

A large, stylized red letter 'S' with a glossy, 3D effect, set against a white background. The 'S' is composed of thick, rounded strokes with a gradient from dark red to light red, giving it a sense of depth and movement.

IntraSoft Technologies Limited  
**Annual Report 2014-15**

# One alphabet transform the world

## ▶ CONTENTS

About IntraSoft	02
Global e-commerce	04
The US e-commerce market	06
IntraSoft the e-player of respect	08
Highlights, 2014-15	14
Statement from the management	16
Management discussion and analysis	18
Directors' Report	24
Report on Corporate Governance	44
Financial Section	57
Notice	101

et has  
rmed  
ld.

Commerce is now e-commerce.

At IntraSoft Technologies, we are harnessing the transformative power of 'e'!

## IntraSoft Technologies Limited is...



...a net profit-positive e-commerce player focused on the US online retail space.

... a company that grew revenues 12x between 2009-10 and 2014-15.



## IntraSoft Technologies. Leveraging the e-space.

► **123Stores** is a multi-channel retailer, marketing 200,000 products from over 1300 brands in the US online retail space.

► **123Greetings** is the world's leading e-greeting destination for human expressions, reaching 95 million visitors annually. It provides over 42,000 e-cards across multiple languages, covering a mix of 3,000 seasonal and everyday categories.

**59.4%**

Promoter's  
holding

**12.2%**

Foreign Venture  
Capital  
holding

**343**

Revenues in  
2014-15  
(₹ crore)

**5.96**

Net Profit in  
2014-15  
(₹ crore)

**260+**

Team size  
(March 31, 2015)



# e-click... more frequently every second!

E-commerce is an idea that continues to grow.

## For reasons of economy, convenience, choice and access.

Global e-commerce sales increased more than 20% to almost US\$840 billion in 2014.

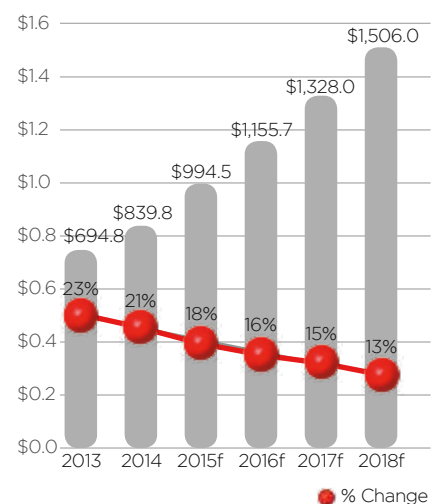
While e-commerce has grown exponentially, online retail accounts for only 5.9% of global retail sales (in-store and internet purchases).

Even as this number is expected to increase to 8.8% by 2018, it will be only a fraction of the overall sales being reported across the world.

Making this a business with decades of sustainable growth potential.

The big message that we wish to send out is: even as online retail appears to be the latest fad the world over, the reality is that it has barely scratched its true potential.

**Global e-commerce sales**  
(US\$ billions)



### e-commerce numbers

# 840

Sales in 2014  
(US\$ billion)

# 20%

Growth in sales  
over 2013

# 5.9%

Share of online  
retail in total retail  
sales (2014)

# 8.8%

Estimated share of  
online retail in total  
retail sales (2018)



**e-commerce...  
just the business  
to be in**



## The US. The largest. The best.

At IntraSoft, we strategised to start our e-commerce business in the US for some good reasons.

The US is the world's largest online retail market (estimated value US\$ 263 billion, 2013) and one of the fastest growing.

We have been present in this geography for 17 years through our e-greetings business. We understand the customer needs comprehensively.

Best of all, a successful US presence provides the business with an unmatched experience a grounding that makes it possible to succeed in any market.

## Who is clicking to buy in the US?

Some 69% of U.S. adults who regularly buy online, purchase about 16% of their products online. These consumers (25 to 33 years old, Gen Y) spent an average of US\$563 every three months (February-April, 2014); consumers (34-47 years, Gen X) spent an average US\$535 online during the same period (*Source: Forrester data*).

This proves something conclusive: that e-commerce is not necessarily an 'age' thing largely preferred by those who are tech-savvy and young. This is now a universal phenomenon. An idea whose time has come.

## Where does the trend go from here?

There are two interesting growth curves at play here. One, the U.S. e-commerce sales curve is expected to grow from US\$ 263 billion in 2013 to US\$414 billion in 2018 (*Source: Forrester*). Two, the share of e-commerce in total retail sales is expected to grow as well - from 8% in 2013 to 11% in 2018.

This double-impact - growth on a larger base - is expected to enlarge the e-commerce market significantly, strengthening prospects for established e-commerce brands.

### US online retail statistics





# e-player of respect and preference

## **We are visible**

The key to success in the e-commerce space is visibility among e-marketplace destinations. We are attractively placed in this regard. We enjoy attractive visibility on eight of the most frequented US e-marketplaces. We market products at multiple e-marketplaces - Amazon.com, Ebay.com, Amazon Canada, Alibaba's 11main.com, Sears.com New Egg, Rakuten (buy.com) and Bestbuy.com. The result is access to virtually every online American shopper.

## **We have been quick**

In the business of online retail, it takes years to establish a dependable presence among large e-marketplace brands. We arrived at a position of trust and dependability within only six years of entering the world's largest marketplace.



# We offer the most competitive prices

At 123Stores, we are able to offer the most competitive prices on account of operational efficiencies and cost optimisation.

- ▶ Our operations and customer support are located strategically in relatively low-cost India.
- ▶ We operate on a shop-in-shop partnership model with large e-retailers, which enables us to reach a large audience with marginal customer acquisition costs
- ▶ We enjoy discounts from vendors and logistic partners by the virtue of being a large volume player
- ▶ We make an extensive use of analytics to ensure 'just in time' procurement at optimum prices
- ▶ More than 75% of our shipments are made directly from our suppliers' warehouses, which eliminates holding and inventory costs

**+** Our catalogue comprises more than **200,000** SKUs

we add about

**10,000** products each month.

# If it is on display, it is never 'sold out'.

**At 123Stores, we track our inventory in real time across every retail market through disciplined systems and processes**

- ▶ We institutionalised rigorous inventory mapping with vendors for every product, ensuring that specified inventory levels are always maintained.
- ▶ We developed a software solution that updates our listing across market places with inventory position for every product in real-time
- ▶ We created distribution centres on the US east and west coasts for stocking fast moving products, ensuring anytime availability.



**Our shipments increased from 254,670 orders in 2013-14 to**

**772,981**  
orders in 2014-15.

# Our delivery period is the shortest.

**At 123Stores, we deliver orders quickest, reinforcing our dependability.**

- ▶ We are partnered with UPS and FedEx, the largest and most efficient logistics solution providers in the US; they deliver to 95% of US zip codes within two or three working days
- ▶ We automated even the smallest process in our supply chain, making it possible to track every package in the factory-destination journey
- ▶ We invested in systems to update us of probable delays in delivery due to unforeseen vagaries (natural or otherwise), making it possible to proactively inform customers.



**We received a**

**97%+**

**positive customer rating in most retail markets of our presence.**

## Credible achievements at 123Stores

**13th**

Fastest growing online retailer  
in the US

**800**

The number of US locations from which  
we ship products

**392**

Position on the top 500  
Internet Retailer list

**11,000**

Packages shipped out every day for a week  
during the 2014 Christmas season

**1641**

Position on Inc. 5000 fastest  
growing US companies

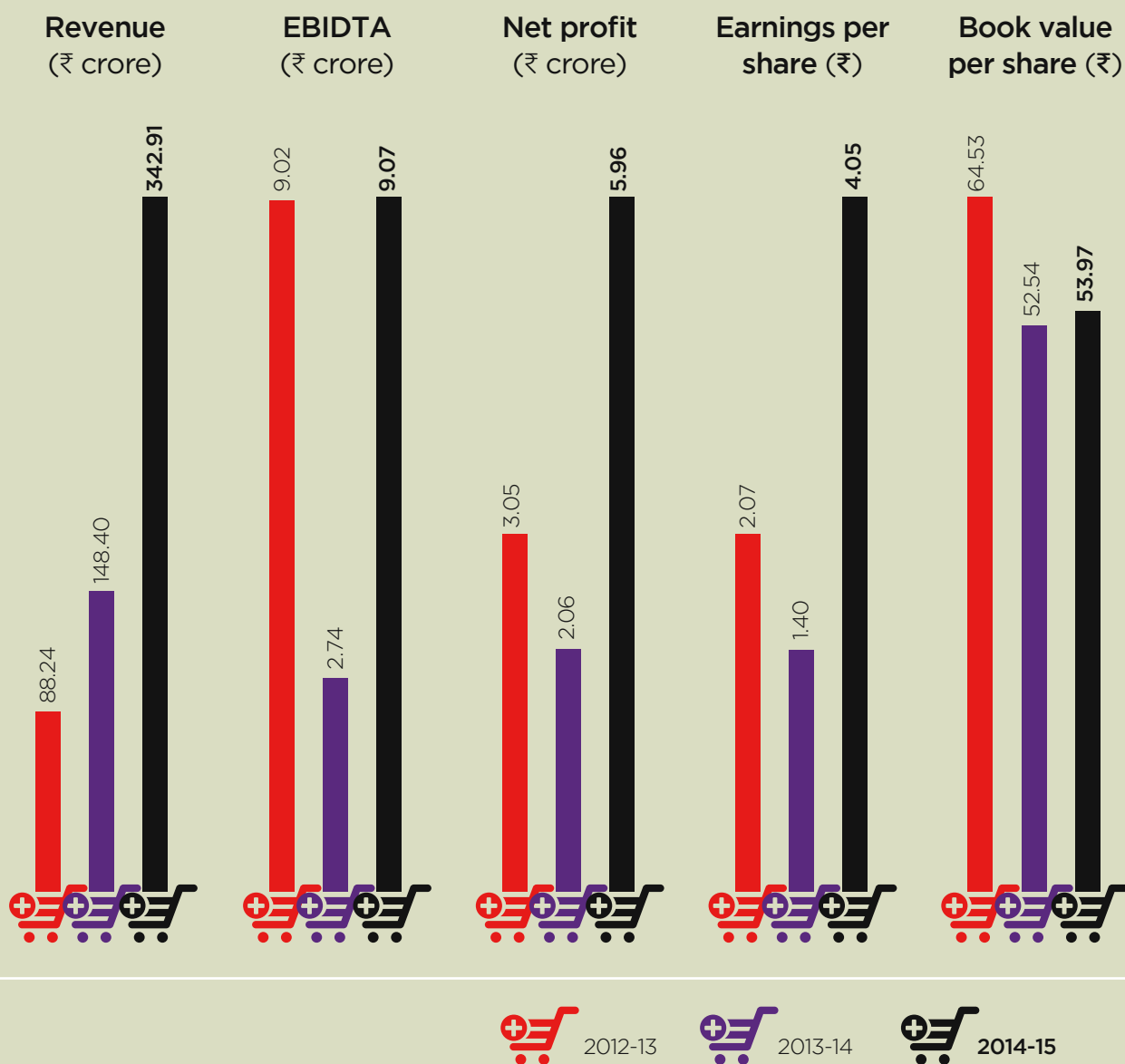
**10,000**

Number of products being added to our sales  
mix each month



## Highlights, 2014-15

- ▶ Revenues grew by 131% from ₹148.40 crore in 2013-14 to ₹342.91 crore in 2014-15
- ▶ EBIDTA grew by 231% from ₹2.74 crore in 2013-14 to ₹9.07 crore in 2014-15
- ▶ Net profit grew by 189% from ₹2.06 crore in 2013-14 to ₹5.96 crore in 2014-15



**Dear shareholders,**

The big message that I wish to communicate is that we leveraged our unique business model and turned net-profit positive in only six years of our existence, one of the shortest tenures for an e-commerce company.

**At 123Stores, we are focused on selling**

We are a multi-channel retailer, marketing products across market places, and through our proprietary website 123stores.com. We are focused on expanding sales volumes through all our channels in an unbiased manner

► Statement from **the management**

“We are an e-commerce company with a **difference**”



**At 123Stores, we have successfully managed complexities.**

We are present in eight of the largest marketplaces with more than 200,000 products on offer. We manage the corresponding business complexity through technology. We manage listings across multiple e-marketplaces, customising software to our needs and integrating acquired software into our mainstream for seamless results

**At 123Stores, we have extended beyond a handful product categories.**

We are not focused on any specific category. We are a technology-driven company; our objective is to ensure satisfactory fulfillment to the end users. The result is that we continue to add products and categories as long they represent a profitable proposition.

**At 123Stores, we are not an inventory-led company.**

Our suppliers are manufacturers and marketer of branded products. We do not purchase products for stocking and onward marketing;

we market products first that are then shipped by them, eliminating storage and inventory costs for most of our business.

**At 123Stores, we have a scalable business.**

Our proprietary technology platform makes it possible for us to scale volumes without a proportionate increase in people costs. As we leveraged our technology and supply chain, we were able to offer our customers a superior shopping experience and better price point. This is reflected in our 2014-15 performance: we were able to ship 3x the number of orders that we shipped in 2013-14.

**At 123Stores, we wish to be recognised as one of the best fulfillment brands.**

Our expertise lies in mapping business logic with IT-based solutions. We automated every process in our supply chain to accelerate product delivery. Even as our normal day-to-day average hovers between 2,500-3,000 packages, we touched almost 11,000 packages a day during the week leading to Christmas 2014, validating our systemic robustness.

**At 123Stores, we are focused on growing our business to the next level.**

Leveraging our proprietary software and business processes developed through years of experience, we will continue to procure products, add marketplaces to sell in and refine our delivery infrastructure to provide customers with a superior shopping experience where products of their choice are delivered at competitive prices in the quickest time.

# Management discussion and analysis

## Indian economic review

Markets that began reviving in 2013-14 gained momentum in 2014-15.

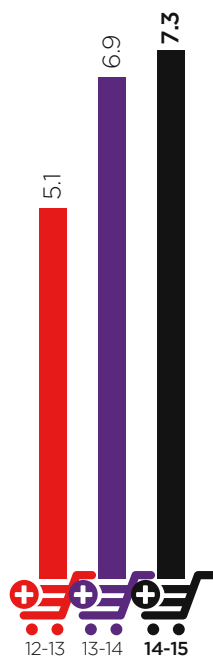
The economy was relatively independent of factors associated with usual economic slowdowns

and evident in 2011-12 and 2012-13 - inflation, fiscal deficit, weak demand, external account imbalances and an oscillating rupee.

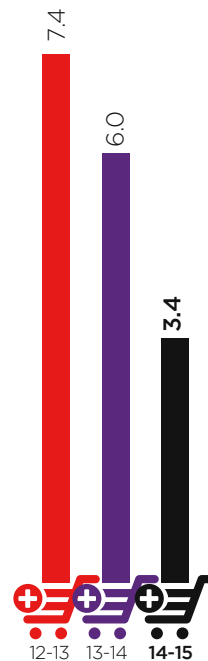
A redeeming feature was the emergence of India as a large

economy with a promising outlook, in contrast to pessimism in a number of advanced and emerging economies. India's GDP grew 7.4% in 2014-15 and is expected to grow further in 2015-16 (Source: Economic Survey).

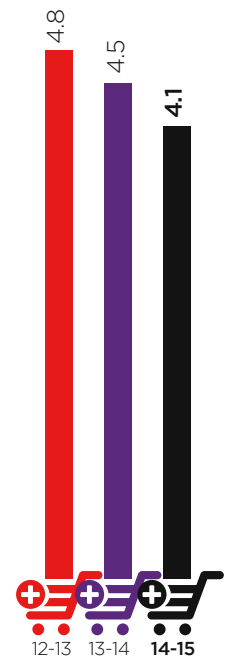
**GDP growth (%)**



**Inflation - WPI average (%)**



**Gross fiscal deficit (%)**



## E-commerce

E-Commerce has revolutionized retail. Its potential to offer one of the widest arrays of product categories and varieties at the click of a button, at the quickest delivery schedule and at the cheapest cost has transformed modern shopping trends.

The convenience of shopping and efficient service have positioned e-retail as the preferred shopping trend, especially among urban masses – resulting in exponential growth. The growth in choices offered is staggering.

As customer aspirations soar and the awareness of e-retail increases, this business segment is faced with the challenge of sustaining its robust growth. For this the business will need to do the following:

- ▶ Strengthen the robustness of its platform to manage growing volumes
- ▶ Strengthen transactional security for cementing customer confidence in this segment
- ▶ Expand product offerings even before demand materialises
- ▶ Develop an even more agile supply chain for seamless delivery
- ▶ Innovate novel customer engagement strategies for customer retention

The industry players will need to invest in capabilities and resources

to capitalise effectively on this retail transformation to establish and retain a loyal and large customer base.

### The US e-retail space

U.S. e-retail sales are expected to grow from \$263 billion in 2013 to \$414 billion in 2018, a compound annual growth rate of 9.5%, according to an online retail sales forecast from Forrester Research Inc. E-retail's share of total retail sales will continue to inch upward from 8% in 2013 to 11% in 2018. The dollar growth from the actual 2013 figure of \$263 billion to the forecasted \$414 billion for 2018 is 57.4%

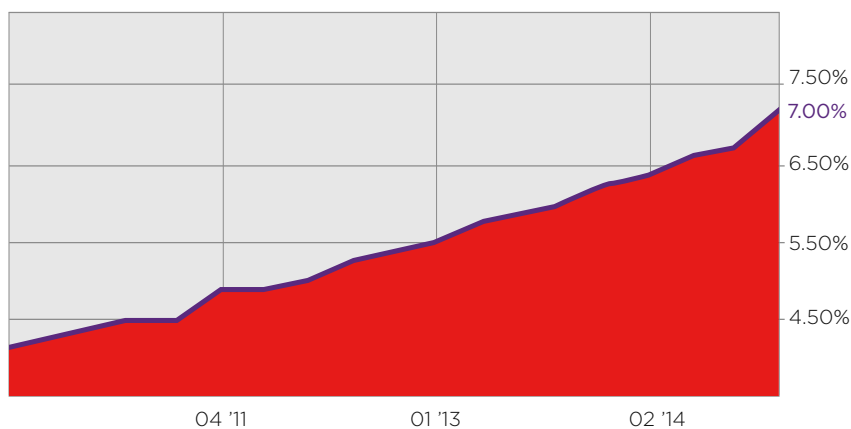
Increased shopping by consumers on mobile phones and tablets will catalyse growth. Increased spending by digital natives—consumers who grew up using the Internet from their earliest years—could also accelerate

growth as they move into their prime spending years.

