	Year ended 31 March 2017
Parent-				
IntraSoft Technologies Limited	83.63%	10,973.76	-58.31%	(804.51)
Subsidiaries including chain subsidiaries				
Indian				
One Two Three Greetings (India) Pvt. Limited	0.19%	24.92	0.46%	6.38
123Stores E Commerce Pvt Limited	0.32%	42.29	-210.94%	(2,910.42)
Foreign				
123Greetings.com, Inc	2.27%	298.07	86.58%	1,194.57
Intrasoft Ventures Pte. Limited	0.02%	3.10	-1.49%	(20.56)
123Stores, Inc (Step-down)	13.57%	1,780.34	283.70%	3,914.29
Minority Interests in all subsidiaries	Nil	Nil	Nil	Nil
Associates (Investment as per the equity method)	NA	NA	NA	NA
Joint Ventures(as per proportionate consolidation/investment as per equity method	NA	NA	NA	NA
TOTAL	**100%**	**13,122.48**	**100%**	**1,379.75**

Notes

to the Consolidated financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

39 Statement containing salient features of the financial statements of subsidiaries

Part A - Subsidiaries

Sl	Name of the subsidiary companies	123Greetings .com, Inc.	Intrasoft Ventures Pte. Limited	One Two Three Greetings (India) Pvt. Limited	123Stores, Inc. * (Consolidated)
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company	Same as Holding Company	Same as Holding Company	Same as Holding Company
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	USD, 1 USD = ₹ 64.85	SGD, 1 SGD = ₹ 46.41	N.A.	USD, 1 USD = ₹ 64.85
3	Share capital	64.85	649.74	200.00	648.50
4	Reserves and Surplus	73.83	(18.91)	10.84	1,174.13
5	Total Assets	346.81	633.71	298.07	7,180.57
6	Total Liabilities	208.13	2.88	87.23	5,357.94
7	Investments	-	627.73	-	-
8	Turnover	1,673.78	6.42	13.75	92,213.53
9	Profit before taxation	5.80	(10.54)	0.38	1,522.10
10	Provision for taxation	4.55	9.22	(0.00)	529.62
11	Profit after taxation	1.25	(19.76)	0.38	992.48
12	Proposed Dividend	-	-	-	-
13	% of shareholding	100	100	100	100

* 123Stores, Inc. is a Wholly Owned Subsidiary of Intrasoft Ventures Pte. Ltd. The consolidated performance consist of 123Stores,Inc and its wholly owned subsidiary 123Stores E Commerce Private Limited

Part B - Associates and Joint Ventures - N.A.

40 Previous year's amount have been regrouped/rearranged to confirm to the classification of the current year, wherever considered necessary.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Anamitra Das**
Partner

Gurgaon
24 May 2017

Mohit Kumar Jha
Chief Financial Officer

Pranvesh Tripathi
Company Secretary

Kolkata
24 May 2017

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

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Independent Auditors' Report

To
The Members of
IntraSoft Technologies Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of IntraSoft Technologies Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the 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

2. 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 prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

4. 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.

5. We conducted our audit in accordance with the Standards of 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 these standalone financial statements are free from material misstatement.

6. 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 auditors' 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 controls 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 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 financial statements.

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

Opinion

8. 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 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we

give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c. the standalone financial statements dealt with by this report are in agreement with the books of account;

    d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e. on the basis of written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

    f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 24 May 2017 as per Annexure B expresses our unmodified opinion on adequacy and operative effectiveness of internal controls over financial reporting; and

    g. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company, as detailed in Note 29 to the standalone financial statements, has disclosed the impact of pending litigations on its standalone financial position;

        ii. the Company did not have any long-term contracts including derivatives contract 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; and

        iv. the Company, as detailed in Note 32 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in these Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of accounts maintained by the Company.

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

per **Anamitra Das**
Partner
Membership No.: 062191

Place: Gurgaon
Date: 24 May 2017

Annexure A

Annexure A to the Independent Auditors' Report of even date to the members of IntraSoft Technologies Limited, on the standalone financial statements for the year ended 31 March 2017

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company had complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amount payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been

disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under section 192 of the Act.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

per **Anamitra Das**
Partner
Membership No.: 062191

Place: Gurgaon
Date: 24 May 2017

Annexure B

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

1. In conjunction with our audit of the standalone financial statements of IntraSoft Technologies Limited ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as of that date.

Management's Responsibility for Internal Financial Controls

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

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR 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

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 issued by the ICAI.

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

per **Anamitra Das**
Partner
Membership No.: 062191

Place: Gurgaon
Date: 24 May 2017

Balance Sheet

as at 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

	Notes	As at 31 March 2017	As at 31 March 2016
Equity and liabilities			
Shareholders' funds			
Share capital	5	1,473.17	1,473.17
Reserves and surplus	6	10,337.76	9,936.10
		11,810.93	**11,409.27**
Non-current liabilities			
Deferred tax liabilities, net	7	112.66	99.86
Long-term provisions	8	61.40	43.55
		174.06	**143.41**
Current liabilities			
Short-term borrowings	9	-	330.00
Other current liabilities	10	441.00	475.62
Short-term provisions	8	1.89	355.96
		442.89	**1,161.58**
Total		**12,427.88**	**12,714.26**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	1,764.69	1,797.47
Intangible assets	11	34.66	38.49
Capital work-in-progress		-	4.26
		1,799.35	**1,840.22**
Non-current investments	12	1,357.17	1,357.17
Long-term loans and advances	13	2,035.70	2,207.25
		5,192.22	**5,404.64**
Current assets			
Current investments	14	6,684.14	5,361.79
Trade receivables	15	159.39	1,182.03
Cash and bank balances	16	17.64	53.53
Short-term loans and advances	13	360.29	698.23
Other current assets	17	14.20	14.04
		7,235.66	**7,309.62**
Total		**12,427.88**	**12,714.26**

Notes 1 - 34 form an integral part of these financial statements.

This is the balance sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Anamitra Das**
Partner

Gurgaon
24 May 2017

Mohit Kumar Jha
Chief Financial Officer

Pranvesh Tripathi
Company Secretary

Kolkata
24 May 2017

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

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Statement of Profit and Loss

for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Revenue			
Revenue from operations	18	1,199.15	2,842.73
Other income	19	726.40	446.31
Total revenue		**1,925.55**	**3,289.04**
Expenses			
Sales and marketing expenses	20	-	557.23
Employee benefits expense	21	888.69	1,290.45
Finance costs	22	41.84	190.01
Depreciation and amortisation expense	11	151.59	143.91
Other expenses	23	405.67	489.12
Total expenses		**1,487.79**	**2,670.72**
Profit before exceptional items and tax		**437.76**	**618.32**
Exceptional items	24	-	3,441.12
Profit before tax		**437.76**	**4,059.44**
Tax expense			
Current tax		81.28	863.84
MAT credit entitlement		(81.28)	(863.84)
Deferred tax		12.80	85.48
Tax for earlier years		23.30	-
		36.10	**85.48**
Profit for the year		**401.66**	**3,973.96**
Earnings per equity share (EPS) of ₹ 10 each			
Basic and diluted	25	2.73	26.98

Notes 1 - 34 form an integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Anamitra Das**
Partner

Gurgaon
24 May 2017

Mohit Kumar Jha
Chief Financial Officer

Pranvesh Tripathi
Company Secretary

Kolkata
24 May 2017

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

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Cash Flow Statement

for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

		Year ended 31 March 2017	Year ended 31 March 2016
A. Cash flow from operating activities			
Profit before tax		437.76	4059.44
Adjustment for :			
Depreciation and amortisation		151.59	143.91
Exceptional items		-	(3441.12)
Loss on sale of fixed assets (net)		6.21	0.27
Dividend income		(62.49)	(12.00)
Profit on sale of investments		(559.66)	(200.95)
Unrealised foreign exchange loss		2.53	(24.29)
Finance costs		41.84	150.66
Interest income		(74.93)	(117.69)
Operating profit before working capital changes		**(57.15)**	**558.23**
Movements in working capital			
Decrease/ (increase) in trade receivables		1020.11	(191.79)
Decrease/ (increase) in long-term loans and advances		115.37	(60.08)
Decrease/ (increase) in short-term loans and advances		33.45	(23.13)
Increase/ (decrease) in long term provisions		17.84	(38.51)
Increase in short term provisions		0.53	0.15
Increase in other current liabilities		5.50	188.87
Cash from/(used in) operating activities		**1135.65**	**433.74**
Income tax (paid)/ refunded		(61.95)	(912.35)
Net cash provided by /(used in) operating activities	**(A)**	**1073.70**	**(478.61)**
B. Cash flow from investing activities			
Purchase of fixed assets (including capital work-in-progress)		(112.02)	(222.05)
Sale of fixed assets		5.24	1.37
Purchase of investments		(8928.00)	(12743.00)
Sale of investments		8165.31	13494.25
Loans (given to)/repaid by subsidiaries (net)		356.14	(327.40)
Loans repaid by others (net)		43.21	299.80
Dividend received		62.49	12.00
Interest received		74.76	266.97
Net cash provided by /(used in) investing activities	**(B)**	**(332.87)**	**781.94**

(All amounts ₹ in Lacs unless specified otherwise)

		Year ended 31 March 2017	Year ended 31 March 2016
C. Cash flow from financing activities			
Dividend paid		(293.46)	(148.60)
Dividend tax paid		(59.98)	(29.99)
Proceeds from (repayment of) short term borrowings (net)		(330.00)	330.00
Repayment of long-term borrowings		(19.19)	(1283.99)
Proceeds from long-term borrowings		-	899.19
Interest paid		(44.63)	(147.87)
Net cash provided by /(used in) financing activities	**(C)**	**(747.26)**	**(381.26)**
Net increase /(decrease) in cash and cash equivalents	**(A+B+C)**	**(6.43)**	**(77.93)**
Cash and cash equivalents as at beginning of the year		16.54	94.47
Cash and cash equivalents as at end of the year		**10.11**	**16.54**
Cash and bank balances as per Note 16		17.64	53.53
Less: Other bank balances		7.53	36.99
Cash and cash equivalents considered for cash flow		**10.11**	**16.54**

This is the cash flow statement referred to in or report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Anamitra Das**
Partner

Gurgaon
24 May 2017

Mohit Kumar Jha
Chief Financial Officer

Pranvesh Tripathi
Company Secretary

Kolkata
24 May 2017

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

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

Summary of significant accounting policies and other explanatory information.

1. Background

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

2. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the mandatory Accounting Standards ("AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and with the relevant provisions of the Act, pronouncements of the Institute of Chartered Accountants of India ("ICAI"). The financial statements have been prepared on an accrual basis of accounting. The accounting policies applied by the Company are consistent with those used in the prior period.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of the work, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

3. Significant accounting policies

(a) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for income taxes, classification of assets and liabilities into current and non-current and the useful lives of intangible assets.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

(b) Fixed assets

Fixed assets (tangible and intangible) are stated at cost, net of accumulated depreciation/ amortization and impairment, if any. The cost of an asset comprises its purchase price and any cost directly attributable for bringing the asset to its working condition and location for its intended use. Subsequent expenditures, if any, related to an item of fixed assets are added to its book value only if they increase the future benefits from existing asset beyond its previously assessed standard of performance.

(c) Depreciation/amortization

Depreciation on all tangible assets is provided on straight-line method over the useful lives of assets prescribed under Schedule II of the Act. Management estimates the useful life of Intangible Assets to be six (6) years and all intangible assets are amortized over their useful life on straight line basis. In respect of additions, depreciation is provided on pro-rata basis from the date of acquisition/installation. Written down value of all assets acquired prior to 01 April 2014 are being depreciated over their remaining useful life as prescribed in Schedule II of the Act.

(d) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(e) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. Provision for diminution in value is made to recognize a decline other than temporary in the value of the long-term investments.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably estimated and collectability is reasonably assured.

- Revenue from services consists of revenue earned from contracts or agreements with related parties, which are recognized as and when related services are performed and when no significant uncertainty exists regarding the collectability of revenue.
- Interest income on deposits/bonds/debentures is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- Profit/loss on sale of investments is recognized on sale/redemption of respective investments.
- Dividend income is recognized when the Company's right to receive dividend is established.

(g) Employee retirement benefits

Gratuity

The Company provides for Gratuity, a defined benefit retirement plan covering the eligible employees. The Gratuity Plan provides a lump-sum payment to vested employee at the time of retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to Gratuity are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

Compensated absences

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

Defined contribution plans

The Company provides defined contribution plans in the form of Provident Fund and Employees State Insurance (ESI) in respect of the employees covered under the respective Acts at the rate specified in the act and the same is charged to revenue. Provident Fund and ESI are classified as defined contribution plans as the Company has no further obligation beyond making the contributions.

(h) Leases

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense in the Statement of profit and loss on a straight line basis over the lease term.

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

(i) Tax expense

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 ("IT Act"). The Company accounts for tax credit in respect of Minimum Alternate Tax ("MAT") in situations where the MAT payable is higher than tax payable under normal provisions of the IT Act. The credit so availed is adjusted in future years when the tax under normal provisions is higher than MAT payable to the extent of the said difference.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each balance sheet date.

The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(j) Provisions, contingent liabilities and contingent assets

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be 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.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation 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 on outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

(k) Transactions in foreign currency

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction. Foreign currency monetary items are reported using the year-end rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(l) Borrowing costs

Interest on borrowing is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable on the borrowing. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortized over the tenure of the respective borrowings. An unamortized borrowing cost remaining, if any, is fully expensed off as and when the related borrowing is prepaid /cancelled.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash and deposit with banks. The Company considers all highly liquid investments at the time of purchase with a remaining maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(n) Earnings per equity share

Basic earnings per equity share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purposes of diluted earnings per equity share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4. Transfer pricing

In accordance with international transfer pricing regulations of the IT Act, the Company is required to use certain specific methods in computing arm's length prices of international transactions with associated enterprises and maintain adequate documentation in this respect. These regulations require that such information and documentation be to contemporaneous, including conducting a benchmarking study to determine whether any transactions with associated enterprises undertaken are on an "arm's length basis". The Company is in the process of updating its transfer pricing study for the financial year ended 31 March 2017. Management is of the opinion that the Company's international transactions are at arm's length. Consequently, no adjustments, if any, that may arise from this study are presently recorded in the financial statements.