Today, about 69% of U.S. adults that regularly buy online, purchase about 16% of their products online. Clothing, consumer electronics and computers generate about a third of all online shopping dollars in the US.

**According to Forrester's latest five-year e-commerce forecast (April 2015), US online retail sales are expected to reach US\$334 billion in 2015 and grow to US\$480 billion by 2019.**

### US e-commerce sales as percent of retail sales



## Online advertising space

India is the fastest growing economy in the world and is going digital with a vengeance. Online advertising will play a large part in this transformation as well as metamorphosing into a more effective marketing tool.

Across a little over 15 years online advertising has moved from simple e-mails and text ads to increasingly sophisticated and effective innovations like SEM (Search Engine Marketing) and mobile ads, widening reach across consumers.

### Emerging trends

► Mobile is slowly becoming the first screen in India. The penetration of smartphones coupled with the popularity of online video is enhancing FMCG spending in the digital domain.

► Another trend is the emergence of categories like e-Commerce, which is expected to lead the charge in 2015 in terms of ad-spend growth although from a relatively smaller base than more established categories.

### Optimism

As per a joint study by the Internet and Mobile Association of India (IAMAI) and IMRB International, the online advertising market size is expected to trend as below:

- March 2014: ₹2,750 crore (US\$444.72 million), of which display advertisement contributes 29% and search 38%
- March 2015: ₹3,575 crore (US\$578.13 million)
- March 2019: ₹10,000 crore (US\$1.6 billion)

## The business

The Company has two revenue verticals, namely online retail sales in the US and Canada (through 123Stores, Inc., a multi-channel E-Commerce retailer) and online advertising sales (mainly through 123Greetings.com, Inc., an online greeting cards company).

**As per McKinsey Global Institute (MGI), India's consumer markets will witness exponential growth during the period 2005-2025. India is expected to emerge as the 5th largest consumer market by 2025.**

Business

**E-commerce**



The Company owns and operates 123stores, a multi-channel E-commerce retailer with a strong technology backbone that combines supply chain logistics with real-time customer data to create a compelling shopping experience. The Company markets more than 200,000 products in leveraging the shop-in-shop business model. The Company's top five product categories are

- 1) Furniture, Patio, lawn and garden
  - 2) Musical Instruments & Gadgets
  - 3) Home Improvement & Art Crafts
  - 4) Kitchen, Dining & Appliances
  - 5) Toys, Games & Babies
- which account for more than 85% of its sales.

Its products are sourced from more than 1030 active vendors that are delivered by its logistics partners, UPS and FedEx, across all pincodes in the US. The Company also has two distribution centers in the East (New York) and West (Nevada) for managing fast-moving products.

### Business performance, 2014-15

- E-commerce revenues grew by 151% from ₹128.49 crore to ₹322.64 crore.
- 123Stores, Inc. was ranked #392 on the Internet Retailers 2015 Top 500 Guide, a jump of 107 places over the 2014 rankings

- ▶ The US company was ranked the 13th fastest growing online retailer
- ▶ Orders shipped were 772,981 in 2014-15 against 254,670 in 2013-14
- ▶ Average order value was ₹4,174 in 2014-15

## Outlook

Customers are increasingly trending towards online marketplaces for their shopping requirements. They are further expanding their purchases and shifting from an

experimental shopper to a matured shopper. We are fully geared to capitalize on this evolution in online shopping in North America.

### Business

## E-greetings



123Greetings is the world's leading online destination for human expressions reaching 95 million visitors annually. It offers over 42,000 e-cards across multiple languages and covers a mix of 3,000 seasonal and everyday categories. 123Greetings e-cards business strengthened its regional language content library with new e-cards across diverse languages namely Russian, Mandarin, Spanish, German, French and Hindi for key holidays and occasions. The presence across mobile and mobile apps has further enhanced the value proposition for our customers.

## Business performance, 2014-15

- ▶ Revenues increased by 2% from ₹19.90 crore to ₹20.27 crore
- ▶ Number of cards sent using Mobile Application grew more than ten-fold from 0.93 Lakhs in 2013-14 to 9.59 Lakhs in 2014-15

## Outlook

The availability of E-greetings on Mobile and Mobile Apps has opened a plethora of opportunities for advertisers who are increasingly using the mobile platform in addition to conventional routes for branding initiatives. This is expected to increase the online advertisement revenue for the Company.

## Financial performance

*(Based on consolidated financial statements for the year ended 31st March, 2015)*

- ▶ Consolidated total income for the year ended 31st March, 2015 increased to ₹34701.59 lakhs compared to ₹15301.27 lakhs in the previous year, registering a growth of 127%
- ▶ Consolidated profit after tax was ₹596.09 lakhs.
- ▶ Earning per equity share (EPS) was recorded at ₹4.05.

*(Based on standalone financial statements for the year ended 31st March, 2015)*

- ▶ Standalone total income for the year ended 31st March, 2015 increased to ₹3473.32 lakhs compared to ₹2,317.78 lakhs in the previous year, registering a growth of 49%.
- ▶ Standalone profit after tax was ₹501.47 lakhs.
- ▶ Earning per equity (EPS) was recorded at ₹3.40.

During 2014-15, a sizeable jump in income from operations was due to a significant momentum in the e-commerce business. The surge in shipment from 254,670 orders in 2013-14 to 772,981 in 2014-15 resulted in cost efficiencies. As a result, the cost of goods sold as percentage of overall sales reduced from 67.7% to 64.7% and business margins improved.

The Company lives by the philosophy that 'we don't care where the product is sold as long as we

are the seller'. As a means to this end, the Company is working on growing business volumes through

stronger relationships with vendors and increasing its presence across more marketplaces and platforms.

The resultant economies-of-scale is expected to improve operating margins.

---

### **Internal control system and its adequacy**

The Company has put in place adequate controls that are commensurate with its size and the nature of its operations.

These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational

information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. Regular internal checks are carried out to ascertain the existence of adequate system. The Management also reviews the other control systems and procedures to ensure

its application.

The emphasis on internal control prevails across functions and processes, covering the entire gamut of various activities. An effective and comprehensive review by the Audit Committee of the Board has strengthened the internal controls and other systems within the organization.

---

### **Opportunities and threats**

The biggest advantage of the online medium is its accessibility. Any innovation can be transmitted far more effectively and widely and can be, therefore, far more disruptive of any placid momentum. Consequently, customer preferences keep evolving and business models of companies have to keep up. Free of regulatory restrictions, this space offers a dynamism and flexibility that is unimaginable in any other space. This freedom and dynamism, while encouraging an out-of-the-box approach, can prove to be

challenging to the existing players.

The online experience is all about novelty - anyone offering that will be able to capture a larger share of the market. The challenge posed is in the fact that any innovation online turns stale within a much smaller timeframe and innumerable replications of any successful idea make it difficult to separate the innovator from the imitator.

Unlike in the physical space, market preferences are transient and constantly shifting. While this can be a challenge, pre-empting this

trajectory can pave the way for the biggest opportunities in the online space. It is not just about anticipating customer preferences, it is also about moulding them. Consistent engagement through feedback forms and surveys as well as opening up social media platforms through which an open channel of communication can be maintained differentiates this space and ensures a closer connect with market realities than is possible in the physical space. Market research takes an all new form in this digital age.

---

### **Human resource**

The past year's success is the product of a talented, smart, hard-working group. Setting the bar high in our approach to hiring has been, and will continue to be, the single most important element of your Company's success.

Our people are our key asset. We

have been able to create a work environment that encourages pro-activeness and responsibility. The relationship with our employees has been harmonious during the year under review. We have created an ambience of professionalism mixed with fun and creativity, which helps in enhancing and elevating an

individual as well as the organization to the next level of achievement.

The progress made by the Company was possible due to sustained efforts of the entire team.

As on 31st March, 2015, the employee strength of the company was 261.



## Risks and their management

**Business is about taking and managing risks. Business risk profile will evolve in line with altering dynamics. The same holds true at IntraSoft, which has progressively transformed into a prominent player in the online retail space.**

### Key Risks

#### 1 Our business is seasonal.

**Generally a third of the annual revenue is generated in the third quarter of the financial year.**

**Risk mitigation:** This is most pertinent for the e-commerce space which is concentrated on the US market where the third quarter is the festive season. The Company has ensured adequate redundancies in its systems and processes to ensure that it seamlessly addresses the demand spike in the third

quarter of the fiscal. Consider this: in 2014, the Company shipped 3000 packages a day on an average; during the week before Christmas, the Company successfully shipped 11,000 packages a day. Besides, the proprietary technology and the efficient logistics partners facilitate the Company to take this number even higher in the coming years.

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

**Risk mitigation:** The Company is focused on grabbing a larger pie of the customers' wallet. For this the Company continues to invest business surplus to strengthen its proprietary technology platform, automate processes better through innovative software solutions that will enable it to stay ahead of the curve of customer expectations.

## Forward-looking statement

The statement in the Management's Discussion and Analysis reflect current expectations of the Company and are inherently uncertain. The actual results could differ materially for various

reasons, including, among others, fluctuations in foreign exchange rates, changes in global economic conditions and consumer spending, world events, the rate of growth of the Internet and online commerce,

the amount that the Company invests in business and the timing of those investments, change in the Government regulations, tax laws and other statutes and incidental factors.

# DIRECTORS' REPORT

To  
The Shareholders

Your Directors take pleasure in presenting the Twentieth Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2015.

## Financial Results

The Company's performance during the year ended 31st March, 2015 as compared to the previous financial year, is summarized below:

Particulars	Consolidated		Standalone	
	2014-15	2013-14	2014-15	2013-14
Total Income	34,701.59	15,301.27	3,473.32	2,317.78
Profit before Interest and Depreciation	907.12	274.35	776.48	204.40
Less: Finance Cost	76.00	90.20	59.30	33.26
Depreciation	146.59	402.11	137.68	394.51
Profit before Tax	684.53	(217.96)	579.50	(223.37)
Less : Provision for Income Tax	88.44	(423.79)	78.03	(427.92)
Profit after Tax	596.09	205.83	501.47	204.55
Add: Balance brought forward	421.61	888.13	426.30	894.10
Amount available for appropriations	1,017.70	1,093.96	927.77	1,098.64
<b>Appropriations</b>				
Interim Dividend	147.32	-	147.32	-
Proposed Final Dividend	147.32	147.32	147.32	147.32
Dividend Tax on Interim and Final dividend	59.44	25.03	59.44	25.03
Additional Depreciation as per Companies Act, 2013	49.34	-	49.33	-
Transferred to General Reserve	-	500.00	-	500.00
Balance carried to Balance Sheet	614.28	421.61	524.36	426.30

## Business

The financial results during the year under review reflect the outstanding performance of the Company and its subsidiaries compared to year-on-year basis. The total consolidated income for the financial year under review is ₹34,701.59 lakhs compared to ₹15,301.27 lakhs of the previous financial year, registering a growth of 127%. The consolidated net profit for the financial year under review is ₹596.09 lakhs as compared to ₹205.83 lakhs of the previous financial year. The total standalone income stood at ₹3,473.32 compared to ₹2,317.78 lakhs of the previous financial year, registering a growth of more than 49 %. The Company's net profit for the year under review was amounted to ₹501.47 lakhs as compared to ₹204.55 lakhs of the previous financial year.

123Stores, the online e-commerce business the major revenue generator witnessed good growth. Orders shipped during the financial year were 7.73 Lakhs as against 2.54 Lakhs orders in the previous financial year registering a growth of 204% in orders, averaging approximately 2,118 orders/ day. The Company was ranked as the 392nd largest Online Retailer in the US as per Internet Retailer's Top 500 Guide, improvement in position from #499 in last financial year.

123Greetings.com continued to see increased Mobile Application usage year on year with more than 10-fold increase in the number of cards sent, from 0.93 Lakh in 2013-14 to 9.59 Lakhs during FY2014-15.

Your Company is continuously investing in efforts to better understand customers and improve products to meet their expectations. New products are also being introduced to stay ahead of competition. These initiatives involve complex analytics and research on customer behaviour and strengths of competing products. The industry has become very dynamic and first movers continue to gather more traffic share and business. This translates into continuous internal investments, particularly in human capital. Further, consumer preferences are evolving at a rapid pace and to succeed in this industry it is imperative to regularly innovate and meet the ever changing expectations on the customer. Your Company

always endeavours to meet the customer requirements. The Company expects much better growth in the coming future.

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

## Subsidiary Companies

The Company has its three wholly owned subsidiaries viz 123Greetings.com, Inc (USA), Intrasoft Ventures Pte. Ltd [Formerly known as 123Greetings (Singapore) Pte Ltd (Singapore)] & One Two Three Greetings (India) Private Limited (India). To increase the focus on the growing E-commerce business, a step-down subsidiary named as 123Stores, Inc (USA) was incorporated during the year under review, which is wholly owned subsidiary of Intrasoft Ventures Pte. Ltd (Singapore).

The performance and financial position of each of the subsidiaries for the year ended 31st March 2015 is attached and marked as Annexure I and forms part of this Report.

## Dividend

Your Directors would like to inform that considering the robust growth vis-à-vis improvements in financial position in January 2015, the Board of Directors declared and paid an interim dividend of ₹1/- (10 %) per share. Further, your directors are pleased to recommend a final dividend of ₹1/- (10 %) per share. The total dividend for the financial year 2014-15 would accordingly be ₹2/- (20 %) per share. The total outgo towards dividend for the financial year amounts to ₹3,54,07,900/- including dividend distribution tax of ₹59,44,544/-.

## 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 to the Profit and Loss account.

## Revision of Financial Statement

There was no revision of the financial statements for 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 Deposit) Rules, 2014 during the year under review. 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)(i) 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 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 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 the Company's operations in future.

## Particular of Contracts or Arrangement with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on 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 in accordance with the policy of the Company on materiality of related party transactions. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link <http://itlindia.com/investors/other-information.html>

Your Directors draw attention of the members to Note no. 2.30 of Standalone financial statement which sets out disclosures on related parties and transactions entered into during the financial year under review with the said parties, if any.

## Particulars of Loans, Guarantees, Investments and Securities

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient(s) are provided Note 2.16 of standalone financial statement.

## Disclosure under Section 43(a)(ii) of The Companies Act, 2013

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

## Disclosure under Section 54(1)(d) of The Companies Act, 2013

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

## Disclosure under Section 62(1)(b) of The Companies Act, 2013

The Company has not issued any equity shares under

Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

### **Disclosure under Section 67(3) of The Companies Act, 2013**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

### **Matters Related to Directors and Key Managerial Personnel:**

#### **Board of Directors & Key Managerial Personnel**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sharad Kajaria, Whole-time Director of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his appointment.

Pursuant to the requirement of Section 203 of the Companies Act, 2013, Mr. Mohit Kumar Jha, Finance Head of the Company was appointed as Key Managerial Personnel designated as Chief Financial Officer of the Company.

In accordance with the provisions of the Act, none of the Independent Directors are liable to retire by rotation.

### **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 forming part of this Annual Report.

### **Disclosures Related to Board, Committees and Policies:**

#### **Board Meetings**

The Board of Directors met six times i.e. on 29th May, 2014, 30th June, 2014, 31st July, 2014, 27th October, 2014, 5th November, 2014 and 27th January, 2015 during the financial year ended 31st March 2015. More details on the Board Meeting are provided in the Corporate Governance Report forming part of this Annual Report.

#### **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 31st March, 2015, the Board of Directors hereby confirms that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 31st March, 2015 and of the profit of the Company for that year;
- 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;
- the annual accounts of the Company have been prepared on a going concern basis;
- internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

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

### **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. More details on all the Committees are provided in the Corporate Governance Report forming part of this Annual Report. Various policies framed by the Committees / Board pursuant to the applicable provisions of the Companies Act, 2013 and Listing Agreement are available on the Company's Website at the web link; <http://itlindia.com/investors/other-information.html>

### **Vigil Mechanism Policy for the Directors and Employees**

The Board of Directors of the Company has, 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 "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option 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.

### **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**

A statement indicating the manner for evaluation of performance of the Board and its committee, 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 and 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.

### **Particulars of Employees**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Financial Statement are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

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

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

### **Auditors and Reports:**

The matters related to Auditors and their Reports are as under:

### **Observations of Statutory Auditors on Accounts for the Year Ended 31st March 2015**

The observations made by the Statutory Auditors in their report for the financial year ended 31st March 2015 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

### **Secretarial Audit Report for the Year Ended 31st March 2015**

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. M/s Rathi and Associates, Company Secretaries has been appointed as Secretarial Auditors to issue Secretarial Audit Report for the financial year 2014-15.