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

5 Share capital

	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of ₹ 10 each	252.50	2,525.00	252.50	2,525.00
	252.50	**2,525.00**	252.50	2,525.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	147.32	1,473.17	147.32	1,473.17
	147.32	**1,473.17**	**147.32**	**1,473.17**

a) Reconciliation of equity share capital

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

b) Terms and rights attached to equity shares

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

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

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

	Number	Holding %	Number	Holding %
Equity shares of ₹ 10 each				
Arvind Kajaria	28.00	19.01	28.00	19.01
Sharad Kajaria	28.00	19.01	28.00	19.01
Intel Capital (Mauritius) Limited	-	-	15.35	10.42
Padma Kajaria	14.00	9.50	14.00	9.50
	70.00	47.52	85.35	57.94

e) In the current financial year, the Board has proposed a dividend @ 20% i.e. ₹ 2.00 per share amounting to ₹ 354.61 lacs including dividend distribution tax of ₹ 59.98 lacs. The proposed dividend by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

6 Reserves and surplus

		As at 31 March 2017	As at 31 March 2016
i)	**Capital Reserve**	**96.14**	**96.14**
ii)	**General Reserve**	**169.15**	**169.15**
iii)	**Securities premium reserve**	**5,527.11**	**5,527.11**
iv)	**Surplus in the statement of profit and loss**		
	Balance at the beginning of the year	4,143.70	524.35
	Add : Transferred from statement of profit and loss	401.66	3,973.96
	Amount available for appropriation	4,545.36	4,498.31
	Appropriations:		
	- Proposed dividend	-	(294.63)
	- Tax on proposed dividend	-	(59.98)
	Balance at the end of the year	**4,545.36**	**4,143.70**
		10,337.76	**9,936.10**

7 Deferred tax liabilities, net

	As at 31 March 2017	As at 31 March 2016
Deferred tax liabilities		
Timing difference on depreciation for fixed assets	140.00	120.29
Deferred tax assets		
Expenses allowable on payment basis	(27.34)	(20.43)
	112.66	**99.86**

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

8 Provisions

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Provision for employee benefits				
Provision for gratuity	49.92	1.52	36.65	1.10
Provision for compensated absences	11.48	0.37	6.90	0.25
Others				
Proposed dividend (including interim dividend)	-	-	-	294.63
Tax on proposed dividend	-	-	-	59.98
	61.40	**1.89**	**43.55**	**355.96**

a) Employee benefits

Gratuity is a post employment benefit and is a defined benefit plan. The liability recognised in the balance sheet represents the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets (if any), together with adjustment for unrecognised actuarial gains or losses and past service cost. Independent actuaries calculate the defined benefit obligation annually using the Projected Unit Credit Method . The assumptions used for actuarial valuation of liabilities towards gratuity and leave encashment are as follows :

	As at 31 March 2017		As at 31 March 2016	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Change in projected benefit obligation				
Projected benefit obligation at the beginning of the year	37.75	7.15	56.21	-
Service cost	6.36	2.15	5.66	7.15
Interest cost	2.98	0.56	4.41	-
Actuarial (gain) / loss	4.35	2.26	(13.44)	-
Benefits paid	-	(0.27)	(15.09)	-
Projected benefit obligation at the end of the year	**51.44**	**11.85**	**37.75**	**7.15**
Components of employee benefit costs are				
Service cost	6.36	2.15	5.66	7.15
Interest cost	2.98	0.56	4.41	-
Expected returns on plan assets	-	-	-	-
Recognized net actuarial (gain)/ loss	4.35	2.26	(13.44)	-
Net employee benefit costs	**13.69**	**4.97**	**(3.37)**	**7.15**

	As at 31 March 2017	As at 31 March 2016
Assumptions used		
Discount rate	7.40%	7.90%
Rate of increase in salaries	5%	5%
Withdrawal rate per annum	2%	2%
Expected average remaining working lives of employees (years)	25.28	27.15
Mortality	IALM 06-08 Ultimate	IALM 06-08 Ultimate
Retirement age	58 Years	58 Years

	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Amount recognised in the current and previous years					
Defined benefit obligation at the end of the period	51.44	37.75	56.21	36.76	29.22
Experience gain/(loss) adjustments on plan liabilities	1.19	(13.19)	(1.71)	(0.35)	3.91

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

9 Short-term borrowings (secured)

	As at 31 March 2017	As at 31 March 2016
Term loan from bank	-	330.00
	-	**330.00**

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

The loan carried an interest @ 9.95% pa (31 March 2016: 9.95%) and has been repaid during the year. The above loan was secured by pledge of investment in debentures of the Company.

10 Other current liabilities

	As at 31 March 2017	As at 31 March 2016
Current maturities of long-term borrowings	-	19.19
Interest accrued but not due on borrowings	-	2.79
Advance from a related party	270.92	277.82
Dues to employees	95.80	90.79
Unpaid dividend (*)	5.71	4.54
Deposit from employees	1.82	32.45
Statutory dues	19.06	11.58
Capital creditors	13.90	3.75
Liabilities for expenses	33.79	32.71
	441.00	**475.62**

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

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

11 Fixed assets

Asset category	Gross block				Depreciation/amortisation				Net block
	As at 01 April 2016	Additions during the year	Sales / adjustment during the year	As at 31 March 2017	Up to 01 April 2016	Charge for the year	Sales / adjustment during the year	Up to 31 March 2017	As at 31 March 2017
A. Tangible assets									
Land and Building	1,372.48	-	-	1,372.48	89.69	21.71	-	111.40	1,261.08
Furniture and fixtures	316.36	75.44	13.00	378.80	75.77	31.41	4.15	103.03	275.77
Computers and peripherals	233.20	0.25	0.65	232.80	153.81	38.45	0.56	191.70	41.10
Office equipments	158.69	44.77	5.08	198.38	59.80	30.73	4.55	85.98	112.40
Vehicles	165.19	-	18.45	146.74	69.38	19.50	16.48	72.40	74.34
Total (A)	**2,245.92**	**120.46**	**37.18**	**2,329.20**	**448.45**	**141.80**	**25.74**	**564.51**	**1,764.69**
B. Intangible assets									
Website 123India.Com	63.48	-	-	63.48	63.48	-	-	63.48	-
Softwares	145.35	5.96	-	151.31	106.86	9.79	-	116.65	34.66
Total (B)	**208.83**	**5.96**	**-**	**214.79**	**170.34**	**9.79**	**-**	**180.13**	**34.66**
Total (A+B)	**2,454.75**	**126.42**	**37.18**	**2,543.99**	**618.79**	**151.59**	**25.74**	**744.64**	**1,799.35**

Asset category	Gross Block				Depreciation/amortisation				Net block
	As at 01 April 2015	Additions during the year	Sales / adjustment during the year	As at 31 March 2016	Up to 01 April 2015	Charge for the year	Sales / adjustment during the year	Up to 31 March 2016	As at 31 March 2016
A. Tangible assets									
Land and Building	1,372.48	-	-	1,372.48	67.98	21.71	-	89.69	1,282.79
Furniture and fixtures	237.92	80.97	2.53	316.36	51.25	26.14	1.62	75.77	240.59
Computers and peripherals	186.86	54.25	7.91	233.20	117.47	43.85	7.51	153.81	79.39
Office equipments	102.42	62.40	6.13	158.69	43.80	21.80	5.80	59.80	98.89
Vehicles	132.40	32.79	-	165.19	48.18	21.20	-	69.38	95.81
Total (A)	**2,032.08**	**230.41**	**16.57**	**2,245.92**	**328.68**	**134.70**	**14.93**	**448.45**	**1,797.47**
B. Intangible assets									
Website 123India.Com	63.48	-	-	63.48	63.48	-	-	63.48	-
Softwares	144.38	0.97	-	145.35	97.65	9.21	-	106.86	38.49
Total (B)	**207.86**	**0.97**	**-**	**208.83**	**161.13**	**9.21**	**-**	**170.34**	**38.49**
Total (A+B)	**2,239.94**	**231.38**	**16.57**	**2,454.75**	**489.81**	**143.91**	**14.93**	**618.79**	**1,835.96**

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

12 Non-current investments

(valued at cost, unless otherwise stated)

		As at 31 March 2017	As at 31 March 2016
a.	**In non-convertible debentures (quoted, non-trade)**		
	10.20 % Srei Infrastructure Finance Limited (*)	496.00	496.00
	50 units (Previous year 50 units) of ₹ 1,000,000 each fully paid up		
		496.00	496.00
	(*) Pledged against short term borrowings which was repaid during the year.		
b.	**Investments in equity instruments (unquoted, trade)**		
	123Greetings.com, Inc.		
	A wholly owned subsidiary company incorporated in USA		
	10,000,000 (Previous year 10,000,000 shares) common stock shares of USD 0.01 each fully paid up	43.15	43.15
	One Two Three Greetings (India) Private Limited		
	A wholly owned subsidiary company incorporated in India		
	2,000,000 (Previous year 2,000,000 shares) equity shares of ₹ 10 each fully paid up	200.00	200.00
	Intrasoft Ventures Pte. Limited		
	A wholly owned subsidiary company incorporated in Singapore		
	1,400,000 (Previous year 1,400,000 shares) of SGD 1.00 each fully paid up	618.02	618.02
		861.17	**861.17**
	Total non-current investments	**1,357.17**	**1,357.17**
	Aggregate amount of		
	Quoted investments	496.00	496.00
	Unquoted investments	861.17	861.17
		1,357.17	**1,357.17**
	Aggregate market value of quoted investments	505.12	493.97

13 Loans and advances

(Unsecured considered good, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016
Long-term loans and advances		
MAT credit entitlement	1,711.46	1,628.28
Security deposits	21.31	21.04
Advance income tax (net of provisions)	31.75	171.11
Service tax receivable, net	271.18	341.70
Service tax refund receivable	-	45.12
	2,035.70	**2,207.25**
Short-term loans and advances		
Loan to a body corporate*	157.00	200.20
Advance to employees	2.27	16.37
Advance to suppliers	7.75	4.15
Prepaid expenses	13.02	32.97
Loan to wholly owned subsidiaries (refer note 33)#	85.00	441.14
Income tax refund receivable	94.83	-
Other advances	0.42	3.40
	360.29	**698.23**

* Loan is given to a SMV Agencies Private Limited for business purpose.

\# Loans are given to subsidiaries for business purpose.

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

14 Current investments

(valued at lower of cost and fair value)

	As at 31 March 2017		As at 31 March 2016	
	No. of units	Amount	No. of units	Amount
In mutual funds (unquoted)				
Birla Sunlife Corporate Bond Fund (G)	33.50	400.00	-	-
Birla Sunlife Short-term Opportunities Fund (G) (*)	18.46	500.00	-	-
DSP Blackrock Income Opportunities Fund (D)	61.60	688.30	-	-
DSP Blackrock Income Opportunities Fund (G) (*)	-	-	62.44	1,500.00
HDFC Short Term Plan - Regular Plan (G) (*)	21.63	700.00	-	-
ICICI Prudential Corporate Bond Fund (G) (*)	19.76	500.00	-	-
IDFC Super Saver Income Fund Investment Plan (G)	9.91	400.00	-	-
Kotak Low Duration Fund (G)	0.16	320.00	0.62	1,111.79
Kotak Medium Term Fund (G)	29.08	393.22	-	-
L & T Income Opportunities Fund (G) (*)	-	-	64.91	1,080.00
L & T Income Opportunities Fund (D)	33.55	368.74	-	-
L & T Resurgent India Corporate Bond Fund (G) (*)	73.92	900.00	-	-
Reliance Corporate Bond Fund (G) (*)	68.65	900.00	-	-
Reliance Dynamic Bond Fund (G)	17.91	400.00	-	-
Reliance Regular Savings Fund (QD)	16.27	213.88	-	-
Reliance Regular Savings Fund (G) (*)	-	-	82.24	1,670.00
Total current investments		**6,684.14**		**5,361.79**

(*) Pledged with Citibank N.A. towards standby letter of credit for ₹ 3200 lacs in favour of 123Stores Inc. (step down subsidiary)

15 Trade receivables (*)

(Unsecured considered good, unless otherwise stated)

	As at 31 March 2017	As at 31 March 2016
Due for more than six months	-	135.12
Other debts	159.39	1,046.91
	159.39	**1,182.03**

(*) The entire amount is due from wholly owned subsidiaries.

16 Cash and bank balances

	As at 31 March 2017	As at 31 March 2016
Cash on hand	0.20	0.23
Balances with banks		
- in current accounts	9.91	16.31
	10.11	16.54
Other bank balances		
-Unpaid dividend account	5.71	4.54
-Employees deposit account	1.82	32.45
	17.64	**53.53**

17 Other current assets

	As at 31 March 2017	As at 31 March 2016
Interest accrued on debentures	1.26	1.05
Other interest accrued	12.94	12.99
	14.20	**14.04**

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

18 Revenue from operations

	Year ended 31 March 2017	Year ended 31 March 2016
IT enabled services	1,199.15	2,842.73
	1,199.15	**2,842.73**

19 Other income

	Year ended 31 March 2017	Year ended 31 March 2016
Interest income		
- on inter corporate deposits	14.39	33.21
- on non-convertible debentures	51.00	51.14
- on loans to subsidiaries	9.55	31.54
- others	14.42	1.80
	89.36	117.69
Dividend income on current investments	62.49	12.00
Net gain on sale of long-term investments	-	90.13
Net gain on sale of current investments	559.66	110.82
Net gain on foreign currency transactions and translation	14.88	109.77
Other miscellaneous income	0.01	5.90
	726.40	**446.31**

20 Sales and marketing expenses

	Year ended 31 March 2017	Year ended 31 March 2016
Marketplace, marketing and referral fees	-	557.23
	-	**557.23**

21 Employee benefits expense

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, Allowances & Other Benefits	861.52	1,253.75
Contribution to provident and other funds	23.06	29.03
Staff welfare expenses	4.11	7.67
	888.69	**1,290.45**

22 Finance costs

	Year ended 31 March 2017	Year ended 31 March 2016
Interest on loans	13.90	150.66
Other borrowing costs	27.94	39.35
	41.84	**190.01**

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

23 Other expenses

	Year ended 31 March 2017	Year ended 31 March 2016
Electricity charges	42.45	43.11
Office expenses	23.62	35.80
Rent	49.56	35.49
Repairs to others	24.16	34.53
Insurance	2.75	2.12
Rates and taxes	17.20	18.61
Travelling expenses	39.90	104.75
Legal and professional charges	105.08	79.28
Telephone and other communication expenses	18.88	24.18
Payment to auditors		
Statutory audit	7.00	11.00
Limited review	6.43	2.29
Tax audit	0.60	0.60
Other services	5.53	0.84
Reimbursement of expenses	0.79	-
Statutory release and publications	15.23	2.26
Corporate social responsibility (CSR) expenses (refer Note 27)	-	0.55
Loss on sale of fixed assets (net)	6.21	0.26
Miscellaneous expenses	40.28	93.45
	405.67	**489.12**

24 Exceptional items

	Year ended 31 March 2017	Year ended 31 March 2016
Gain on sale of shares held under IntraSoft Beneficiary Trust (*)	-	6,076.08
Less : Assets under development written off (refer note below)	-	(2,634.96)
	-	**3,441.12**

(*) on sale of 1,750,000 shares of IntraSoft Technologies Limited held under IntraSoft Beneficiary Trust.