Secretarial Audit Report issued by M/s Rathi and Associates, Company Secretaries in Form MR-3 for the financial year 2014-15 forms part to this report. The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

### **Appointment of Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s K. N. Gutgutia, Chartered Accountants, the Statutory

Auditors of the Company, hold office upto the conclusion of the ensuing Annual General Meeting. The Auditors have furnished to the Company certificate under Section 139 of the Act to the effect that their appointment, if made, shall be in accordance with the prescribed conditions and that they are eligible to hold the office of Auditors of the Company and also their consent to hold the office of Auditors of the Company. The Board recommends the appointment of M/s K. N. Gutgutia, Chartered Accountants as the Statutory Auditors of the Company.

Necessary resolution for reappointment of the said Auditors is included in the Notice of AGM for seeking your approval.

### **Extract Of Annual Return**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2015 made under the provisions of Section 92(3) of the Act 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 and Companies (Corporate Social Responsibility Policy) Rules, 2014 of the Companies Act, 2013, Annual Report on CSR is attached to this report as Annexure IV.

### **Management's Discussion and Analysis**

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

## Corporate Governance

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](http://www.itlindia.com).

The Company has complied with the provisions of Corporate Governance requirements, as stipulated under Clause 49

of the Listing Agreement. A separate section on Corporate Governance forming part of the Directors' Report and the certificate from a Practicing Company Secretary confirming the compliance of Corporate Governance requirements is attached with the Corporate Governance Report.

## Acknowledgements and Appreciation

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/ associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

**For and on behalf of the Board**

Place: Kolkata

Date: 27th May, 2015

### 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](mailto:intrasoft@itlindia.com) Website: [www.itlindia.com](http://www.itlindia.com)

**Arvind Kajaria**

*Managing Director*

(DIN No. 00106901)

**Sharad Kajaria**

*Whole-time Director*

(DIN No. 00108036)



## ANNEXURE I

## PERFORMANCE OF SUBSIDIARY COMPANIES

(Amount in ₹)

1	Name of the subsidiary/Joint Venture/Associate Companies	123 Greetings. com, Inc.	Intrasoft Ventures Pte. Ltd. [Formerly known as 123 Greetings (Singapore) Pte. Ltd.]	One Two Three Greetings (India) Private Limited	123Stores, Inc. *
2	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
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	USD, 1 USD = ₹62.50	SGD, 1 SGD = ₹45.54	N.A.	USD, 1 USD = ₹62.50
4	Share capital	62,50,000	91,08,000	2,00,00,000	31,25,000
5	Reserves and Surplus	64,56,916	26,585	11,15,933	26,55,486
6	Total Assets	3,62,53,245	93,07,637	3,13,76,532	29,05,15,717
7	Total Liabilities	2,35,46,329	1,73,052	1,02,60,599	28,47,35,231
8	Investments	-	29,20,936	-	-
9	Turnover	1,31,40,52,250	1,26,01,477	42,19,181	2,09,82,29,892
10	Profit before taxation	14,12,238	71,51,504	75,850	32,85,086
11	Provision for taxation	3,49,717	-	4,700	6,86,959
12	Profit after taxation	10,62,521	71,51,504	71,150	25,98,127
13	Proposed Dividend	-	-	-	-
14	% of shareholding	100	100	100	100

\* 123Stores, Inc. is a Wholly Owned Subsidiary of Intrasoft Ventures Pte. Ltd.

**Note:**

1. There is no Associate or Joint Venture.
2. There is no subsidiary which is yet to commence operation.

## ANNEXURE II

# EXTRACT OF ANNUAL RETURN – Form No. MGT 9

**As on financial year ended on 31st March 2015**

[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	:	27th February, 1996
Name of the Company	:	IntraSoft Technologies Ltd
Category / Sub-Category of the Company	:	Public Company limited by Shares
Address of the Registered office and contact details	:	502-A, Prathamesh, Raghuvanshi Mills Compound Senapati Bapat Marg, Lower Parel (W) Mumbai – 400 013
Whether listed company	:	Yes
Name, Address and details of Registrar and Transfer Agent, if any:	Contact :	M/s Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W) Mumbai – 400 078 Tel. No. 022 2594 6970

### 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 (as per NIC, 2008)	% to total turnover of the company
1	IT Enabled Services	631	100%

### III. Particulars Of Holding, Subsidiary and Associate Companies

S r No.	Name and address of the Company	CIN / GLN	Holding subsidiary / associate	% of shares held	Applicable section
1	123Greetings.Com, Inc	Foreign Company	Subsidiary	100	2(87)
2	Intrasoft Ventures Pte.Ltd. (Formerly known as 123Greetings (Singapore) Pte Ltd)	Foreign Company	Subsidiary	100	2(87)
3	One Two Three Greetings (India) Private Limited	U72900MH2007PTC167426	Subsidiary	100	2(87)
4	123Stores, Inc	Foreign Company	Subsidiary	100	2(87)



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	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	114	-	114	-	114	-	114	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	1797635	-	1797635	12.20	1797635	-	1797635	12.20	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	1797749	-	1797749	12.20	1797749	-	1797749	12.20	-
(2) Non-Institutions									
a) Bodies Corp.	3209176	3675	3212851	21.81	1693059	3675	1696734	11.52	-10.29
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	612966	46327	659293	4.47	1229436	44577	1274013	8.65	4.18
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	166792	84651	251443	1.71	814049	84651	898700	6.10	4.39
c) Others (specify)									
Clearing Member	18514	-	18514	0.13	178756	-	178756	1.21	1.08
NRI (Rep)	38253	-	38253	0.26	106357	-	106357	0.72	0.46
NRI (Non Rep)	186	-	186	-	25980	-	25980	0.18	0.18
OCB	3375	-	3375	0.02	3375	-	3375	0.02	-
Sub-total(B)(2):	4045887	138028	4183915	28.40	4047637	136278	4183915	28.40	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	5843636	138028	5981664	40.60	5845386	136278	5981664	40.60	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>14593650</b>	<b>138028</b>	<b>14731678</b>	<b>100</b>	<b>14595400</b>	<b>136278</b>	<b>14731678</b>	<b>100</b>	<b>-</b>

## ii. Shareholding Of Promoters/ Promoter Group:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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	Arvind Kajaria	2800014	19.01	-	2800014	19.01	-	-
2	Sharad Kajaria	2800000	19.01	-	2800000	19.01	-	-
3	Arvind Kajaria & Sharad Kajaria*	1750000	11.88	-	1750000	11.88	-	-
4	Padma Kajaria	1400000	9.50	-	1400000	9.50	-	-
	<b>Total</b>	<b>8750014</b>	<b>59.40</b>	<b>-</b>	<b>8750014</b>	<b>59.40</b>	<b>-</b>	<b>-</b>

\*Shares are held by trustees on behalf of IntraSoft Beneficiary Trust

## iii. Change In Promoters' Shareholding ( Please Specify, If There Is No Change):

There is no change in the shareholding of the Promoter Group

## iv. Shareholding Pattern Of Top Ten Shareholders (Other Than Directors, Promoters and Holders Of GDRS and ADRS):

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Intel Capital (Mauritius) Limited	1797635	12.20	1797635	12.20
2	Kotak Mahindra Investments Ltd	927796	6.30	0	0
3	Goverdhan Exports Ltd	535390	3.63	0	0
4	Finotex Vinimoy Pvt Ltd	500000	3.39	500000	3.39
5	Lokvani Engineering Pvt Ltd	383013	2.60	383013	2.60
6	S S L Consolidated Limited	281702	1.91	0	0
7	Mini Builders Private Limited	180342	1.22	174956	1.19
8	Pawan Kumar Kejriwal	127640	0.86	172140	1.17
9	Santosh Kumar Kejriwal Securities Pvt Ltd	123989	0.84	146904	0.99
10	Bishnauth Investment Limited	93408	0.63	93408	0.63
11	JMP Securities Pvt Ltd	0	0	107000	0.73
12	Vikram Agarwal	84651	0.57	84651	0.57
13	Tanvi J Mehta	0	0	75366	0.51

v. Shareholding Of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Arvind Kajaria, Managing Director	2800014	19.01	2800014	19.01
2	Sharad Kajaria, Whole-time Director	2800000	19.01	2800000	19.01
3	Savita Agarwal, Independent Director	Nil	Nil	Nil	Nil
4	Anil Agrawal, Independent Director	Nil	Nil	Nil	Nil
5	Rupinder Singh, Independent Director	Nil	Nil	Nil	Nil
6	Mohit Kumar Jha, Chief Financial Officer	Nil	Nil	Nil	Nil
7	Rakesh Dhanuka, Company Secretary	Nil	Nil	Nil	Nil

v. Indebtedness:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,05,01,060	Nil	Nil	3,05,01,060
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	3,05,01,060	Nil	Nil	3,05,01,060
Change in Indebtedness during the financial year				
• Addition	4,00,00,000	3,00,00,000	Nil	7,00,00,000
• Reduction	3,01,02,829	3,00,00,000	Nil	6,01,02,829
Net Change	98,97,171	Nil	Nil	98,97,171
Indebtedness at the end of the financial year				
i) Principal Amount	4,03,98,231	Nil	Nil	4,03,98,231
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (I + ii + iii)	4,03,98,231	Nil	Nil	4,03,98,231

**vi. Remuneration Of Directors and Key Managerial Personnel:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of the Directors		Total Amount
		Arvind Kajaria, Managing Director	Sharad Kajaria, Whole-time Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72,00,000	67,50,000	1,39,50,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10,800	10,800	21,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	72,10,800	67,60,800	1,39,71,600
	Ceiling as per the Act	10% of the net profit of the Company/ Schedule V		

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of the Director				Total Amount
		Rupinder Singh	Anil Agrawal	Savita Agarwal	Vishal Agarwal	
1.	Independent Directors					
	Fee for attending board / committee meetings	3,40,000	3,40,000	1,80,000	40,000	9,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					
2.	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	3,40,000	3,40,000	1,80,000	40,000	9,00,000
	Total Managerial Remuneration (A+B)	1,48,71,600/-				
	Overall Ceiling as per the Act	11% of the net profit of the Company/ Schedule V				

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Chief Financial Officer	Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,75,388	6,47,945	24,23,333
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>17,75,388</b>	<b>6,47,945</b>	<b>24,23,333</b>

VII. Penalties / Punishment/ Compounding Of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					



**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-cards and e-commerce 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.

**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 analysed in light to the business in which the Company is engaged in. These actions help the Company to improve the areas in which the Company and/or its wholly owned subsidiaries are engaged.

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

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

**3. Future Plan of action:**

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

**4. Expenditure on R&D:**

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

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

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

**2. Information regarding technology imported during last 5 years:**

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

**3. Foreign Exchange Earnings and Outgo:****i) Activities relating to exports:**

The Company is engaged in development and delivery of e-cards globally through internet platform. Constant endeavour is made to ensure increase in usage of Company's services by the end users in different countries. The Company's e-commerce operations have also begun to scale new heights.

**ii) Total foreign earnings used and earned:**

Information on foreign exchange earnings and outgo is furnished in note nos. 2.28 and 2.27 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 at the web link:  <a href="http://www.itlindia.com/docs/CSR_Policy.pdf">http://www.itlindia.com/docs/CSR_Policy.pdf</a>					
2	Composition of the CSR Committee	a) Mr. Arvind Kajaria, Chairman b) Mr. Anil Agrawal, Member c) Mr. Rupinder Singh, Member					
3	Average Net Profit of the Company for last three financial years	₹4,15,22,652/-					
4	Prescribed CSR Expenditure	₹8,30,453/-					
5	Details of CSR spent during the financial year; a) Total amount to be spent for the financial year b) Amount unspent if any c) Manner in which the amount spent during the financial year is detailed below:	The Company has spent ₹8,34,800/- during the FY 2014-15 Nil					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Sr. No.</b>	<b>CSR Project or activity identified</b>	<b>Sector in which the project is covered</b>	<b>Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken</b>	<b>Amount outlay (budget) project or programs wise</b>	<b>Amount spent on the projects or programs sub heads: (1) Direct Expenditure on projects and programs (2) Overheads:</b>	<b>Cumulative expenditure upto the reporting period i.e. 31st March, 2015</b>	<b>Amount spent Direct or through implementing agency*</b>
1	Education and Health care of poor young children	Education and Health Care	Kolkata, West Bengal	7,800	7,800	Expenditure upto 31st March, 2015 ₹8,34,800/-	Through Implementing Agency*
2	Welfare of Visually Challenged Persons	Education and Health Care	Kolkata, West Bengal	15,000	15,000		
3	Educational and Health care of poor & backward class people	Education and Health Care	Kolkata, West Bengal	50,000	50,000		
4	Health care of disabled people	Health Care	Coimbatore, Tamil Nadu	51,000	51,000		
5	Medical support for birth defects infant	Health Care	Mumbai, Maharashtra	3,00,000	3,00,000		
6	Prime Minister Relief Fund	Prime Minister Relief Fund	Central Government	4,11,000	4,11,000		
<b>Total</b>				<b>8,34,800</b>	<b>8,34,800</b>		
*Details of the Implementing Agency: 1) SOS Children's Village of India, Kolkata 2) Turnstone Global, Kolkata 3) Vivekananda Smriti Sangh, Kolkata 4) The United Orphanage for the Disabled, Coimbatore 5) Maaya Foundation, Mumbai							
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.						

Sd/-  
**Sharad Kajaria**  
(Whole-time Director)

Sd/-  
**Arvind Kajaria**  
(Chairman CSR Committee)

# SECRETARIAL AUDIT REPORT

**For the Financial Year Ended 31st March, 2015**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To  
The Board of Directors  
IntraSoft Technologies Limited

Dear Sirs,

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March 2015, 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 IntraSoft Technologies Limited ("the Company") as given in Annexure I for the financial year ended 31st March 2015, according to the provisions of:

- i.) The Companies Act, 2013 (the Act) and the rules made thereunder for specified sections notified and came into effect from 12th September, 2013 and sections and Rules notified and came into effect from 1st April 2014;
- ii.) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii.) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv.) Foreign Exchange Management Act, 1999 and the rules

and regulations made thereunder to the extent of Foreign Direct Investment, and Overseas Direct Investment;

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

- i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- v. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

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

4. We have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to

the Company is given in Annexure II.

We have also examined compliance with the applicable clauses of following;

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 1956; and
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s);

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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. The changes in the composition of the Board of Directors that took place during the year under report were carried out in compliance with the provisions of the Act.

Adequate notice is generally given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally 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.

Majority decision is carried through while the dissenting members' views, if any, are 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*

Place: Mumbai  
Date: 27th May, 2015

FCS. No. 5637  
COP No. 2535

**ANNEXURE I****LIST OF DOCUMENTS VERIFIED**

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March 2014.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer Committee, Stakeholders' Relationship Committee and CSR Committee along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers viz.
  - Register of Directors & KMP;
  - Register of Directors' Shareholding;
  - Register of loans, guarantees and security and acquisition made by the Company;
  - Register of Renewed and Duplicate Share Certificate.
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
8. Intimations received from directors under the prohibition of Insider Trading Code.
9. 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.
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.
11. Filings made with Reserve Bank of India under the Foreign Direct Investment Guidelines and for Overseas Direct Investments made by the Company.
12. Documents related to payments of dividend made to its shareholders during the financial year under report.

**ANNEXURE II****List of applicable laws to the Company**

List of applicable laws to the Company and its Corporate Office situated at:

**Registered office:**

A-503, Prathmesh, Raghuvanshi Mill Compound,  
Senapati Bapat Marg Lower Parel, Mumbai – 400 013

**Corporate office:**

Suite 301, 145, Rash Behari Avenue, Kolkata – 700 029

1. Income Tax Act, 1961
2. Finance Act, 1994 (Service Tax)
3. Cenvat Credit Rules, 2004
4. The Maharashtra State Tax on Professions, Trade, Callings & Employment Act, 1975
5. The West Bengal State Tax on Professions, Trade, Callings & Employment Act, 1979
6. Employees Provident Funds & Miscellaneous Provisions Act, 1952
7. Employees State Insurance Act, 1948
8. Payment of Wages Act, 1936
9. Payment of Gratuity Act, 1972
10. Payment of Bonus Act, 1965
11. The Bombay Shop & Establishment Act, 1948
12. The West Bengal Shops & Establishment Act, 1963
13. Software Technology Park of India
14. Foreign Exchange Management (Export of Goods and Services) Regulations, 2000
15. West Bengal Policy on Information and Communication Technology, 2012

# 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 ensuing 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 requirement of Clause 49 of the Listing Agreement with the Stock Exchanges. As on 31st March 2015, the Board consist of 5 (Five) Directors of which 2 (Two) are Executive Directors representing promoters and 3 (Three) are Non-Executive

Independent Directors. In compliance with the provisions of Clause 49 of the Listing Agreement, One Woman director in the category of Independent Director has been appointed on the Board.

All the independent directors meet with the criteria as provided under Clause 49 of the Listing Agreement 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 Chairman of the Board is an Executive Director and as per Clause 49 of the Listing Agreement one half of the Board comprises of independent directors. The term of Managing Director and Whole-time Director is liable to retire by rotation.

All the Directors have informed the Company 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 31st March, 2015 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. Vishal Agarwal @	Director	Non-Executive; Independent	-	-	-

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

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

@ Resigned w.e.f. 30th June, 2014, \*\* Appointed w.e.f. 30th June, 2014

**b) Appointment/Re-appointment of Directors:**

In accordance to the provisions of the Companies Act, 2013, Mr. Sharad Kajaria, Whole-time Director of the Company is liable to retire by rotation and being eligible offers himself for re-appointment. Accordingly, re-appointment of Mr. Sharad Kajaria has been included in the accompanying notice convening the Annual General Meeting of the Company.

The Board has recommended the re-appointment of Mr. Sharad Kajaria for the approval of the Shareholders.

**c) Board Meetings and Annual General Meeting:**

During the financial year 2014-15, 6 (Six) Board Meetings were held i.e. on 29th May, 2014, 30th June, 2014, 31st July, 2014, 27th October, 2014, 5th November, 2014 and 27th January, 2015. The Annual General Meeting of the Company was held on 29th August, 2014. 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 Held	No. of Board Meetings Attended	Attendance at Last Annual General Meeting
Mr. Arvind Kajaria	6	6	Yes
Mr. Sharad Kajaria	6	6	No
Mrs. Savita Agarwal**	6	5	No
Mr. Rupinder Singh	6	6	Yes
Mr. Anil Agrawal	6	6	Yes
Mr. Vishal Agarwal@	6	1	N. A.

@ Resigned w.e.f. 30th June, 2014

\*\* Appointed w.e.f. 30th June, 2014

The Board meets atleast once in a 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 decided well in advance by the Board and is published as part of the Annual 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. 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.

Board has periodically reviewed the compliance report of all laws applicable to the Company and also steps taken by the Company to rectify instances of non compliance, if any.

**a) Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at



the meetings and otherwise, independent judgment etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors at their separate meeting.

The Directors expressed their satisfaction with the evaluation process.

#### **b) Code of Conduct:**

The Board has laid down a code of conduct for all Board Members and Senior Management 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 31st March, 2015. As required by Clause 49 of the Listing Agreement, 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.

#### **c) Familiarisation Programme**

The Independent Directors of the Company were made familiar with their roles, responsibilities and duties in the Company, nature of industry in which the Company operates, business model of the Company etc. through presentation from the Managing Director. The detail of the familiarisation programme is available on the web link <http://www.itlindia.com/investors/other-information.html>.

## **2. Audit Committee**

#### **a) Constitution of Audit Committee:**

As on 31st March 2015, the Audit Committee comprises of 3 (Three) Non-Executive Independent Directors and 1 (one) Executive Director. All the members of the Audit Committee have knowledge of Finance and Accounts. The Chairman of the Committee is Mrs. Savita Agarwal, Independent Director, member of the Institute of Chartered Accountants of India.

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

During the Financial Year 2014-15, 6 (Six) Audit Committee

Meetings were held i.e. on 29th May, 2014, 30th June, 2014, 31st July, 2014, 1st October, 2014, 5th November, 2014 and 27th January, 2015. The composition of the Audit Committee during the year ended 31st March 2015 and the details of number of meetings attended by members of the Committee are as under:

<b>Committee Members</b>	<b>Designation</b>	<b>No. of Meetings Attended</b>
Mrs. Savita Agarwal*	Chairman	3
Mr. Rupinder Singh	Member	6
Mr. Arvind Kajaria	Member	6
Mr. Anil Agrawal**	Member	4
Mr. Vishal Agarwal@	Member	1

\*Nominated as Committee Member w.e.f. 30th June, 2014

\* Nominated as Committee Chairman w.e.f. 5th November, 2014

\*\*Nominated as Committee Member and its Chairman w.e.f. 30th June, 2014

@ Resigned as Director w.e.f. 30th June, 2014

#### **c) Attendees:**

The Audit Committee invites such executives and personnel, as it considers 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 Clause 49 of the Listing Agreement 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 the 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 auditor and the fixation of audit fee.
  - 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.
    - (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.
    - (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, 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 of with the related parties.
  - xiii) Scrutiny of inter-corporate loans and investments.
  - xiv) Valuation of undertakings or assets of the Company, wherever it is necessary.
  - xv) Evaluation of internal financial controls and risk management systems.
  - xvi) To review the functioning of whistle blower mechanism.
  - xvii) Approval of appointment of CFO after assessing the qualifications, experience & Background etc of the candidate
  - xviii) Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors.
- e) Powers of the 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 or other professional advice, if necessary.
  - iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### 4. Nomination and Remuneration Committee

##### a) Constitution and Composition:

The Remuneration Committee of the Board of Directors was renamed as Nomination and Remuneration Committee. As on 31st March, 2015, the Nomination and Remuneration Committee comprises of three non executive independent directors as its members. The Committee recommends policy relating to the remuneration for the directors, key managerial personnel and other employees. The said Policy is approved by the Board and the same is placed on the Company's website. During the FY 2014-15, 1 (One) meeting of the Committee was held on 30th June, 2014 and the details of meeting attended by the members is as under;

Committee Members	Designation	No. of Meeting Attended
Mr. Rupinder Singh	Chairman	1
Mrs. Savita Agarwal*	Member	N.A.
Mr. Anil Agrawal	Member	1
Mr. Vishal Agarwal**	Member	-

\*Appointed w.e.f. 30th June, 2014

\*\*Resigned w.e.f. 30th June, 2014

##### b) Terms of reference:

The terms of reference of the Committee inter alia includes;

- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain criteria;
- Identifying potential individual for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration;
- Review the overall performance of the Board of Directors,

Key Management Personnel and Senior Management employees.

##### c) Remuneration Policy:

###### i) Management Staff:

Remuneration of employees largely consists of basic remuneration and perquisites. The components of the total remuneration vary for different grades and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled by him and his individual performance, etc.

###### 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 2014-15 for attending the Board Meetings and Committee Meetings are as under:

Name of the Non-Executive Director	Sitting Fees paid (₹)
Mrs. Savita Agarwal	1,80,000
Mr. Rupinder Singh	3,40,000
Mr. Anil Agrawal	3,40,000
Mr. Vishal Agarwal	40,000
Total	9,00,000

###### iii) Executive Directors:

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 Remuneration Committee and approvals obtained from the Board of Directors and shareholders.

Details of remuneration paid to Executive Directors during year ended March 31, 2015 are given below:

Name of the Executive Director	Designation	Salary & Allowances (₹ in lakhs)	Perquisites	Total (₹ in lakhs)
Mr. Arvind Kajaria	Managing Director	72,00,000	10,800	72,10,800
Mr. Sharad Kajaria	Whole-time Director	67,50,000	10,800	67,60,800

Note: No director is related to any other director on the board, except Mr. Arvind Kajaria and Mr. Sharad Kajaria, who are brothers.

## 5. Stakeholders Relationship Committee

### a) Constitution and Composition

The Committee is constituted as per Clause 49 of the Listing Agreement and provisions of Section 178 of the Companies Act, 2013. The name of the Committee was changed from Shareholder's / Investors' Grievances Committee to Stakeholder Relationship Committee. Composition of the said Committee comprises of three directors of which majority of directors are Non Executive and Independent and the Chairman of the Committee is Non Executive Independent Director. 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 i.e. on 23rd May, 2014 and 22nd December, 2014. 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	1
Mr. Arvind Kajaria	Member	1

b) The Company Secretary act as a Secretary to the Committee.

c) During the year 2014-15, the Company has received complaints from shareholders / investors. There were no complaints pending as at end of the year. The breakup of the

complaints received is as follows:

Sr. No.	Period	No. of Complaints
1.	01.04.2014 to 30.06.2014	Nil
2.	01.07.2014 to 30.09.2014	1
3.	01.10.2014 to 31.12.2014	1
4.	01.01.2015 to 31.03.2015	2
<b>Total</b>		<b>4</b>

## 6. Corporate Social Responsibility Committee

### a) Constitution and Composition

During the year under review, the Board constituted Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013 and rules made thereunder. The composition of the said Committee is as per the provisions of the Companies Act, 2013. During the financial year 2014-15, 4 (four) meetings were held i.e. on 30th June, 2014, 26th August, 2014, 10th December, 2014 and 21st February, 2015. The composition of the Corporate Social Responsibility 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. Arvind Kajaria	Chairman	4
Mr. Rupinder Singh	Member	2
Mr. Anil Agrawal	Member	3

### b) Terms of Reference:

- To frame CSR policy and review it from time to time.
- 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
2011-12	25.09.2012	3.00 P.M.	Orchid Room, Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2012-13	24.09.2013	3:00 P.M.	Imperial Room, Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2013-14	29.08.2014	3.00 P.M.	Orchid 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
2011-12	Seeking approval of the Shareholders for the re-appointment of Mr. Sharad Kajaria as Whole-time Director of the Company.
2012-13	Seeking approval of the Shareholders for the amendment of the terms of appointment of Mr. Arvind Kajaria, Managing Director of the Company.
2013-14	Seeking approval of the Shareholders for: <ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Arvind Kajaria as Managing Director and</li> <li>2. Mr. Sharad Kajaria as Whole-time Director of the Company.</li> </ol>

- iii) During the year 2014-15, no resolution was passed by Postal Ballot.
- iv) No resolution is proposed to be passed through Postal Ballot.

## 8. Other Disclosures

### a. Related Party transactions:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Standalone Financial Statement.

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.

### b. Whistle Blower Policy / Vigil Mechanism:

The Board of Directors of the Company has 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 and Listing Agreement, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc. The details of Vigil Mechanism is posted on the website of the Company and also been disclosed in the Board's Report.

The employees of the Company have the right/option 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. The

Whistle Blower Policy is available on the Company's website.

c. Shareholdings of the Non-Executive Directors as on 31st March, 2015 is as under;

Name of the Director	No. of Shares held
Mr. Rupinder Singh	NIL
Mr. Anil Agrawal	NIL
Mrs. Savita Agarwal	NIL

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 been in compliance with all the mandatory requirements of Clause 49 of the Listing Agreement.

## 9. Means of Communication:

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

(ii) No presentations were made to institutional investors or to the analysts during the financial year.

(iii) The Management Discussion and Analysis Report pursuant to Clause 49 of the Listing Agreement is attached and forms part of this Annual Report.

## 10. General Shareholder Information

### i. Annual General Meeting:

Day, Date and Time: Tuesday, 8th September, 2015 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:

30th June, 2015 : By 14th August, 2015

30th September, 2015 : By 14th November, 2015

31st December, 2015 : By 14th February, 2016

31st March, 2016 : By 30th May, 2016

AGM for the year ending

31st March, 2016 : By 30th September, 2016

### iii. Book Closure:

Wednesday, 2nd September, 2015 to Tuesday, 8th September, 2015 (both days inclusive)

iv. The Payment date of final dividend for the year 2014-15, if declared at the meeting will be on or after 9th September, 2015 but within 30 days from the date of declaration.

### v. Listing on Stock Exchanges:

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

Note: Listing fees for the year 2015-16 has been paid to the said Stock Exchanges.

### vi. Stock Code/Symbol:

BSE – 533181

NSE – ISFT

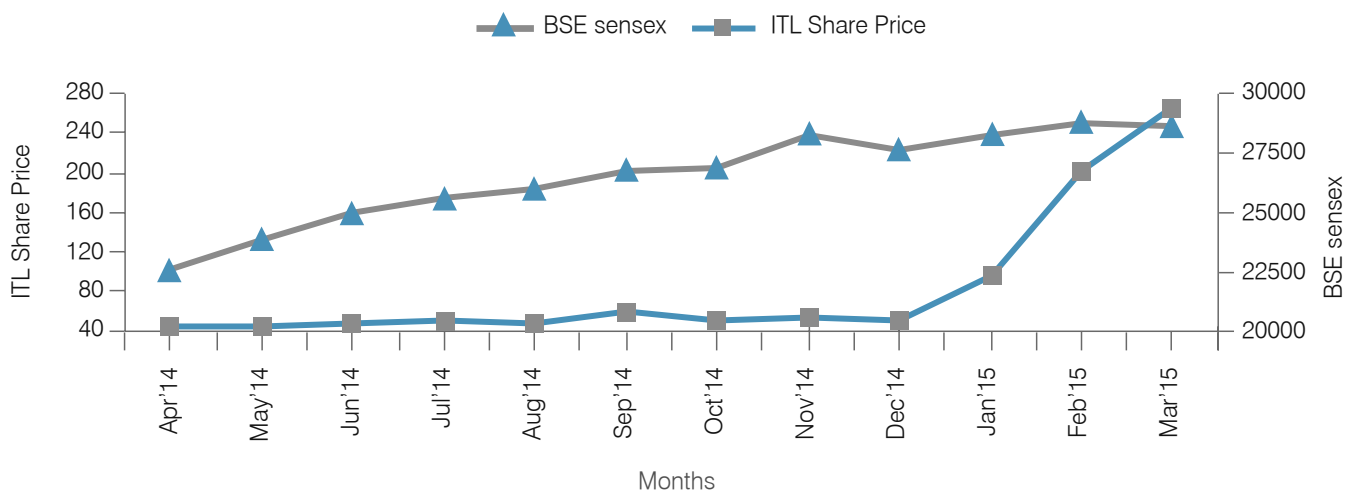
**vii. Market Price Data:**

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 (H)	Low (H)	No. of Shares Traded	High (H)	Low (H)	No. of Shares Traded
Apr-14	46.00	41.55	8826	46.30	42.00	40841
May-14	52.90	39.10	62280	49.00	42.00	69872
Jun-14	54.65	40.40	93091	53.20	42.45	113927
Jul-14	55.90	43.35	26446	57.10	43.00	125316
Aug-14	52.00	44.30	20701	50.50	44.60	64801
Sep-14	75.85	45.35	1100498	76.25	45.05	4066218
Oct-14	56.75	42.15	213886	56.05	43.30	850856
Nov-14	62.15	45.30	260422	61.75	44.70	358755
Dec-14	61.85	42.45	342243	61.00	42.60	770282
Jan-15	135.15	59.60	651255	135.50	59.55	1265114
Feb-15	270.40	133.00	811682	272.35	129.00	1542551
Mar-15	310.00	219.00	404184	308.80	220.00	555178

**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

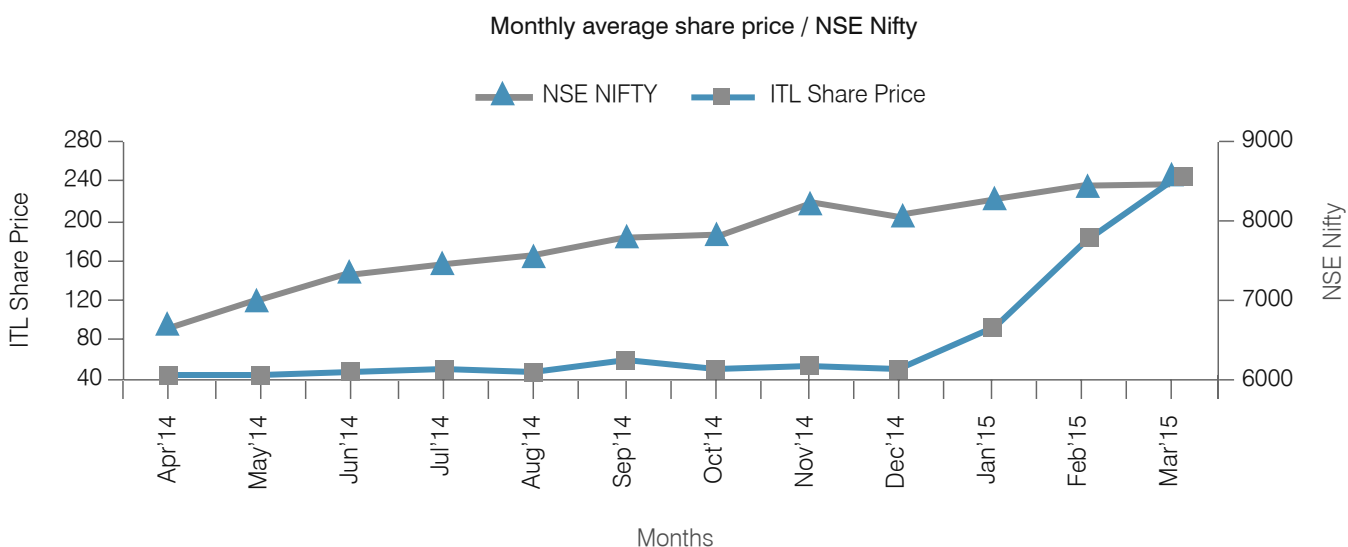


**ix. Share Transfer System:**

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 are registered and returned within a period of 15 days from the date of receipt, if the documents are in order.

**x. Category wise Shareholding as at 31st March, 2015:**

Sr. No.	Category	No. of Shares held	% of Total Shares
1.	Promoter and Promoter Group	8750014	59.40
2.	Foreign Institutional Investors	-	-
3.	Mutual Fund	-	-
4.	Insurance Companies	114	0
5.	Foreign Venture Capital Investors	1797635	12.20
6.	Overseas Body Corporate	3375	0.02
7.	Body Corporate	1696734	11.52
8.	Clearing Members	178756	1.21
9.	NRIs/NRNs	132337	0.90
10.	Others	2172713	14.75
	<b>Total</b>	<b>14731678</b>	<b>100.00</b>



**xi. Distribution of Shareholding as at 31st March, 2015:**

No. of Shares	No. of Shareholders	% of Total Shareholders	Shares Held	% of Total Shares
1 - 500	5734	90.99	451564	3.06
501 - 1000	228	3.62	184694	1.25
1001 - 5000	231	3.67	557190	3.80
5001 - 10000	53	0.84	392329	2.66
10001 and above	56	0.88	13145901	89.23
<b>TOTAL</b>	<b>6302</b>	<b>100</b>	<b>14731678</b>	<b>100</b>

**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 and the National Stock Exchange of India Limited (NSE).

Equity Shares of the Company representing 99.07% of the Company's share capital are under demat mode as on 31st March, 2015. 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 205A and 205C of the Companies Act, 1956, 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, 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 Clause 5A of Listing Agreement**

In terms of Clause 5A of the Listing Agreement, the Company has initiated process of sending reminder notices to the shareholders whose share certificates are unclaimed and lying with the Registrar & Share Transfer Agent of the Company. The details of unclaimed shares certificates lying with Registrar & Share Transfer Agent are as mentioned below;

Particulars	As on 31.03.2015
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	6 Shareholders 12350 Shares
No. of shareholders who approached issuer for claiming the share certificates lying with the Company and their aggregate no. of outstanding shares	Nil
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	6 Shareholders 12350 Shares



**xv.** The Company has not issued any GDRs/ADRs. There were no outstanding convertible warrants as on 31st March, 2015.

**xvi. Registrar and Share Transfer Agents:**

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W), Mumbai – 400 078  
Tel.: 022-2594-6970, Fax: 022-2596-6969

**xvi. Unit Locations:**

The Company does not have any Unit.