Note: The Company completed the review of the software assets that have been under development for some time. These software assets were related to different features of the E-commerce business that were yet to be launched. Management decided to write off these software assets under development as these software resources would not be contributing to future revenues.

25 Earning per share

	Year ended 31 March 2017	Year ended 31 March 2016
Net profit after tax as per statement of profit and loss	401.66	3,973.96
Weighted average number of equity shares	147.32	147.32
Basic and diluted earnings per equity share (face value of ₹10 each)	2.73	26.98

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

26 Earnings/expenditure in foreign currency (on accrual basis)

	Year ended 31 March 2017	Year ended 31 March 2016
Earnings		
IT enabled services	1,193.15	2,842.73
	1,193.15	2,842.73
Expenditure		
Travelling expenses	18.22	61.38
Subscription and membership fee	3.60	3.38
Others	0.34	0.22
	22.16	**64.98**

27 Disclosures in respect of CSR expenses under section 135 of the Companies Act, 2013 and rules thereon

	Year ended 31 March 2017	Year ended 31 March 2016
(a) Gross amount to be spent during the year	-	0.54
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	0.55
	-	**0.55**

28 Unhedged foreign currency exposure

	Year ended 31 March 2017	Year ended 31 March 2016
Loans given	-	351.14
Trade receivables	159.39	1,182.03
	159.39	**1,533.17**

29 Contingent liability and commitments

	Year ended 31 March 2017	Year ended 31 March 2016
Capital commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	23.40
Contingent liabilities		
Guarantees given	3,201.25	3,201.25
Claims against the Company not acknowledged as debt	47.72	17.72
	3,248.97	**3,218.97**

30 As per requirement of AS 17, 'Segment Reporting', no disclosures are required to be made since the Company's activities consists of a single business segment (primary segment) of Internet based delivery of services. The entire revenues are billable outside India and there is only one geographical segment (secondary segment).

31 In accordance with Accounting Standard (AS) 19 - 'Leases', the Company does not have any non cancellable operating lease. Expenditure incurred on account of operating lease rentals during the year and recognized in Statement of Profit and Loss amount to ₹ 49.56 lacs (Previous Year ₹ 35.49 lacs).

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

32 Details of Specified Bank Notes (SBN) held and transacted during the period from 9 November 2016 to 30 December 2016

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	0.54	0.23	0.77
(+)Permitted receipts	-	-	-
(+)Cash withdrawal	-	0.20	0.20
(-) Permitted payments	-	0.36	0.36
(-) Amount deposited in Banks	0.54	-	0.54
Closing cash in hand as on 30 December 2016	-	0.07	0.07

* SBN means old ₹ 1,000 and ₹500 notes which got discarded as legal tender w.e.f. 9 November, 2016

33 Related party disclosures

a) Names of related parties and description of relationship

Relationship	Name of related party
Key managerial personnel (KMP) and their relatives	Mr. Arvind Kajaria- Managing Director
	Mr. Sharad Kajaria- Whole Time Director
	Mrs. Padma Kajaria- Relative of Director
	Mr. Mohit Kumar Jha- Chief Financial Officer
	Mr. Pranvesh Tripathi - Company Secretary
	(Appointed w.e.f. 10 May 2016)
	Mr. Rakesh Dhanuka - Company Secretary
	(Resigned w.e.f 10 May 2016)
Subsidiary Companies	
Wholly Owned Subsidiary	123Greetings.com, Inc. (Incorporated in USA)
	Intrasoft Ventures Pte. Ltd. (Incorporated in Singapore)
	One Two Three Greetings (India) Pvt. Ltd.
Step-down Subsidiary	123Stores, Inc. (Incorporated in USA)
	123Stores E Commerce Private Limited
Enterprise where KMP have significant influence or control	IntraSoft Beneficiary Trust (Trust has been dissolved in FY 2015-16)

Notes

to the financial statements for the year ended 31 March 2017

(All amounts ₹ in Lacs unless specified otherwise)

b) Transactions with related parties

Name of the party	Nature of transactions	Year ended 31 March 2017	Year ended 31 March 2016
123Greetings.com, Inc.	Sale of IT Enabled Services	1,193.15	1,206.92
One Two Three Greetings (India) Pvt. Ltd	Sale of IT Enabled Services	6.00	-
	Loan repaid	5.00	5.00
Intrasoft Ventures Pte. Ltd	Loan given	-	664.81
	Loan repaid	355.16	331.97
	Investment in share capital	-	564.00
	Interest received	9.55	31.54
123Stores,Inc	Sale of IT Enabled Services	-	1,635.82
IntraSoft Beneficiary Trust	Dividend paid	-	17.50
	Sale consideration for shares	-	6,246.21
Mr. Arvind Kajaria	Dividend paid	28.00	28.00
	Remuneration	72.11	72.11
Mr. Sharad Kajaria	Dividend paid	28.00	28.00
	Remuneration	67.61	67.61
Mrs. Padma Kajaria	Dividend paid	14.00	14.00
Mr. Mohit Kumar Jha	Remuneration	31.65	20.22
Mr. Rakesh Dhanuka	Remuneration	1.28	7.49
Mr. Pranvesh Tripathi	Remuneration	20.20	-

c) Balances with related parties

Name of the party	Nature of balances	As at 31 March 2017	As at 31 March 2016
123Greetings.com, Inc.	Year-end receivable	159.39	102.70
One Two Three Greetings (India) Pvt. Ltd	Year-end payable	270.92	277.82
	Loan balance receivable	85.00	90.00
Intrasoft Ventures Pte. Ltd	Loan balance receivable	-	351.14
123Stores,Inc	Year-end receivable	-	1,079.33

34 Previous year's amount have been regrouped/rearranged to confirm to the classification of the current year, wherever considered necessary.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Anamitra Das**
Partner

Gurgaon
24 May 2017

Mohit Kumar Jha
Chief Financial Officer

Pranvesh Tripathi
Company Secretary

Kolkata
24 May 2017

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

Arvind Kajaria
Managing Director
(DIN: 00106901)

Sharad Kajaria
Whole-time Director
(DIN: 00108036)

Notice

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of IntraSoft Technologies Limited will be held on Tuesday, 22 August 2017 at 3.00 P.M. at Sunville, Orchid Room, 9, Dr. Annie Besant Road, Worli, Mumbai –400018 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

   (a) the audited standalone financial statement of the Company for the financial year ended 31 March 2017, the Reports of the Board of Directors and Auditors thereon; and

   (b) the audited consolidated financial statement for the year ended 31 March 2017.

2. To declare Dividend on Equity Shares for the financial year ended on 31 March 2017.

3. To appoint a Director in place of Mr. Sharad Kajaria (DIN: 00108036), who retires by rotation and being eligible, offers himself for re-appointment.