**xvii. 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-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078

Tel.: 022-2594-6970, Fax: 022-2596-6969

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

For general correspondence:

**IntraSoft Technologies Limited**

A-502, Prathamesh, Raghuvanshi Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013

Tel No. 022-24912123, Fax No. 022- 24903123

Email: [intrasoft@itlindia.com](mailto:intrasoft@itlindia.com)

**Brief profile of the Directors proposed to be re-appointed / appointed in the ensuing Annual General Meeting**

Name	Date of Birth	Qualification	Area of Expertise	Experience	Other Directorship	Name of the other Companies in which holds membership/ chairmanship	Number of Equity Shares held (as on 31st March, 2015)
Sharad Kajaria	17th March, 1976	B.Com	Internet Technologies & Software	17 years	Nil	Nil	28,00,000

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

@ Memberships of only Audit Committee and Stakeholders' Relationship Committee have been considered.

## CERTIFICATE ON CORPORATE GOVERNANCE

<p>To</p> <p><b>The Members</b></p> <p>IntraSoft Technologies Limited</p> <p>We have examined the compliance of conditions of Corporate Governance by IntraSoft Technologies Limited ("the Company") for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.</p> <p>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.</p>	<p>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 the Listing Agreement.</p> <p>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.</p> <p style="text-align: right;">For Rathi &amp; Associates Company Secretaries</p> <p style="text-align: right;">Sd/- <b>Jayesh Shah</b> Partner CP No. 2535</p> <p>Place: Mumbai Date: 27th May, 2015</p>
---	--

---

## CODE OF CONDUCT DECLARATION

Pursuant to Clause 49 sub-clause II (E) of the Listing Agreement entered into with the Stock Exchanges, 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.

Place: Kolkata  
Date: 27th May, 2015

Sd/-  
**Arvind Kajaria**  
*Managing Director*

# INDEPENDENT AUDITORS' REPORT

To  
The members of  
Intrasoft Technologies Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of INTRASOFT TECHNOLOGIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## Management's Responsibility for the Consolidated Financial Statements

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 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 control 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of 3(three) subsidiaries, whose financial statements reflect total assets(net) of Rs 3,359.04 Lacs as at 31st March, 2015, total revenues of Rs. 3,4248.84 Lacs and net cash inflows amounting to Rs 414.40 Lacs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements have been audited by other auditors whose report 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 the subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and Subsidiary company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There were no pending litigations which would impact the consolidated position of the Group.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies.

For K.N. GUTGUTIA & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No.304153E

(K.C.SHARMA)

Partner

Membership No. 50819

Date: 27th May, 2015

Place : Kolkata

## Annexure to the Independent Auditors' Report to the Members of INTRASOFT TECHNOLOGIES LIMITED as referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements in our Report of even date

- i) a. The Group have maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b. As explained to us, the Group have a system of verifying all its major fixed assets over a period of three years. The fixed assets so scheduled for verification during this year have been physically verified. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
- ii) a. As per information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stock, the frequency of the physical verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Group and the nature of its business.
- c. The Group is maintaining proper records of inventory. In our opinion, the discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Group and the same have been properly dealt with in the books of account.
- .iii) The Group has not granted any loan, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and as such the provisions of Clause 3(iii) (a) & (b) are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Group and the nature of its business with regard to purchase of fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system.
- v) The Group has not received any fixed deposit from the public, hence clause 3 (v) of the Companies (Auditor's Report) Order, 2015 is not applicable.
- vi) The Central Government has not specified maintenance of cost records under section 148(1) of the Companies Act, 2013 for any products of the Group.
- vii) a. According to the information and explanations given to us and records examined by us, Group is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed statutory dues were in outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.
- b. According to the records of the Group, there were no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited on account of any dispute.
- c. According to the information and explanations given to us there is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- viii) There are no accumulated losses of the Group as on 31st March, 2015. The Group have not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix) There are no outstanding dues to a financial institution, bank or debenture holders, hence clause 3 (ix) of the Companies (Auditor's Report) Order, 2015 is not applicable.
- x) According to the information and explanations given to us the Group has not given any guarantee for loans taken by others from bank or financial institutions.
- xi) According to the information and explanations given to us, no term loans were raised during the year and hence application for the purposes for which they were raised does not arise.
- xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Group has been noticed or reported during the course of our audit.

For K.N. GUTGUTIA & CO.  
 CHARTERED ACCOUNTANTS  
 Firm Registration No.304153E

(K.C.SHARMA)

Partner

Membership No. 50819

Date: 27th May, 2015

Place : Kolkata

## Consolidated Balance Sheet as at 31st March, 2015

Particulars	Note No.	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2.1	14,73,16,780	14,73,16,780
(b) Reserves and Surplus	2.2	64,77,75,420	62,67,07,276
<b>(2) Non-current Liabilities</b>			
(a) Long-term Borrowings	2.3	2,12,37,131	2,40,25,261
(b) Deferred Tax Liabilities (Net)	2.4	14,16,180	-
(c) Other Long term Liabilities	2.5	78,72,959	67,55,492
(d) Long-term Provisions	2.6	82,84,082	47,89,297
<b>(3) Current Liabilities</b>			
(a) Short-term Borrowings	2.7	-	19,00,13,649
(b) Trade Payables	2.8	12,67,16,373	4,95,41,524
(c) Other Current Liabilities	2.9	9,74,19,191	4,88,66,370
(d) Short-term Provisions	2.10	1,78,52,083	1,73,33,427
<b>TOTAL</b>		<b>1,07,58,90,199</b>	<b>1,11,53,49,076</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	2.11	17,09,29,957	18,01,42,563
(ii) Intangible Assets	2.11	53,01,242	43,12,159
(iii) Capital work-in-progress	2.11	-	48,08,807
(iv) Intangible Assets under Development	2.11	26,34,96,512	26,34,96,512
		<b>43,97,27,711</b>	<b>45,27,60,041</b>
(b) Non-current Investments	2.12	8,96,00,000	29,12,60,128
(c) Deferred tax assets (Net)	2.4	-	63,24,915
(d) Long-term Loans and Advances	2.13	13,64,584	10,87,438
<b>(2) Current Assets</b>			
(a) Current Investments	2.12	-	-
(b) Inventories	2.14	12,12,85,948	1,29,81,258
(c) Trade Receivables	2.15	5,95,22,136	5,12,11,310
(d) Cash and bank balances	2.16	13,33,23,066	8,33,42,507
(e) Short-term loans and advances	2.17	21,47,43,867	19,96,40,654
(f) Other current assets	2.18	1,63,22,887	1,67,40,825
<b>TOTAL</b>		<b>1,07,58,90,199</b>	<b>1,11,53,49,076</b>
Accounting Policies & Notes on Accounts	1 & 2		

Notes are an integral part of the Balance Sheet  
As per our report of even date attached herewith

For K.N.GUTGUTIA & CO.  
Chartered Accountants  
Firm Registration No. 304153E

For and on behalf of the Board

Mohit Kumar Jha  
Chief Financial Officer

Arvind Kajaria  
Managing Director

K.C. Sharma  
(Partner)  
Membership No. : 50819

Rakesh Dhanuka  
Company Secretary

Sharad Kajaria  
Whole-time Director

Place : Kolkata  
Date : 27th May, 2015

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Note No.	Year ended	Year ended
		31st March, 2015	31st March, 2014
		₹	₹
I. Revenue from operations	2.19	3,42,91,02,800	1,48,40,02,207
II. Other income	2.20	4,10,56,282	4,61,24,883
III. Total Revenue (I + II)		3,47,01,59,082	1,53,01,27,090
IV. Expenses:			
Product & Content Development expenses	2.21	2,62,48,54,844	1,07,73,18,008
Selling and Marketing Expenses	2.22	50,04,17,192	21,19,07,691
Employee benefit expenses	2.23	17,82,43,007	12,13,09,239
Finance costs	2.24	75,99,435	90,19,963
Depreciation and amortization expenses		1,46,58,770	4,02,11,240
Other expenses	2.25	7,59,32,414	9,21,57,260
Total expenses		3,40,17,05,662	1,55,19,23,401
V. Profit before exceptional item and tax (III-IV)		6,84,53,420	(2,17,96,311)
VI. Exceptional Item	2.26	-	18,10,86,528
Less : Transferred from General Reserve		-	(18,10,86,528)
		-	-
VII. Profit after exceptional item and before tax (V- VI)		6,84,53,420	(2,17,96,311)
VIII. Tax expense:			
(1) Current tax		1,18,88,354	4,15,253
(2) Current tax written back (Earlier Year)		10,119	-
(3) MAT Credit Entitlement		(1,07,93,848)	-
(4) MAT Credit Entitlement (Earlier Year)		-	-
(5) Deferred tax		77,41,095	(4,28,12,127)
(6) Income tax related to earlier years		(1,548)	17,318
		88,44,172	(4,23,79,556)
IX. Profit (Loss) for the year from continuing operations(VII-VIII)		5,96,09,248	2,05,83,245
X. Earnings per equity share:	2.32		
Basic & Diluted (Par Value of ₹10/- each)		4.05	1.40
Accounting Policies & Notes on Accounts	1 & 2		

Notes are an integral part of the Statement of Profit and Loss

As per our report of even date attached herewith

For K.N.GUTGUTIA & CO.  
Chartered Accountants  
Firm Registration No. 304153E

K.C. Sharma  
(Partner)  
Membership No. : 50819

Place : Kolkata  
Date : 27th May, 2015

Mohit Kumar Jha  
Chief Financial Officer

Rakesh Dhanuka  
Company Secretary

For and on behalf of the Board

Arvind Kajaria  
Managing Director

Sharad Kajaria  
Whole-time Director

## Consolidated Cash Flow Statement for the year ended 31st March, 2015

	Year ended 31st March, 2015	Year ended 31st March, 2014
	₹	₹
<b>A) Cash Flow From Operating Activities:</b>		
Net profit before tax	6,84,53,420	(2,17,96,311)
Adjustments for:		
Depreciation and amortization expenses	1,46,58,770	4,02,11,240
Interest Expense	75,99,435	90,19,963
Loss on Sale of Fixed Assets (Net)	35,31,220	11,47,045
Loss on Redemption of Mutual Fund/ NCD	5,69,150	29,51,830
Dividend Income	(40,01,383)	(58,28,237)
Gain on redemption of Mutual Funds (Non Current Investments)	(2,32,55,977)	(2,12,72,659)
Exchange differences on translation of Foreign Currency	9,92,721	1,65,47,742
Interest Income	(1,31,20,293)	(1,87,18,222)
<b>Operating profit before working capital changes</b>	<b>5,54,27,063</b>	<b>22,62,391</b>
(Increase) / Decrease in Trade Receivables	(83,10,826)	(1,84,49,540)
Increase / (Decrease) in Trade Payables	7,71,74,849	3,22,07,900
Increase / (Decrease) in Other than Trade Payables	5,20,29,187	2,36,34,324
(Increase) / Decrease in Inventory	(10,83,04,690)	(64,96,152)
(Increase)/ Decrease in Advance & Deposit	(2,03,78,786)	(1,09,57,538)
<b>Cash generated from operations</b>	<b>4,76,36,797</b>	<b>2,22,01,385</b>
Income Tax (Paid) / Refunded	(90,67,979)	(38,83,152)
<b>Net Cash Flow From Operating Activities:</b>	<b>3,85,68,818</b>	<b>1,83,18,233</b>
<b>B) Cash Flow From Investing Activities:</b>		
Purchase of Fixed Assets	(1,50,57,845)	(1,32,20,030)
(Increase)/ Decrease in Capital Work-in-Progress	48,08,807	(48,08,807)
Sale / (Purchase) of Mutual Fund and NCD (Net)	20,16,60,128	10,57,29,828
Sale of Fixed Assets	2,11,700	4,37,137
Gain on redemption of Mutual Funds (Non Current Investments)	2,32,55,977	2,12,72,659
Loss on Redemption of Mutual Fund/ NCD	(5,69,150)	(29,51,830)
Increase in other bank balances	(16,26,152)	(21,47,136)
Short Term Loan received / (Paid) to/ from Body Corporates	1,40,00,000	(1,30,00,000)
Dividend Received	40,01,383	58,28,237
Interest Received	1,35,38,231	1,76,76,785
<b>Net Cash Flow From/ (used in) Investing Activities:</b>	<b>24,42,23,079</b>	<b>11,48,16,843</b>
<b>C) Cash Flow From Financing Activities:</b>		
Dividend Paid	(2,94,21,709)	(1,46,58,238)
Dividend Tax Paid	(54,49,118)	(25,03,649)
Receipt/ (Payment) of Other Long Term Liabilities	11,17,467	24,16,382
Receipt/ (Payment) Proceeds from Long Term Borrowings	(27,88,130)	2,40,25,261
Receipt/ (Payment) Proceeds from Short Term Borrowings	(19,00,13,649)	(9,23,36,351)
Interest Paid	(78,82,351)	(91,22,251)
<b>Net Cash Flow From Financing Activities:</b>	<b>(23,44,37,490)</b>	<b>(9,21,78,846)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents(A+B+C)</b>	<b>4,83,54,407</b>	<b>4,09,56,230</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>7,67,69,947</b>	<b>3,58,13,717</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>12,51,24,354</b>	<b>7,67,69,947</b>

The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard -3 on "Cash Flow Statements".

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

For K.N.GUTGUTIA & CO.  
Chartered Accountants  
Firm Registration No. 304153E

K.C. Sharma  
(Partner)  
Membership No. : 50819

Place : Kolkata  
Date : 27th May, 2015

Mohit Kumar Jha  
Chief Financial Officer

Rakesh Dhanuka  
Company Secretary

For and on behalf of the Board

Arvind Kajaria  
Managing Director

Sharad Kajaria  
Whole-time Director



**Note : 1 SIGNIFICANT ACCOUNTING POLICIES****1.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements relates to the parent company IntraSoft Technologies Limited ("Parent") and its three wholly owned subsidiary companies, (a) One Two Three Greetings (India) Pvt. Ltd., incorporated in India, (b) Intrasoft Ventures Pte. Ltd. (formerly known as 123 Greetings (Singapore) Pte. Ltd.) incorporated in Singapore, (c) 123Greetings.com, Inc. incorporated in U.S.A. and one step down subsidiary 123Stores, Inc. incorporated in U.S.A.

**1.2 BASIS OF ACCOUNTING AND PRINCIPLES OF CONSOLIDATION**

- I. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date of the Parent Company i.e. 31st March, 2015.
- II. The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006.
- III. The financial statements of the parent and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".

**1.3 USE OF ESTIMATES**

The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures related to contingent liabilities and assets as at the balance sheet date and the reported amount of income and expenses during the year. Actual results could differ from those estimates.

**1.4 FIXED ASSETS**

Fixed Assets are stated at their original cost including other expenses related to acquisition and installation.

Expenses incurred towards cost of assets not ready for use as at the balance sheet date are disclosed as Assets under Development.

**1.5 DEPRECIATION**

Depreciation on fixed assets is provided on straight-line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act 2013. The management estimates the useful lives for the intangible assets as six (6) years.

**1.6 IMPAIRMENT OF ASSETS**

All assets other than investments and deferred tax assets are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying values exceed their recoverable amount, the impairment is recognized and the assets are written down to the recoverable amount.

**1.7 INVESTMENTS**

Non-current Investments are valued at cost less provision for diminution, other than temporary, if any. The cost is determined by taking purchase price and other direct expenses related to acquisition. Current Investments are carried at lower of cost or fair value.

**1.8 INVENTORIES**

Inventories are valued at cost or net realizable value whichever is lower.

**1.9 RECOGNITION OF INCOME AND EXPENDITURE**

Items of Income and Expenditure are accounted for on accrual basis.

**1.10 FOREIGN CURRENCY TRANSACTIONS**

- I) Foreign Currency transactions are recorded on the basis of exchange rates prevailing on the date of their occurrence.
- II) Current / Non current monetary assets and liabilities (other than those covered by forward contracts) denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the Statement of Profit and Loss. The translation of financial statements of the foreign subsidiaries from the local currency to the functional currency of the parent is performed for balance sheet items using the exchange

rate in effect at the balance sheet date and for revenue, expense 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".

#### 1.11 EMPLOYEES BENEFITS

- i) **The Company** makes monthly contribution to ESI and Provident Fund in respect of employees covered under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 at the rate specified in the act and the same is charged to revenue.
- ii) Leave pay due to employees in respect of unavailed leave is encashed or provided for at the end of the year on accrual basis.
- iii) Gratuity paid during the year is **debited to liability account at the time of payment and liability on account of gratuity is provided on the date of Balance Sheet on actuarial Valuation at the end of the year.**

#### 1.12 TAXATION

**Provision for Income Tax** is made on taxable income for the year at current rates. Current tax represents the amount of Income tax payable in respect of taxable income for the year.

Minimum Alternative Tax (MAT) credit is recognised as an assets only when and to the extent there is convincing evidence that the company will pay normal Income Tax during the specified period. In the year in which the MAT credit become eligible to be recognised as an asset in accordance with the recommendation contained in the Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax represents the effect of timing difference between taxable income and accounting income for the year that originate in one period and are capable of reversal in one or more subsequent years. The deferred tax asset is recognized and carried forward only to the extent **if there is a reasonable certainty that the assets will be realized in future. However where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty with supporting evidences of realization of the assets.**

#### 1.13 PROVISIONS, CONTINGENT LIABILITIES, AND CONTINGENT ASSETS

**Provisions involving substantial degree of estimation in measurement** are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. **Contingent Assets are neither recognized nor disclosed in the financial statements.**

#### 1.14 EARNINGS PER SHARE

**The earnings considered in ascertaining the Company's EPS** comprises the net profit after tax and include the post tax effect of any extra ordinary items. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

#### 1.15 CASH FLOW STATEMENT

**Cash flows are reported** using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments. **The cash flow from operating, investing and financing activities of the Company are segregated.**

## Note : 2 CONSOLIDATED NOTES ON ACCOUNTS

## 2.1 Share Capital

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Authorised Capital		
25250000 (25250000) Equity Shares of Par Value of ₹10/-	25,25,00,000	25,25,00,000
Issued, Subscribed and Paid Up		
14731678 (14731678) Equity Shares of Par Value of ₹10/-	14,73,16,780	14,73,16,780
Fully paid-up		
	14,73,16,780	14,73,16,780

## Notes to 2.1:

- The Company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.
- The reconciliation of the number of shares outstanding are as below:

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Number of shares at the beginning	1,47,31,678	1,47,31,678
Number of shares at the end	1,47,31,678	1,47,31,678

- The details of shareholder holding more than 5% shares are set out below :

Name of Shareholders	As at		As at	
	31st March, 2015		31st March, 2014	
	No of Shares	% held	No of Shares	% held
Arvind Kajaria	2800014	19	2800014	19
Sharad Kajaria	2800000	19	2800000	19
Intel Capital (Mauritius) limited	1797635	12	1797635	12
IntraSoft Beneficiary Trust	1750000	12	1750000	12
Padma Kajaria	1400000	10	1400000	10
Kotak Mahindra Investments Ltd.		-	927796	6

- Disclosure regarding shares issued otherwise than in cash in last 5 years are as follows :-  
9455724 Equity Shares of ₹10/- each fully paid up as Bonus by way of capitalization of General Reserve & Securities Premium Account.
- The Company declares and pays dividends in Indian Rupees. In the current financial year 2014-15, the board has declared Interim Dividend @ 10% i.e. ₹1 per share amounting to ₹1,76,77,147 (NIL) including Dividend Tax of ₹29,45,469 (NIL) and recommended Final Dividend @ 10% i.e. ₹1 per share amounting to ₹1,77,30,753 (₹1,72,35,327) including Dividend Tax of ₹29,99,075 (₹25,03,649). The Final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- The Company had raised ₹5,365.00 lakhs through an IPO in March, 2010. The amount raised from the said IPO was fully utilised as per the objects of the Issue and amendments there of.

## 2.2 Reserves and Surplus

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
<b>Capital Reserve</b>		
As per last Balance Sheet	96,13,960	96,13,960
<b>Securities Premium Reserve</b>		
As per last Balance Sheet	55,27,10,688	55,27,10,688
<b>General Reserve</b>		
As per last Balance Sheet	1,69,14,547	14,80,01,075
Add : Transfer from Surplus	-	5,00,00,000
	1,69,14,547	19,80,01,075
Less : Transfer to Statement of Profit & Loss ( Refer note 2.26)	-	18,10,86,528
	1,69,14,547	1,69,14,547
<b>Translation Reserve</b>		
As per last Balance Sheet	53,06,660	42,44,942
Add/ (Less) : During the year	18,01,451	10,61,718
	71,08,111	53,06,660
<b>Surplus</b>		
As per last Balance Sheet	4,21,61,421	8,88,13,503
Add : Net profit after tax transferred from Statement of Profit and Loss	5,96,09,248	2,05,83,245
Less : Additional Depreciation as per new Companies Act	49,34,655	-
Less : Transfer to General Reserve	-	5,00,00,000
<b>Amount available for Appropriation</b>	9,68,36,014	5,93,96,748
<b>Appropriations:</b>		
Proposed Dividend	(2,94,63,356)	(1,47,31,678)
Dividend Tax	(59,44,544)	(25,03,649)
	6,14,28,114	4,21,61,421
	64,77,75,420	62,67,07,276

## 2.3 Long Term Borrowings

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
<b>Term Loan (Secured)</b>		
From Bank (Car Loan)	4,54,784	11,58,517
From Others (Car Loan)	53,194	3,11,482
From Others (Loan Against Property)	2,07,29,153	2,25,55,262
	2,12,37,131	2,40,25,261

### Notes to 2.3:

1) Nature of security:

For Car Loan-Hypothecation of Motor Car

For Loan Against Property-Charge created by way of mortgage of Land & Building

2) Repayment of Term Loan:

From Bank (Car Loan)- ₹4,54,784 (₹11,58,517) by way of Equated Monthly Instalments (EMI).

From Others (Car Loan)-₹53,194 (₹3,11,482) by way of Equated Monthly Instalments (EMI).

From Others (Loan Against Property)-₹2,07,29,153 (₹2,25,55,262) by way of Equated Monthly Instalments (EMI).

## 2.4 Deferred Tax Liabilities / (Assets) [Net]

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
a) Deferred Tax Liability		
Timing difference for depreciation on Fixed Assets	52,50,511	(36,92,283)
b) Deferred Tax Asset		
Expenses allowable under the Income Tax Act on actual payment basis	(38,34,331)	(26,32,632)
Provision for Deferred Tax Liabilities / (Assets) [Net]	14,16,180	(63,24,915)

## 2.5 Other Long Term Liabilities

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Other than Trade Payable		
Deposit From Employees	78,72,959	67,55,492
	78,72,959	67,55,492

## 2.6 Long-term Provisions

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Provision for Employee Benefits		
Gratuity	55,52,202	36,80,234
Leave Encashment	27,31,880	11,09,063
	82,84,082	47,89,297

## 2.7 Short-term Borrowings

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Loan repayable on demand (Secured)		
From Bank	-	19,00,13,649
	-	19,00,13,649

## 2.8 Trade Payables

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Micro, Small and Medium Enterprises	-	-
Others	12,67,16,373	4,95,41,524
	12,67,16,373	4,95,41,524

### Notes to 2.8:

The Company has not received information from its vendors / service providers regarding their status under Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosures' relating to their outstanding amount and interest has not been made.

## 2.9 Other current liabilities

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Current Maturities of long term debts		
From Bank	7,03,733	6,34,882
From Others (Car Loan)	2,49,498	-
From Others	1,82,07,869	58,40,917
	<u>1,91,61,100</u>	<u>64,75,799</u>
Unpaid Dividend *	3,25,753	2,84,106
Other Payables		
Payable to Employees	1,79,51,802	1,26,68,668
Advances from Customers	64,18,788	21,27,823
TDS & Other Govt dues	42,10,780	16,45,440
Contribution to PF & Other Funds	5,69,057	2,55,446
Liabilities for Expenses	4,87,81,911	2,54,09,088
	<u>7,79,32,338</u>	<u>4,21,06,465</u>
	<u>9,74,19,191</u>	<u>4,88,66,370</u>

\* It will be credited to Investor Education and Protection Fund as and when due.

## 2.10 Short-term Provisions

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Provision for Employee Benefits		
Gratuity	1,21,330	94,228
Leave Encashment	-	3,872
Others		
Proposed Dividend	1,47,31,678	1,47,31,678
Tax on Dividend	29,99,075	25,03,649
	<u>1,78,52,083</u>	<u>1,73,33,427</u>

## 2.11 Fixed Assets

(Amount in ₹)

ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As on 1.04.2014	Consolidated Adjustment	Additions	Disposals	As on 31.03.2015	As on 1.04.2014	Consolidated Adjustment	Amount adjusted through reserves [As per New Companies Act]	From 1.4.2014 to 31.03.2015	Deduction Sale /Disposal/ Adjustment	As on 31.03.2015	As on 31.3.2014
Tangible Assets												
Computers & Accessories	3,16,75,099	-	42,22,494	1,68,47,318	1,90,50,275	2,27,87,772	-	5,99,659	45,52,438	1,58,46,346	69,56,752	88,87,327
Furniture & Fixtures	2,37,08,915	5,479	34,12,521	29,89,229	2,41,37,686	43,32,962	3,739	52,385	26,23,534	17,15,337	1,88,40,403	1,93,75,953
Office Equipments	1,76,13,667	1,18,932	23,88,335	68,99,858	1,32,21,076	54,75,902	96,229	42,58,479	25,60,167	54,31,802	62,62,101	1,21,37,765
Land & Building*	13,41,92,411	-	30,55,872	-	13,72,48,283	46,29,496	-	-	21,69,551	-	67,99,047	12,95,62,915
Motor Car	1,32,39,795	-	-	-	1,32,39,795	30,61,192	-	24,132	17,33,006	-	48,18,330	1,01,78,603
<b>TOTAL</b>	<b>22,04,29,887</b>	<b>1,24,411</b>	<b>1,30,79,222</b>	<b>2,67,36,405</b>	<b>20,68,97,115</b>	<b>4,02,87,324</b>	<b>99,968</b>	<b>49,34,655</b>	<b>1,36,38,696</b>	<b>2,29,93,485</b>	<b>17,09,29,957</b>	<b>18,01,42,563</b>
Capital Work In Progress	48,08,807	-	-	48,08,807	-	-	-	-	-	-	-	48,08,807
<b>TOTAL</b>	<b>22,52,38,694</b>	<b>1,24,411</b>	<b>1,30,79,222</b>	<b>3,15,45,212</b>	<b>20,68,97,115</b>	<b>4,02,87,324</b>	<b>99,968</b>	<b>49,34,655</b>	<b>1,36,38,696</b>	<b>2,29,93,485</b>	<b>17,09,29,957</b>	<b>18,49,51,370</b>
Previous Year	24,87,17,550	2,61,885	1,51,51,170	3,88,91,911	22,52,38,694	3,77,10,645	1,52,640	-	1,17,57,432	93,33,393	4,02,87,324	21,10,06,905
Intangible Assets												
Website 123India. Com	63,47,701	-	-	-	63,47,701	63,47,701	-	-	-	-	63,47,701	-
Softwares	1,36,21,926	48,602	19,78,624	-	1,56,49,152	93,09,767	18,069	-	10,20,074	-	1,03,47,910	43,12,159
Assets under development	26,34,96,512	-	-	-	26,34,96,512	-	-	-	-	-	26,34,96,512	26,34,96,512
<b>TOTAL</b>	<b>28,34,66,139</b>	<b>48,602</b>	<b>19,78,624</b>	<b>-</b>	<b>28,54,93,365</b>	<b>1,56,57,468</b>	<b>18,069</b>	<b>-</b>	<b>10,20,074</b>	<b>-</b>	<b>1,66,95,611</b>	<b>26,78,08,671</b>
Previous Year	50,05,30,957	1,01,520	28,77,666	22,00,44,004	28,34,66,139	5,41,27,014	8,460	-	2,84,53,808	6,69,31,814	26,78,08,671	44,64,03,943

\* Charge is created against Land &amp; Building for availing loan facility shown under Note 2.3

## 2.12 Current and Non Current Investments

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>(A) Non-current Investments</b>		
<b>I Investments other than Trade - Quoted (Fully Paid up) (At Cost)</b>		
Investments in Non Convertible Debentures		
NIL (50 ) units- 10.75% Shriram Trading Finance Co Ltd of ₹1000000 each	-	5,03,19,150
50 (50 ) units - 10.20 % Srei Infrastructure Ltd of ₹1000000 each	4,96,00,000	4,96,00,000
	4,96,00,000	9,99,19,150
<b>II Investments other than Trade - Unquoted (Fully Paid up) (At Cost)</b>		
Investments in Mutual Funds		
NIL (1055303.162) units UTI Short Term Income Fund Retail Plan ₹10 each	-	2,00,00,000
NIL (1716933.258) units Reliance Dynamic Bond Fund ₹10 each	-	2,50,70,806
NIL (4546.585) Franklin Templeton India Short Term Income Retail ₹1000 each	-	1,00,00,000
NIL (2000000) units ICICI Prudential Fixed Maturity Plan - Series 57 -3 Year Plan C of ₹10 each	-	2,00,00,000
NIL (1000000 units) ICICI Prudential Fixed Maturity Plan - Series 60 -27 Months Plan of ₹10 each	-	1,00,00,000
3000000 (3000000) units ICICI Prudential Fixed Maturity Plan - Series 63 3 Years Plan G of ₹10 each	3,00,00,000	3,00,00,000
NIL ( 486310.363 units)Birla Sun Life Dynamic Bond Fund Growth	-	1,00,00,000
NIL ( 516315.572 units) Birla Sun Life Short Term Opportunities Fund	-	1,00,00,000
NIL ( 783134.417 units) Morgan Stanley Active Bond Fund- Regular Growth	-	1,00,00,000
NIL ( 23725.533 units) Reliance Liquid Fund Treasury Plan DDR	-	3,62,70,172
	3,00,00,000	18,13,40,978
<b>III Interest in Beneficiary Trust</b>		
IntraSoft Beneficiary Trust		
	1,00,00,000	1,00,00,000
	1,00,00,000	1,00,00,000
	8,96,00,000	29,12,60,128
Aggregate amount of Quoted Investments	4,96,00,000	9,99,19,150
Aggregate amount of Unquoted Investments in Mutual Fund	3,00,00,000	18,13,40,978
Aggregate amount of Interest In Beneficiary Trust	1,00,00,000	1,00,00,000
	8,96,00,000	29,12,60,128
Aggregate Market Value of Quoted Investments	4,79,81,000	9,56,44,961
Aggregate NAV of investments in Unquoted Mutual Fund	3,89,60,100	20,30,45,086
	8,69,41,100	29,86,90,047
<b>(B) Current Investments</b>		
<b>Trade Investments - Unquoted (Fully Paid up) (At Cost)</b>		
Investments in Mutual Funds		
	-	-
	-	-

### Notes to 2.12:

- The beneficial interest in the Trust amounting to ₹1,00,00,000 represents 1750000 Equity shares of IntraSoft Technologies Limited shown under 'Non- Current Investment' in the Balance Sheet.



### 2.13 Long term Loans and Advances

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Unsecured, considered Good		
Capital Advances	9,83,542	2,48,000
Security Deposits	3,81,042	8,39,438
	13,64,584	10,87,438

### 2.14 Inventories (At cost or net realisable value which ever is lower)

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Stock-in-trade	12,12,85,948	1,29,81,258
	12,12,85,948	1,29,81,258

### 2.15 Trade Receivables

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Unsecured, Considered good		
More than six months from the due date	16,96,712	17,50,572
Others	5,78,25,424	4,94,60,738
	5,95,22,136	5,12,11,310

### 2.16 Cash and Bank Balances

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
<b>I. Cash and Cash Equivalents</b>		
Balances with banks		
In Current Account	12,50,84,472	7,66,69,675
Cash on hand	39,882	1,00,272
	12,51,24,354	7,67,69,947
<b>II. Other Bank Balances</b>		
In Current Account		
Unpaid Dividend Account	3,25,753	2,84,106
Employees Deposit Account	78,72,959	62,88,454
	81,98,712	65,72,560
	13,33,23,066	8,33,42,507

### 2.17 Short term Loans and Advances

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Loan to Body Corporate	5,00,00,000	6,40,00,000
Advance to Employees	9,19,031	31,09,437
Advance to Suppliers	3,64,03,980	1,84,55,437
Prepaid Expenses	21,33,391	34,09,819
Service Tax Receivable (Net)	3,46,86,181	2,90,80,912
Advance Income Tax & TDS (Net of Provisions)	1,38,72,933	1,56,55,086
Advance for FBT (Net of Provisions)	-	10,119
MAT Credit Entitlement	7,64,43,982	6,56,50,134
Other Miscellaneous Advances	2,84,369	2,69,710
	21,47,43,867	19,96,40,654

Notes to 2.17:

- 1) Advance Income Tax & TDS is net of Provisions of ₹9,18,38,093 ( ₹8,09,86,415)
- 3) Minimum Alternative Tax (MAT) credit available to the company as per provision of section 115JAA of the Income Tax Act , 1961 ₹7,64,43,982 (₹6,56,50,134) has been recognised as MAT Credit Entitlement and carried forward for set off in future years.

2.18 Other Current Assets

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Accrued Interest on ICD and NCD	1,63,22,887	1,67,40,825
	1,63,22,887	1,67,40,825

2.19 Revenue From Operations

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
IT enabled services	3,42,91,02,800	1,48,40,02,207
	3,42,91,02,800	1,48,40,02,207

2.20 Other Income

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
a Interest Income		
On Inter Corporate Deposits	60,49,428	51,53,591
On Non Convertible Debentures	70,58,562	1,34,99,627
On Income Tax	12,303	65,004
	1,31,20,293	1,87,18,222
b Dividend Income ( Non- current Investments)	40,01,383	58,28,237
c Exchange gain	-	-
d Gain on redemption of Mutual Funds (Current Investments)	2,32,55,977	2,12,72,659
e Gain on redemption of Mutual Funds (Non -current Investments)	-	-
f Other Miscellaneous Income	6,78,629	3,05,765
	4,10,56,282	4,61,24,883

Notes to 2.20:

TDS on Interest Income ₹6,04,943 ( ₹5,15,357)

## 2.21 Product & Content Development expenses

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
a Cost of Product	2,07,77,68,320	1,04,16,53,337
b Designing & Development	30,94,924	20,94,196
c Web space and Bandwidth Charges	2,24,03,472	2,77,40,136
d Ad Serving Charges	18,25,886	42,76,517
e Ad Monitoring charges	21,64,710	15,53,822
f Dues & Subscription	7,70,213	-
g Shipping & Handling	51,68,27,319	-
	2,62,48,54,844	1,07,73,18,008

## 2.22 Sales and Marketing Expenses

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
a EBE-Sales	14,14,857	31,52,714
b Travelling-Sales	2,17,783	3,53,111
c Advertising, Branding and Promotion	27,67,516	36,59,382
d Market Place , Marketing & Referral Fees	42,57,79,130	17,25,27,743
e Commission	2,15,35,672	1,13,03,410
f Delivery Discount	3,56,21,262	53,30,962
g Other Expenses	1,30,80,972	1,55,80,369
	50,04,17,192	21,19,07,691

## 2.23 Employees Benefit Expense

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
a Salaries and Wages	17,49,96,376	11,93,17,078
b Contribution to provident and other funds	32,46,631	19,92,161
	17,82,43,007	12,13,09,239

### Notes to 2.23:

- Salaries and Wages includes Gratuity ₹22,71,474 ( ₹8,82,234).
- Employee Benefit includes Managerial Remuneration ₹1,63,94,933 ( ₹60,64,263).