4. To ratify the appointment of Statutory Auditors, M/s. Walker Chandiok & Co., Chartered Accountants (Firm Registration No. 001076N/N500013) as Statutory Auditors of the Company and to fix their remuneration and pass following resolution:

   "**RESOLVED THAT** pursuant to provisions of the Section 139, 142 of the Companies Act, 2013 and rules made thereunder and amended from time to time, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members in the Annual General Meeting held on 8 September 2016, the appointment of M/s. Walker Chandiok & Co., Chartered Accountants (Firm Registration No. 001076N/N500013), as Statutory Auditors be and is hereby ratified for the financial year ended 31 March 2018 and that the Board of Directors of the Company be and hereby authorised to fix their remuneration, as may be recommended by the Audit Committee."

SPECIAL BUSINESS

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

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, re-enactment or amendment thereof, for the time being in force) and as per the recommendation of Nomination and Remuneration Committee and approval of the Board, consent of the Company be and is hereby accorded for re-appointment of Mr. Arvind Kajaria (DIN: 00106901) as Managing Director of the Company for a period of 3 (three) years with effect from 1 April 2017 on such terms and conditions detailed in the explanatory statement attached hereto, with the authority to the Board of Directors to revise, amend, alter or otherwise vary the terms and conditions, including remuneration, of the said appointment that may be agreed to between the Board of Directors and Mr. Arvind Kajaria.

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

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

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary,

proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto."

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

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, re-enactment or amendment thereof, for the time being in force) and recommendation of Nomination and Remuneration Committee and approval of the Board, consent of the Company be and is hereby accorded for the re-appointment of Mr. Sharad Kajaria (DIN: 00108036) as Whole-time Director of the Company for a period of 3 (three) years with effect from 1 April 2017 on such terms and conditions detailed in the explanatory statement attached hereto, with the authority to the Board of Directors to revise, amend, alter or otherwise vary the terms and conditions of the said appointment that may be agreed to between the Board of Directors and Mr. Sharad Kajaria.

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

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

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

7. Appointment of Mr. Ashok Bhandari (DIN: 00012210) as Independent Director of the Company.

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

"RESOLVED THAT pursuant to Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification) Rules, 2014 (including any statutory modifications, re-enactment or amendment thereof for the time being in force) and Chapter-IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, Mr. Ashok Bhandari (DIN: 00012210) who was appointed as Additional Director of the Company w.e.f. 18 March 2017 and in respect of whom Company has received a notice under Section 160 of the said Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office upto 17 March 2022."

By Order of the Board of Directors

Place: Kolkata
Date: 24 May 2017

Pranvesh Tripathi
Company Secretary

Registered Office:
CIN: L24133MH1996PLC197857
A-502, Prathamesh, Raghuvanshi Mills Compound,
Senapati Bapat Marg, Lower Parel (W),
Mumbai – 400 013
Tel: 022 2491 2123 Fax: 022 2490 3123
Email: intrasoft@itlindia.com Website: www.itlindia.com

Notes:

a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The duly filled up proxy form in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for commencement of the Annual General Meeting.

b) A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

c) The dividend on Equity Shares, as recommended by the Board of Directors, if approved by the shareholders, will be credited / dispatched on or after 23 August 2017 to those members whose names shall appear on the Company's Register of Members on 14 August 2017 in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

d) Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.

e) Members/Proxies should bring the attendance slip duly filled in for attending the Meeting.

f) Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working days from Monday to Friday, during business hours up to the date of the Meeting.

g) Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the Meeting.

h) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 15 August 2017 to Tuesday, 22 August 2017 (both days inclusive) for the purpose of payment of dividend, if declared at the Meeting.

i) SEBI vide its Circular dated 21 March 2013 have asked all the listed companies that any payments to the investors shall be made through electronic mode. Members are requested to update their address/bank mandate with their respective Depository Participant (DP) in respect of shares held in demat form and in respect of shares held in physical form with the Company's Registrar & Share Transfer Agent, **M/s. Link Intime India Private Limited,** C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083.

j) Shareholders who have not encashed their dividend warrants for the dividends declared for the financial years 2009-10 to 2015-16 (Interim and/or Final Dividend) are requested to send a letter along with unclaimed dividend warrant, if any, or letter of undertaking for issue of duplicate dividend warrant/ demand draft. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 8 September 2016 (date of last Annual General Meeting) on the website of the Company (www.itlindia.com) and also on the website of the Ministry of Corporate Affairs.

In terms of Section 124 of Companies Act, 2013 (corresponding Section 205A and 205C of the Companies Act, 1956), any dividend remaining unpaid for a period of seven years from the date of transfer to Unpaid Dividend Account is required to be transferred to the "Investor Education & Protection Fund" (IEPF). Members are requested to encash their Dividend Warrants promptly. It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie with the Company in respect of such amount.

k) Members who have not registered their e-mail address so far are requested to register their e-mail address with their DPs in case of shares held in dematerialised form and with RTA in case of shares held in physical form.

l) Information and other instructions relating to voting by electronic means:

i. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed in this notice by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting (AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

iii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

iv. The members who have cast their vote by remote e-voting may attend the meeting but shall not be entitled to cast their vote again.

v. The remote e-voting period commences on Saturday 19 August 2017 (9:00 am) and ends on Monday, 21 August 2017 (5:00 pm). During this period members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. on 14 August 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

A. In case a Member receives an email from NSDL:

(i) Open email and open PDF file viz.; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "IntraSoft Technologies Ltd".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to js@rathiandassociates.com

B. In case a Member receives physical copy of the Notice of AGM:

(i) Initial password is provided in the Attendance Slip for the AGM:

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.

vii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

viii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

ix. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

x. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 14 August 2017.

xi. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 14 August 2017 may obtain the login ID and password by sending a request at evoting@nsdl.co.in

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

xii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

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

xiv. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting shall make, not later than two days of the conclusion of the meeting,a consolidated scrutinizer's report and submit the same to the Chairman, who shall declare the result of the voting forthwith. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.itlindia.com and on the website of NSDL immediately after the declaration of result by the Chairman. The results shall simultaneously be submitted with the stock exchanges where the Company's shares are listed.

m) The Annual Accounts of the Subsidiary Companies shall be available at the Registered Office of the Company for inspection by any shareholder.

n) Hard copy of the details of accounts of subsidiaries required by any Shareholders can be obtained with a written request to the Company Secretary of the Company at the Registered Office of the Company.

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

Item No. 5

The tenure of Mr. Arvind Kajaria as Managing Director expired on 31 March 2017. The Board of Directors of the Company at its meeting held on 18 March 2017 as per the recommendation of the Remuneration Committee and subject to approval of the Shareholders, re-appointed Mr. Arvind Kajaria as Managing Director of the Company for a period of 3 (three) years w.e.f. 1 April 2017.

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

A. **Period of appointment:** 3 (three) years i.e. from 1 April 2017 to 31 March 2020.

B. **Basic Salary:** ₹ 4,00,000/- (Rupees Four Lacs only) per month.

C. **Perquisites:**

1. Housing: Fully furnished residential accommodation, the cost of which shall not exceed 50% of the basic salary per annum or HRA in lieu thereof.
2. Provision of a Car: Actual running & maintenance expenses will be borne by the Company.

D. **Termination:**

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

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

F. **Other Terms**

1. Subject to superintendence, control and direction of the Board of Directors of the Company, the Managerial Personnel shall exercise and perform such powers and duties as the Board of Directors of the Company ("the Board") may from time to time determine and shall also do and perform all such other acts, things and deeds which in the ordinary course of business he considers necessary in the interest of the Company.
2. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 and Regulation 26 of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 with regard to duties and obligations of directors.