## 2.24 Finance Costs

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
Interest Expenses		
Interest to Bank	75,93,556	60,63,121
Others	5,879	29,56,842
	75,99,435	90,19,963

## 2.25 Other Expenses

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
a Power and Fuel	44,88,210	41,23,007
b Rent	32,65,942	46,31,993
c Repairs to Others	32,06,454	25,30,888
d Insurance	2,81,666	2,79,519
e Rates and Taxes excluding taxes on Income	5,44,864	4,10,742
f Travelling & Conveyance	1,94,66,651	99,67,491
g Legal and Professional Charges	1,02,07,106	1,36,59,353
h Director's Sitting Fees	9,00,000	10,00,000
i Payments to the Auditors :		
Statutory Audit Fee	15,65,300	10,46,260
Tax Audit Fee	1,16,952	1,01,624
Limited Review	40,000	37,500
Other Services	72,383	38,464
j Donation	87,100	60,600
k CSR	8,34,800	-
l Net loss on foreign currency translation (other than considered as finance cost)	8,41,499	2,59,19,692
m Loss on sale of Fixed Assets	35,37,775	11,47,045
n Loss on Redemption of Mutual Fund/ NCD	5,69,150	29,51,830
o Miscellaneous Expenses	2,19,28,669	2,32,09,136
p Prior Period Expenses	(17,666)	1,05,982
q Sundry balances written off	39,95,559	9,36,134
	7,59,32,414	9,21,57,260

### Notes to 2.25:

#### 1. Net loss on foreign currency translation

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
Loss on foreign currency translation	50,18,551	3,73,41,699
Gain on foreign currency translation	41,77,052	1,14,22,007
	(8,41,499)	(2,59,19,692)

#### 2. CSR Activities

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
Gross amount required to be spent by the company during the year	8,30,453	-
Actual amount spent by the company during the year	8,34,800	-

## 2.26 Exceptional Item

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
Assets discarded/ Written off	-	18,10,86,528
Less : Transfer from General Reserve	-	(18,10,86,528)
	-	-

## 2.27 Contingent Liabilities and Commitments

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
a Contingent Liabilities		
1 Claims against the company not acknowledge as debt	-	-
2 Guarantees	1,25,000	1,25,000
3 Other money for which the company is contingently liable	-	-
b Commitments		
1 Capital commitments	9,83,542	2,48,000
2 Uncalled liability on shares and other investments partly paid	-	-
3 Other commitment	-	-

## 2.28 Segment Reporting

As per requirements of AS-17 of the Companies (Accounting Standard) Rules, 2006, no disclosure is required as the Company is operating in single business/geographical segment of Internet based delivery of services.

## 2.29 Disclosure of Related Party Transactions

### a) Names of related parties and nature of relationship where control exists:

#### i) Key Managerial Personnel and their relatives

Mr. Arvind Kajaria	Managing Director
Mr. Sharad Kajaria	Whole Time Director
Mrs. Padma Kajaria	Mother of the above
Mr. Rakesh Dhanuka	Company Secretary
Mr. Mohit Kumar Jha	Chief Financial Officer

#### iii) Enterprise where KMP have significant

IntraSoft Beneficiary Trust

Influence or control

### b) Transactions and balances with related parties:

Name of the Party	Nature of Transaction	As at	As at
		31st March, 2015	31st March, 2014
		₹	₹
Transactions with Key Managerial Personnel			
Mr. Arvind Kajaria	Dividend Payment- FY 2013-14 (Final)	28,00,014	28,00,014
	Dividend Payment- FY 2014-15 (Interim)	28,00,014	-
Mr. Sharad Kajaria	Dividend Payment- FY 2013-14 (Final)	28,00,000	28,00,000
	Dividend Payment- FY 2014-15 (Interim)	28,00,000	-
Mrs. Padma Kajaria	Dividend Payment- FY 2013-14 (Final)	14,00,000	14,00,000
	Dividend Payment- FY 2014-15 (Interim)	14,00,000	-
Mr. Arvind Kajaria	Director's Remuneration	72,10,800	24,28,800
Mr. Sharad Kajaria	Director's Remuneration	67,60,800	21,28,800
Mr. Rakesh Dhanuka	Remuneration	6,47,945	5,50,751
Mr. Mohit Kumar Jha	Remuneration	17,75,388	9,55,912
Transactions with Enterprise where KMP have significant Influence or control			
IntraSoft Beneficiary Trust	Dividend Payment- FY 2013-14 (Final)	17,50,000	17,50,000
	Dividend Payment- FY 2014-15 (Interim)	17,50,000	-

### 2.30 Disclosure as per AS-15 “Employees Benefits”

The followings tables set out the funded status and amount recognised in the companies’ financial statement as at 31st March, 2015 for the defined benefit plans:

<b>GRATUITY</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
<b>I. Change of Benefit Organization</b>		
Liability at the beginning of the year	37,74,462	29,72,996
Interest cost	3,39,702	2,67,570
Current Service Cost	12,83,219	10,20,635
Past Service Cost (Non Vested Funds )	-	-
Past Service Cost (Vested Funds )	-	-
Benefit Paid	(3,72,404)	(80,768)
Actuarial (Gain )/Loss on obligation	6,48,553	(4,05,971)
Curtailments and Settlements	-	-
Liability at the end of the year	56,73,532	37,74,462
<b>II. Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions	3,72,404	80,768
Benefit Paid	(3,72,404)	(80,768)
Actuarial (Gain )/Loss on Plan Assets	-	-
Fair Value of Plan Assets at the end of the year	-	-
Total Actuarial Gain / (Loss) to be Recognised	-	-
<b>III. Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	-	-
Actuarial (Gain )/Loss on Plan Assets	-	-
Actual Return on Plan Assets	-	-
<b>IV. Amount Recognised in the Balance Sheet</b>		
Liability at the end of the year	56,73,532	37,74,462
Fair Value of Plan Assets at the end of the year	-	-
Difference	(56,73,532)	(37,74,462)
Unrecognized Past Service Cost	-	-
Amount Recognised in the Balance Sheet	(56,73,532)	(37,74,462)
<b>V. Expenses Recognised in the Income Statement</b>		
Current Service Cost	12,83,219	10,20,635
Interest cost	3,39,702	2,67,570
Expected Return on Plan assets	-	-
Net Actuarial (Gain) / Loss to be Recognised	6,48,553	(4,05,971)
Past Service Cost ( Non Vested Benefit ) Recognised	-	-
Past Service Cost ( Vested Benefit ) Recognised	-	-
Effect of Curtailment or settlement	-	-
Expenses Recognised in the Statement of Profit and Loss	22,71,474	8,82,234
<b>VI. Balance Sheet Reconciliation</b>		
Opening Net Liability	(37,74,462)	(29,72,996)
Expense as above	(22,71,474)	(8,82,234)
Employers Contribution	3,72,404	80,768
Effect of Curtailment or settlement	-	-
Current Defined Benefit Obligation at the end of the period	(1,21,330)	(94,228)
Non- Current Defined Benefit Obligation at the end of the period	(55,52,202)	(36,80,234)
Amount Recognised in the Balance Sheet	(56,73,532)	(37,74,462)
<b>VII. Actuarial Assumption</b>		
Discount Rate Current	7.85%	9.00%
Rate of Return on Plan Assets Current	0.00%	0.00%
Salary Escalation Current	5.00%	5.00%

2.31 The Company has been approved as STP unit under the scheme of The Government of India

### 2.32 Earning Per Equity Share

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
(a) Net Income available to Equity Shareholders (₹) (Numerator)	5,96,09,250	2,05,83,245
(b) Weighted average no. of Equity Shares outstanding (Denominator)	1,47,31,678	1,47,31,678
(c) Earning per Share (₹) Basic & Diluted	4.05	1.40

### 2.33 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	(Amount in ₹)	As % of consolidated profit or loss	(Amount in ₹)
<b>Parent-</b>				
IntraSoft Technologies Limited	98.71%	78,48,37,280	81.74%	4,87,25,948
<b>Subsidiaries including chain subsidiaries</b>				
Indian				
One Two Three Greetings (India) Pvt. Ltd.	0.14%	11,15,933	0.12%	71,150
Foreign				
123Greetings.com, Inc	0.81%	64,56,916	1.78%	10,62,521
Intrasoft Ventures Pte. Ltd.	0.00%	26,585	12.00%	71,51,504
123Stores, Inc (Step-down)	0.34%	26,55,486	4.36%	25,98,127
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
<b>TOTAL</b>	<b>100%</b>	<b>79,50,92,200</b>	<b>100%</b>	<b>5,96,09,250</b>

## 2.34 Statement containing salient features of the financial statement of subsidiary

### Part A - Subsidiaries

1	Name of the subsidiary/Joint Venture/ Associate Companies	123 Greetings. com, Inc.	Intrasoft Ventures Pte. Ltd. [Formerly known as 123Greetings (Singapore) Pte. Ltd.]	One Two Three Greetings (India) Private Limited	123Stores, Inc.*
2	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
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	USD, 1 USD = ₹62.50	SGD, 1 SGD = ₹45.54	N.A.	USD, 1 USD = ₹62.50
4	Share capital	62,50,000	91,08,000	2,00,00,000	31,25,000
5	Reserves and Surplus	64,56,916	26,585	11,15,933	26,55,486
6	Total Assets	3,62,53,245	93,07,637	3,13,76,532	29,05,15,717
7	Total Liabilities	2,35,46,329	1,73,052	1,02,60,599	28,47,35,231
8	Investments	-	29,20,936	-	-
9	Turnover	1,31,40,52,250	1,26,01,477	42,19,181	2,09,82,29,892
10	Profit before taxation	14,12,238	71,51,504	75,850	32,85,086
11	Provision for taxation	3,49,717	-	4,700	6,86,959
12	Profit after taxation	10,62,521	71,51,504	71,150	25,98,127
13	Proposed Dividend	-	-	-	-
14	% of shareholding	100	100	100	100

\* 123Stores, Inc. is a Wholly Owned Subsidiary of Intrasoft Ventures Pte. Ltd.

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

2.35 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

Signature to Note 1 & 2

For K.N.GUTGUTIA & CO.  
Chartered Accountants  
Firm Registration No. 304153E

K.C. Sharma  
(Partner)  
Membership No. : 50819

Place : Kolkata  
Date : 27th May, 2015

Mohit Kumar Jha  
Chief Financial Officer

Rakesh Dhanuka  
Company Secretary

For and on behalf of the Board

Arvind Kajaria  
Managing Director

Sharad Kajaria  
Whole-time Director



# INDEPENDENT AUDITORS' REPORT

To  
The members of  
Intrasoft Technologies Limited

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of INTRASOFT TECHNOLOGIES LIMITED ("the Company"), which comprises the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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.

## Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India: of the state of affairs of the Company as at 31st March, 2015 and its Profit and its cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
  2. As required by Section 143(3) of the Act, we report that:
    - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
    - e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) 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, in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company has no pending litigations and hence it has no impact on its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For K.N. GUTGUTIA & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No.304153E

(K.C.SHARMA)

Partner

Membership No. 50819

Date: 27th May, 2015

Place : Kolkata

## Annexure to the Independent Auditors' Report to the Members of INTRASOFT TECHNOLOGIES LIMITED as referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements in our Report of even date

- i) (a). The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b). All the fixed assets have been physically verified by the Management at reasonable intervals. No material discrepancies were noticed on such verification.
- ii) The Company's nature of operations does not require to hold inventories and as such clause 3(ii) (a) to (c) of the Companies (Auditor's Report) Order, 2015 is not applicable.
- iii) The Company has not granted any loan, secured or unsecured to Companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and hence clause 3(iii) (a) to (b) of the Companies (Auditor's Report) Order, 2015 is not applicable.
- iv) In our opinion there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) The Company has not accepted any public deposits during the year and as such clause 3(v) of the Companies (Auditor's Report) Order, 2015 is not applicable.
- vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 in respect of services carried out by the Company and as such clause 3(vi) of the Companies (Auditor's Report) Order, 2015 is not applicable.
- vii) (a) According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it.
- Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax or Sales Tax or Wealth Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax or Cess which have not been deposited on account of any dispute.
- (c) According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- viii) The Company has neither accumulated losses at the end of the financial year nor it has incurred any cash losses during the financial year and in the immediately preceding financial year.
- ix) Based on our audit procedures and according to the information and explanations given to us, we observed that the Company has not defaulted in repayment of dues to a Financial institution or Bank or Debenture holders during the current financial year.
- x) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
- xi) According to the information and explanations given to us, the Company has applied the term loans for the purpose for which such loans were obtained.
- xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

According to the information and explanations given to us, no undisputed amounts payable in respect of

Date: 27th May, 2015  
Place : Kolkata

For K.N. GUTGUTIA & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No.304153E

(K.C.SHARMA)

Partner

Membership No. 50819

## Balance Sheet as at 31st March, 2015

Particulars	Note No.	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2.1	14,73,16,780	14,73,16,780
(b) Reserves and Surplus	2.2	63,16,75,437	62,18,69,226
<b>(2) Non-current Liabilities</b>			
(a) Long-term Borrowings	2.3	2,12,37,131	2,40,25,261
(b) Deferred Tax Liabilities (Net)	2.4	14,38,207	-
(c) Other Long term Liabilities	2.5	78,72,959	67,55,492
(d) Long-term Provisions	2.6	82,06,434	46,90,743
<b>(3) Current Liabilities</b>			
(a) Short-term Borrowings	2.7	-	-
(b) Trade Payables	2.8	(7,79,265)	91,964
(c) Other Current Liabilities	2.9	4,20,17,483	23,38,78,710
(d) Short-term Provisions	2.10	1,78,50,806	1,73,29,180
<b>TOTAL</b>		<b>87,68,35,972</b>	<b>1,05,59,57,356</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	2.11	17,03,38,981	17,90,44,604
(ii) Intangible Assets	2.11	46,73,456	34,81,533
(iii) Capital Work-in-Progress	2.11	-	48,08,807
(iv) Intangible Assets under Development	2.11	26,34,96,512	26,34,96,512
		<b>43,85,08,949</b>	<b>45,08,31,456</b>
(b) Non-current Investments	2.12	11,93,17,000	32,09,77,128
(c) Deferred Tax Assets (Net)	2.4	-	63,54,470
(d) Long-term Loans and Advances	2.13	13,64,584	10,87,438
<b>(2) Current Assets</b>			
(a) Current Investments	2.12	-	-
(b) Trade Receivables	2.14	9,84,79,372	5,65,03,086
(c) Cash and Bank Equivalents	2.15	1,76,45,732	1,14,96,496
(d) Short-term Loans and Advances	2.16	18,51,97,448	19,19,66,457
(e) Other Current Assets	2.17	1,63,22,887	1,67,40,825
<b>TOTAL</b>		<b>87,68,35,972</b>	<b>1,05,59,57,356</b>
<b>Accounting Policies &amp; Notes on Accounts</b>	<b>1 &amp; 2</b>		

Notes are an integral part of the Balance Sheet

For K.N.GUTGUTIA & CO.  
Chartered Accountants  
Firm Registration No. 304153E

K.C. Sharma  
(Partner)  
Membership No. : 50819

Place : Kolkata  
Date : 27th May, 2015

Mohit Kumar Jha  
Chief Financial Officer

Rakesh Dhanuka  
Company Secretary

For and on behalf of the Board

Arvind Kajaria  
Managing Director

Sharad Kajaria  
Whole-time Director

## Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Note No.	Year ended	Year ended
		31st March, 2015	31st March, 2014
		₹	₹
I. Revenue from operations	2.18	30,62,88,508	18,57,18,201
II. Other income	2.19	4,10,43,979	4,60,59,879
III. Total Revenue (I + II)		34,73,32,487	23,17,78,080
IV. Expenses:			
Product & Content Development Expenses	2.20	4,11,981	3,68,047
Selling and Marketing Expenses	2.21	4,33,44,484	2,21,20,617
Employee benefit expense	2.22	17,27,17,978	11,58,65,171
Finance costs	2.23	59,29,995	33,25,780
Depreciation and amortization expenses		1,37,68,022	3,94,50,669
Other expenses	2.24	5,32,10,308	7,29,84,483
Total expenses		28,93,82,768	25,41,14,767
V. Profit before exceptional Item and tax (III-IV)		5,79,49,719	(2,23,36,687)
VI. Exceptional Item	2.25	-	18,10,86,528
Less : Transferred from General Reserve		-	(18,10,86,528)
		-	-
VII. Profit after exceptional Item and before tax (V- VI)		5,79,49,719	(2,23,36,687)
VIII. Tax expense:			
(1) Current tax		1,07,93,848	-
(2) Current tax (Earlier Years)		10,119	-
(3) MAT Credit Entitlement		(1,07,93,848)	-
(4) MAT Credit Entitlement (Earlier Years)		-	-
(5) Deferred tax		77,92,677	(4,27,91,700)
		78,02,796	(4,27,91,700)
IX. Profit (Loss) for the year from continuing operations(VII-VIII)		5,01,46,923	2,04,55,013
X. Earnings per equity share:	2.34		
Basic & Diluted (Par value of ₹10/- each)		3.40	1.39
Accounting Policies & Notes on Accounts	1 & 2		