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

Except Mr. Arvind Kajaria, the appointee and Mr. Sharad Kajaria, Whole Time Director of the Company and relatives of Mr. Arvind Kajaria, none of the Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in resolutions set-out under Item no. 5.

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

The Board recommends the Special Resolutions set out at Item No. 5 of the Notice for approval by the shareholders.

Item No. 6

The tenure of Mr. Sharad Kajaria as Whole-time Director expired on 31 March 2017. The Board of Directors of the Company at its Meeting held on 18 March 2017 as per the recommendation of the Remuneration Committee and subject to approval of the Shareholders, re-appointed Mr. Sharad Kajaria as Whole-time Director of the Company for a period of 3 (three) years w.e.f. 1 April 2017.

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

A. **Period of appointment:** 3 (three) years i.e. from 1 April 2017 to 31 March 2020

B. **Basic Salary:** ₹ 3,75,000/- (Rupees Three Lacs Seventy Five Thousand only) per month.

C. **Perquisites:**

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

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

D. **Termination:**

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

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

F. **Other Terms**

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

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

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

None of the Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in resolutions set-out under item no. 6 except Mr. Sharad Kajaria, the appointee and Mr. Arvind Kajaria, Managing Director of the Company and other relatives of Mr. Sharad Kajaria are interested in the resolution as set out at Item No. 6 of the Notice.

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

The Board recommends the Special Resolutions set out at Item No. 6 of the Notice for approval by the shareholders.

Information pursuant to Schedule V and other applicable provisions, if any, of the Companies Act, 2013 for the resolutions set out as Item No. 5 & 6 for the respective re-appointment of Managing Director and Whole-time Director:

I General Information:

1. Nature of industry: IT Enabled Services

2. Date or expected date of commencement of commercial production: Not Applicable

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

4. Financial performance based on given indicators for the last three financial years:

(Amount ₹ in Lacs)

Particulars	2016-17	2015-16	2014-15
Total Income	1,925.55	3,289.04	3515.10
Profit Before Tax & Exceptional Items	437.76	618.32	579.50
Exceptional Items (Gain)	-	3,441.12	-
Profit before Tax	437.76	4,059.44	579.50
Less: Provision for Income Tax (Including Deferred Tax)	36.10	85.48	78.03
Profit after Tax	401.66	3,973.96	501.47
Dividend for the Year	₹ 2 (20%)	₹ 2 (20%)	₹ 2 (20%)

5. Foreign investments or collaborations, if any: Two Foreign Wholly Owned Subsidiaries viz;

   a) 123Greetings.com,Inc (USA)

   b) Intrasoft Ventures Pte. Ltd, (Singapore)

   The Company do not have any other foreign collaboration.

II. Information about the appointee:

Sr. No.	Particulars	Mr. Arvind Kajaria	Mr. Sharad Kajaria
1	Background details	Mr. Arvind Kajaria is a Commerce Graduate and also holds Bachelor's degree in Business Administration from Adelphi University, New York. He is one of the Promoters of the Company. He has vast experience in finance, marketing, management and Investor Relations.	Mr. Sharad Kajaria is a Commerce graduate. He is one of the Promoters of the Company. He is designated as Whole-time Director of the Company. He is well-versed with all the aspects of the Company's business operations and Technology developments and upgradations.
2	Recognition or awards	Award winner at the Leadership Training Programme by Dale Carnegie (USA).	His knack of understanding new media has been instrumental in the Company's strategic technological initiatives.
3	Past remuneration	2015-16 - ₹ 72,10,800 p.a.	2015-16 - ₹ 67,60,800 p.a.
4	Job profile and his suitability	He is serving as Managing Director of the Company. He has been the Chairman of the Board since 1998 and has been the driving force behind the Company, especially in areas of business development, expansion, operations, strategic planning and execution. As a management professional with over 28 years of experience, he has built a world-class Enterprise and made revolutionary contributions to the Internet revolution. He looks after day-to-day affairs including Finance, marketing, Investors Relation and overall management of the Company.	Sharad Kajaria is the Whole-time Director of the Company and has been actively associated with it since its incorporation. With over 19 years of experience in internet technologies, Sharad Kajaria spearheaded realigning the business with a stronger focus on new technology, innovation, systems and process reengineering along with expansions of scale. His intuitive sense of advanced technology and his knack of understanding new media has been instrumental in the Company's strategic technological initiatives.He looks after overall business of the Company.
5	Remuneration proposed	As mentioned in the attached explanatory statement.	
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).	It is not possible to find out comparative remuneration in the industry with respect to profile and position. The remuneration proposed for Managing Director and Whole time Director is purely based on merits.	
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Does not have any pecuniary relationship except remuneration drawn as Managing Director / Whole-time Director and as a shareholder to the extent of their shareholding in the Company. Mr. Arvind Kajaria and Mr. Sharad Kajaria are related to each other.	

III Other information:

1. Reasons of loss or inadequate profits:

During the year under review the Company incurred expenses on Product Development and for other software and technology based areas to further improve its technology and thereby to remain competitive in the market and to compete in the future. The Company also written off some software assets under development which has been under development for some time related to different features of the E-commerce business that were yet to be launched but, in management's review, would not be contributing to future revenues. Further, Sales & Marketing, Employees Cost and Administrative Cost have also increased due to increase in the business of the Company. However, in spite of various measures to improve the profitability, but due to stiff competition in e-commerce and e-greetings business the overall margin was under pressure.

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

   The Company has taken several and adequate steps to improve the profit margins such as invested in advance technologies to meet the customer requirements and thus handling large volume of orders by leveraging our robust technology architecture. Apart from that, focus is on improving all aspects of the customer experience such as improving availability, offering faster delivery and performance time, scaling up our operations by adding new products and enhancing our reach, efficient supply chain, better price point and greater range of products, improving reliability and earning customer trust. Attract advertisers by using dominance of Company's e-greetings website.

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

   The Company is very conscious and undertakes constant measures for improving its profit margin. Due to strong competition in online retail industry in United States, it is extremely difficult to predict profits in measurable terms. But the Company is very much positive from long term perspective as the investment made has started yielding impressive results.

IV **Disclosures:**

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

Item No. 7

To broad base the Board of Directors of the Company, the Board of Directors at its meeting held on 18 March 2017 appointed Mr. Ashok Bhandari, as an additional Director in the category of Independent Director of the Company.

The Company has received notice from a shareholder under Section 160 of the Companies Act, 2013 proposing his candidature as director of the Company.

Mr. Ashok Bhandari has rich and versatile experience of 40 years in financial matters. Mr. Ashok Bhandari has been awarded many times while holding the responsibilities of Chief Financial Officer (CFO) in different organizations including best CFO in India in 2014 for remarkable leverage management amongst large corporates by Business Today and Yes Bank and hence the Company will benefit from his experience for guiding the policies and setting up the goals. Brief resume of Mr. Ashok Bhandari is provided hereinafter in terms of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms part of this notice.

The Company has received declaration from Mr. Ashok Bhandari that he meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. Mr. Ashok Bhandari has also given consent to act as Director in terms of Section 164 of the Act. In the opinion of the Board, Mr. Ashok Bhandari fulfil the conditions for appointment as an Independent Director as specified in the Act and rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Ashok Bhandari is independent of the management.

Copy of the draft letter of appointment of Mr. Ashok Bhandari as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Except Mr. Ashok Bhandari and his relatives none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested in the resolution for appointment of Mr. Ashok Bhandari as an Independent Director.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

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

Name	**Arvind Kajaria**	**Sharad Kajaria**	**Ashok Bhandari**
Date of Birth	17 December 1964	17 March 1976	2 February 1953
Date of Appointment/Re-appointment (w.e.f.)	1 April 2017	1 April 2017	18 March 2017
Qualification	B. Com, Degree in Business Administration from Adelphi University, New York (MBA)	B. Com.	B.Sc., Chartered Accountant (FCA)
Brief Resume	Mr. Arvind Kajaria is a Commerce Graduate and also holds Bachelor's degree in Business Administration from Adelphi University, New York. He is one of the Promoters of the Company. He has vast experience in finance, marketing, management and Investor Relations.	Mr. Sharad Kajaria is a Commerce graduate. He is one of the Promoters of the Company. He is designated as Whole-time Director of the Company. He is well-versed with all the aspects of the Company's business operations and Technology developments and upgradations.	Mr. Ashok Bhandari has rich and versatile experience of 40 years in financial matters. Mr. Ashok Bhandari has been awarded many times while holding the responsibilities of Chief Financial Officer (CFO) in different organizations including best CFO in India in 2014 by Business Today and Yes Bank.
Area of Expertise	Finance, Marketing and Management, Investor Relations.	Business Operations, Internet Technologies & Software.	Finance, Banking and Commercial
Experience	28 years	19 years	40 years
Other Directorship in Listed Entities	Nil	Nil	1. N.B.I. Industrial Finance Company Limited 2. Maithan Alloys Limited
Name of the other Companies in Committees of which holds membership/ chairmanship	Nil	Nil	Nil
Disclosure of relationship between Directors inter-se	None of the Directors/ Key Managerial Personnel of the Company/ their relative are, in any way, concerned or interested, financially or otherwise, in such re-appointment of Mr. Arvind Kajaria as Managing Director except Mr. Arvind Kajaria, Mr. Sharad Kajaria and other relatives of Mr. Arvind Kajaria.	None of the Directors/ Key Managerial Personnel of the Company/ their relative are, in any way, concerned or interested, financially or otherwise, in such re-appointment of Mr. Sharad Kajaria as Whole-time Director except Mr. Sharad Kajaria, Mr. Arvind Kajaria and other relatives of Mr. Sharad Kajaria.	None of the Directors/ Key Managerial Personnel of the Company/and their relative are, in any way, concerned or interested, financially or otherwise, in such appointment of Mr. Ashok Bhandari as an Independent Director of the Company.
Number of Equity Shares held (as on 31 March 2017)	28,00,014	28,00,000	Nil

Corporate Information

BOARD OF DIRECTORS

Arvind Kajaria - *Managing Director*
Sharad Kajaria - *Whole-time Director*
Rupinder Singh - *Independent Director*
Anil Agrawal - *Independent Director*
Savita Agarwal - *Independent Director*
Ashok Bhandari - *Independent Director (*appointed w.e.f 18 March 2017)

AUDITORS

M/s Walker Chandiok & Co LLP
Chartered Accountants.
Kolkata

COMPANY SECRETARY & COMPLIANCE OFFICER

Pranvesh Tripathi (appointed w.e.f 10 May 2016)

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-101, 247 Park, L. B.S. Marg,
Vikhroli (W), Mumbai – 400083
Tel: 91-22-4918-6270, Fax: 91-22-4918-6060
Email: rnt.helpdesk@linkintime.co.in

BANKERS

1. HDFC Bank Ltd.
2. State Bank of India

REGISTERED OFFICE

502A, Prathamesh, Raghuvanshi Mills Compound,
Senapati Bapat Marg, Lower Parel (W),
Mumbai – 400 013
Tel: 91-22-2491-2123, Fax: 91-22-2490-3123
Email: intrasoft@itlindia.com

CORPORATE OFFICE

Suite 301,
145, Rash Behari Avenue,
Kolkata – 700 029
Tel: 91-33-4023-1234, Fax: 91-33-2464-6584
Email: intrasoft@itlindia.com

CORPORATE IDENTIFICATION NUMBER

L24133MH1996PLC197857

INTRASOFT TECHNOLOGIES LIMITED

CIN: L24133MH1996PLC197857

Registered Office: 502A, Prathamesh, Raghuvanshi Mills Compound,
Senapati Bapat Marg, Lower Parel (w), Mumbai – 400 013
Tel: 022 2491 2123 Fax: 022 2490 3123
Email: intrasoft@itlindia.com Website: www.itlindia.com

ATTENDANCE SLIP

I/We hereby record my/our presence at the 22nd Annual General Meeting of the Company held on Tuesday, 22 August 2017 at 3:00 P.M. at Sunville,Orchid Room, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

Name _____

Address _____

Folio No. _____ No. of Shares held _____

Client ID _____ DP ID_____

Name of Proxy/Representative, if any _____

Signature of the Shareholder(s)/Proxy/Representative _____

INTRASOFT TECHNOLOGIES LIMITED

CIN: L24133MH1996PLC197857

Registered Office: 502A, Prathamesh, Raghuvanshi Mills Compound,
Senapati Bapat Marg, Lower Parel (w), Mumbai – 400 013
Tel: 022 2491 2123 Fax: 022 2490 3123
Email: intrasoft@itlindia.com Website: www.itlindia.com

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

22nd Annual General Meeting – 22 August 2017

Name of the Member(s):	
Registered address:	
E-mail ID:	
Folio No. / Client ID:	
DP ID	

I /We, being the member(s) of _____ shares of IntraSoft Technologies Ltd, hereby appoint:

Name _____ Email _____
Address _____ Signature _____
or failing him / her
Name _____ Email _____
Address _____ Signature _____
or failing him / her
Name _____ Email _____
Address _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Tuesday, 22 August 2017 at 3:00 P.M. at Sunville, Orchid Room, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	For	Against
1.	To consider and adopt the Audited Standalone and Consolidated Financial Statement for the financial year ended 31 March 2017 along with the reports of the Board of Directors and Auditors thereon.		
2.	To declare dividend on Equity Shares for the financial year ended on 31 March 2017.		
3.	Re-appointment of Mr. Sharad Kajaria as director, who retires by rotation.		
4.	Ratification of Appointment of Statutory Auditors up to the conclusion of the next Annual General Meeting and to fix their remuneration for the financial year ending 31 March 2018.		
5.	Re-appointment of Mr. Arvind Kajaria as Managing Director of the Company.		
6.	Re-appointment of Mr. Sharad Kajaria as Whole-time Director of the Company.		
7.	Appointment of Mr. Ashok Bhandari as an Independent Director of the Company.		

Signed this _____ day of _____ 2017.

Affix Revenue stamp of not less than Re. 1/-

_____ _____

Signature of the Share holder(s) Signature of the proxy holder(s)

*In terms of Regulation 44(4) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, Equity shareholders may vote either for or against each resolution as proposed in the Notice of Annual General Meeting.

Route map to the venue of the 22nd AGM of IntraSoft Technologies Limited on 22 August 2017

Sunville Banquet & Conference
9, Dr. Annie Besant Road, Worli, Mumbai,
Maharashtra 400018

INTRASOFT TECHNOLOGIES LIMITED
A-502, Prathamesh,
Raghuvanshi Mills Compound,
Senapati Bapat Marg, Lower Parel.
Mumbai – 400 013
Phone : 91-22-2491-2123
Fax : 91-22-2490-3123
Email: intrasoft@itlindia.com