Notes are an integral part of the Statement of Profit and Loss

For K.N.GUTGUTIA & CO.  
Chartered Accountants  
Firm Registration No. 304153E

Mohit Kumar Jha  
Chief Financial Officer

For and on behalf of the Board

Arvind Kajaria  
Managing Director

K.C. Sharma  
(Partner)  
Membership No. : 50819

Rakesh Dhanuka  
Company Secretary

Sharad Kajaria  
Whole-time Director

Place : Kolkata  
Date : 27th May, 2015

## Cash Flow Statement for the year ended 31st March, 2015

	Year ended 31st March, 2015 ₹	Year ended 31st March, 2014 ₹
<b>A) Cash Flow From Operating Activities:</b>		
Net profit before tax	5,79,49,719	(2,23,36,687)
Adjustments for:		
Depreciation and amortization expenses	1,37,68,022	3,94,50,669
Interest Expense	59,29,995	33,25,780
Loss on Sale of Fixed Assets (Net)	35,31,220	11,47,045
Loss on Redemption of Mutual Fund/ NCD	5,69,150	29,51,830
Dividend Income	(40,01,383)	(58,28,237)
Gain on redemption of Mutual Funds (Non Current Investments)	(2,32,55,977)	(2,12,72,659)
Exchange differences on translation of Foreign Currency	-	1,65,40,935
Interest Income	(1,31,07,990)	(1,86,53,218)
<b>Operating profit before working capital changes</b>	<b>4,13,82,756</b>	<b>(46,74,542)</b>
(Increase) / Decrease in Trade Receivables	(4,19,76,286)	(7,99,89,698)
Increase / (Decrease) in Trade Payables	(8,71,229)	(1,76,782)
Increase / (Decrease) in Other than Trade Payables	(18,83,60,983)	(12,75,982)
(Increase)/ Decrease in Advance & Deposit	(19,13,312)	(1,97,15,871)
<b>Cash generated from operations</b>	<b>(19,17,39,054)</b>	<b>(10,58,32,875)</b>
Income Tax (Paid) / Refunded	(81,04,944)	(42,96,593)
<b>Net Cash Flow From Operating Activities:</b>	<b>(19,98,43,998)</b>	<b>(11,01,29,468)</b>
<b>B) Cash Flow From Investing Activities:</b>		
Purchase of Fixed Assets	(1,49,30,054)	(1,32,20,030)
(Increase)/ Decrease in Capital Work-in-Progress	48,08,807	(48,08,807)
Sale / (Purchase) of Mutual Fund and NCD (Net)	20,16,60,128	10,57,29,828
Sale of Fixed Assets	2,11,700	4,37,137
Gain on redemption of Mutual Funds (Non Current Investments)	2,32,55,977	2,12,72,659
Loss on Redemption of Mutual Fund/ NCD	(5,69,150)	(29,51,830)
Increase in other bank balances	(16,26,152)	(21,47,136)
Short Term Loan received/ (Paid) to /from Subsidiaries	25,00,000	10,00,000
Short Term Loan received / (Paid) to/ from Body Corporates	1,40,00,000	(1,40,00,000)
Dividend Received	40,01,383	58,28,237
Interest Received	1,35,25,928	1,76,11,781
<b>Net Cash From/ (used in) Investing Activities:</b>	<b>24,68,38,567</b>	<b>11,47,51,839</b>
<b>C) Cash Flow From Financing Activities:</b>		
Dividend Paid	(2,94,21,709)	(1,46,58,238)
Dividend Tax Paid	(54,49,118)	(25,03,649)
Receipt/ (Payment) of other Long Term Liabilities	11,17,467	24,16,382
Receipt/ (Payment) Proceeds from Long Term Borrowings	(27,88,130)	2,40,25,261
Receipt/ (Payment) Proceeds from Short Term Borrowings	-	(1,00,00,000)
Interest Paid	(59,29,995)	(33,25,780)
<b>Net Cash From Financing Activities:</b>	<b>(4,24,71,485)</b>	<b>(40,46,024)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents(A+B+C)</b>	<b>45,23,084</b>	<b>5,76,347</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>49,23,936</b>	<b>43,47,589</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>94,47,020</b>	<b>49,23,936</b>

The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard -3 on "Cash Flow Statements".

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

For K.N.GUTGUTIA & CO.  
Chartered Accountants  
Firm Registration No. 304153E

K.C. Sharma  
(Partner)  
Membership No. : 50819

Place : Kolkata  
Date : 27th May, 2015

Mohit Kumar Jha  
Chief Financial Officer

Rakesh Dhanuka  
Company Secretary

For and on behalf of the Board

Arvind Kajaria  
Managing Director

Sharad Kajaria  
Whole-time Director

**Note : 1 SIGNIFICANT ACCOUNTING POLICIES****1.1. ACCOUNTING CONCEPT**

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and are in compliance with mandatory accounting standards as specified in the Companies (Accounting Standards) Rules , 2006 issued by the Central Government

The financial statement are prepared under the historical cost convention and on an accrual basis of accounting.

**1.2. FIXED ASSETS**

Fixed Assets are stated at their original cost including other expenses related to acquisition and installation.

Expenses incurred towards cost of assets not ready for use as at the balance sheet date are disclosed as Assets under Development.

**1.3. DEPRECIATION**

Depreciation on fixed assets is provided on straight-line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II of the Companies Act 2013. The management estimates the useful life for the intangible assets as six (6) years.

**1.4. INVESTMENTS**

Long-term Investments are valued at cost less provision for diminution, other than temporary, if any. The cost is determined by taking purchase price and other direct expenses related to acquisition. Current Investments are carried at lower of cost or fair value.

**1.5. RECOGNITION OF INCOME AND EXPENDITURE**

Items of Income and expenditure are accounted for on accrual basis.

**1.6. FOREIGN CURRENCY TRANSACTIONS**

I) Foreign Currency transactions are recorded on the basis of exchange rates prevailing on the date of their occurrence.

II) Current / Non- current monetary assets and liabilities (other than those covered by forward contracts) denominated in foreign currency as on the Balance Sheet date are restated in the accounts on the basis of exchange rates prevailing at the Balance Sheet date and exchange difference arising there from are charged to the Statement of Profit and Loss.

**1.7. EMPLOYEES BENEFITS**

I. The Company makes monthly contribution to ESI and Provident Fund in respect of employees covered under the respective Acts at the rate specified in the act and the same is charged to revenue.

II. Leave pay due to employees in respect of unavailed leave is encashed or provided for at the end of the year on accrual basis.

III. Gratuity paid during the year is debited to liability account at the time of payment and liability on account of gratuity is provided on the date of Balance Sheet on Actuarial Valuation at the end of the year.

**1.8. TAXATION**

Provision for Income Tax is made on taxable income for the year at current rates. Current Tax represents the amount of Income tax payable in respect of taxable income for the year.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal Income Tax during the specified period. In the year in which the MAT credit become eligible to be recognised as an asset in accordance with the recommendation contained in the Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred Tax represents the effect of timing difference between taxable income and accounting income for the year that

originate in one period and are capable of reversal in one or more subsequent years. The deferred tax asset is recognized and carried forward only to the extent if there is a reasonable certainty that the assets will be realized in future. However where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty with supporting evidences of realization of the assets.

**1.9. PROVISIONS, CONTINGENT LIABILITIES, AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**1.10. USE OF ESTIMATES**

The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosures related to contingent liabilities and assets as at the balance sheet date, and the reported amount of income and expenses during the year. Actual results could differ from those estimates.

**1.11. IMPAIRMENT OF ASSETS**

All assets other than, investments and deferred tax assets are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying values exceed their recoverable amount, the impairment are recognized and the assets are written down to the recoverable amount.

**1.12. EARNINGS PER SHARE**

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax and include the post tax effect of any extra ordinary items. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

**1.13. CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated.



## Note : 2 NOTES ON ACCOUNTS

## 2.1 Share Capital

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
<b>Authorised Capital</b>		
25250000 Equity Shares of Par Value of ₹10/-	25,25,00,000	25,25,00,000
<b>Issued, Subscribed and Paid Up</b>		
14731678 Equity Shares of Par Value of ₹10/-	14,73,16,780	14,73,16,780
Fully paid-up		
	14,73,16,780	14,73,16,780

## Notes to 2.1:

- The Company has only one class of shares referred to as equity shares having a par value of ₹10. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.
- The reconciliation of the number of shares outstanding are as below:

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Number of shares at the beginning	1,47,31,678	1,47,31,678
Number of shares at the end	1,47,31,678	1,47,31,678

- The details of shareholder holding more than 5% shares are set out below :

Name of Shareholders	As at		As at	
	31st March, 2015		31st March, 2014	
	No of Shares	% held	No of Shares	% held
Arvind Kajaria	2800014	19	2800014	19
Sharad Kajaria	2800000	19	2800000	19
Intel Capital (Mauritius) limited	1797635	12	1797635	12
IntraSoft Beneficiary Trust	1750000	12	1750000	12
Padma Kajaria	1400000	10	1400000	10
Kotak Mahindra Investments Ltd.		-	927796	6

- Disclosure regarding shares issued otherwise than in cash in last 5 years are as follows :-  
9455724 Equity Shares of ₹10/- each fully paid up as Bonus by way of capitalization of General Reserve & Securities Premium Account.
- The Company declares and pays dividends in Indian Rupees. In the current financial year 2014-15, the board has declared Interim Dividend @ 10% i.e. ₹1 per share amounting to ₹1,76,77,147 (NIL) including Dividend Tax of ₹29,45,469 (NIL) and recommended Final Dividend @ 10% i.e. ₹1 per share amounting to ₹1,77,30,753 (₹1,72,35,327) including Dividend Tax of ₹29,99,075 (₹25,03,649). The Final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- The Company had raised ₹5,365.00 lakhs through an IPO in March, 2010. The amount raised from the said IPO was fully utilised as per the objects of the Issue and amendments there of.

## 2.2 Reserves and Surplus

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
<b>Capital Reserve</b>		
As per last Balance Sheet	96,13,960	96,13,960
<b>Securities Premium Reserve</b>		
As per last Balance Sheet	55,27,10,688	55,27,10,688
	55,27,10,688	55,27,10,688
<b>General Reserve</b>		
As per last Balance Sheet	1,69,14,547	14,80,01,075
Add : Transfer from Surplus	-	5,00,00,000
	1,69,14,547	19,80,01,075
Less : Transfer to Statement of Profit & Loss ( Refer note 2.25)	-	18,10,86,528
	1,69,14,547	1,69,14,547
<b>Surplus</b>		
As per last Balance Sheet	4,26,30,031	8,94,10,345
Add : Net profit after tax transferred from Statement of Profit and Loss	5,01,46,923	2,04,55,013
Less : Additional Depreciation as per new Companies Act	49,32,812	-
Less : Transfer to General Reserve	-	5,00,00,000
Amount available for Appropriation	8,78,44,142	5,98,65,358
<b>Appropriations:</b>		
Proposed Dividend	(2,94,63,356)	(1,47,31,678)
Dividend Tax	(59,44,544)	(25,03,649)
	5,24,36,242	4,26,30,031
	63,16,75,437	62,18,69,226

## 2.3 Long Term Borrowings

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
<b>Term Loan (Secured)</b>		
From Bank (Car Loan)	4,54,784	11,58,517
From Others (Car Loan)	53,194	3,11,482
From Others (Loan Against Property)	2,07,29,153	2,25,55,262
	2,12,37,131	2,40,25,261

### Notes to 2.3:

1) **Nature of security:**

For Car Loan-Hypothecation of Motor Car

For Loan Against Property-Charge created by way of mortgage of Land & Building

2) **Repayment of Term Loan:**

From Bank (Car Loan)- ₹4,54,784 (₹11,58,517) by way of Equated Monthly Instalments (EMI).

From Others (Car Loan)-₹53,194 (₹3,11,482) by way of Equated Monthly Instalments (EMI).

From Others (Loan Against Property)-₹2,07,29,153 (₹2,25,55,262) by way of Equated Monthly Instalments (EMI).

## 2.4 Deferred Tax Liabilities / (Assets) [Net]

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
a) Deferred Tax Liability		
Timing difference for depreciation on Fixed Assets	52,31,531	(37,61,280)
b) Deferred Tax Asset		
Expenses allowable under the Income Tax Act on actual payment basis	(37,93,324)	(25,93,190)
Provision for Deferred Tax Liabilities / (Assets) [Net]	14,38,207	(63,54,470)

## 2.5 Other Long Term Liabilities

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Others		
Deposit From Employees	78,72,959	67,55,492
	78,72,959	67,55,492

## 2.6 Long-term Provisions

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Provision for Employee Benefits		
Gratuity	55,01,133	35,81,680
Leave Encashment	27,05,301	11,09,063
	82,06,434	46,90,743

## 2.7 Short-term Borrowings

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Loan repayable on demand (Secured)		
From Bank	-	-
	-	-

## 2.8 Trade Payables

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Micro, Small and Medium Enterprises	-	-
Others	(7,79,265)	91,964
	(7,79,265)	91,964

### Notes to 2.8:

The Company has not received information from its vendors / service providers regarding their status under Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosures' relating to their outstanding amount and interest has not been made.

## 2.9 Other current liabilities

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Current Maturities of long term debts		
From Bank (Car Loan)	7,03,733	6,34,882
From Others (Car Loan)	2,49,498	2,24,020
From Others (Loan Against Property)	1,82,07,869	56,16,897
	<b>1,91,61,100</b>	<b>64,75,799</b>
Unpaid Dividend *	3,25,753	2,84,106
Other Payables		
Payable to Employees	1,76,63,687	1,23,75,495
Advance from Customer (Subsidiaries)	-	20,88,82,326
TDS & Other Govt dues	18,91,012	32,221
Contribution to PF & Other Funds	5,69,057	2,55,446
Amount due for Capital Goods	-	-
Liabilities for Expenses	24,06,874	55,73,317
	<b>2,25,30,630</b>	<b>22,71,18,805</b>
	<b>4,20,17,483</b>	<b>23,38,78,710</b>

\* It will be credited to Investor Education and Protection Fund as and when due.

## 2.10 Short-term Provisions

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Provision for Employee Benefits		
Gratuity	1,20,053	93,853
Others		
Proposed Dividend including Interim Dividend.	1,47,31,678	1,47,31,678
Tax on Dividend including Interim Dividend Tax.	29,99,075	25,03,649
	<b>1,78,50,806</b>	<b>1,73,29,180</b>

## 2.11 Fixed Assets

(Amount in ₹)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As on 01.04.2014	Additions	Disposals	As on 31.03.2015	As on 01.04.2014	From 1.4.2014 to 31.03.2015	Amount adjusted through reserves [As per New Companies Act]	Deduction Sale /Disposal/ /Adjustment	As on 31.03.2015	As on 31.03.2015	As on 31.3.2014
<b>Tangible Assets</b>											
Computers & Accessories	3,13,10,470	42,22,494	1,68,47,318	1,86,85,646	2,25,82,032	44,13,624	5,97,816	1,58,46,346	1,17,47,126	69,38,520	87,28,438
Furniture & Fixtures	2,33,69,135	34,12,521	29,69,229	2,37,92,427	42,01,760	25,85,818	52,385	17,15,337	51,24,626	1,86,67,801	1,91,67,375
Office Equipments	1,48,81,562	22,60,543	68,99,858	1,02,42,247	34,74,289	20,79,322	42,58,479	54,31,802	43,80,288	58,61,959	1,14,07,273
Land & Building*	13,41,92,411	30,55,872	-	13,72,48,283	46,29,496	21,69,551	-	-	67,99,047	13,04,49,236	12,95,62,915
Motor Car	1,32,39,795	-	-	1,32,39,795	30,61,192	17,33,006	24,132	-	48,18,330	84,21,465	1,01,78,603
<b>Total (A)</b>	<b>21,69,93,373</b>	<b>1,29,51,430</b>	<b>2,67,36,405</b>	<b>20,32,08,398</b>	<b>3,79,48,769</b>	<b>1,29,81,321</b>	<b>49,32,812</b>	<b>2,29,93,485</b>	<b>3,28,69,417</b>	<b>17,03,38,981</b>	<b>17,90,44,604</b>
Capital Work In Progress (B)	48,08,807	3,62,003	51,70,810	-	-	-	-	-	-	-	48,08,807
<b>TOTAL (A + B)</b>	<b>22,18,02,180</b>	<b>1,33,13,433</b>	<b>3,19,07,215</b>	<b>20,32,08,398</b>	<b>3,79,48,769</b>	<b>1,29,81,321</b>	<b>49,32,812</b>	<b>2,29,93,485</b>	<b>3,28,69,417</b>	<b>17,03,38,981</b>	<b>18,38,53,411</b>
Previous Year	24,55,42,921	1,51,51,170	3,88,91,911	22,18,02,180	3,60,53,949	1,12,28,213	-	93,33,393	3,79,48,769	18,38,53,411	20,94,88,972
<b>Intangible Assets</b>											
Website 123India.Com	63,47,701	-	-	63,47,701	63,47,701	-	-	-	63,47,701	-	-
Softwares	1,24,59,051	19,78,624	-	1,44,37,675	89,77,518	7,86,701	-	-	97,64,219	46,73,456	34,81,533
<b>TOTAL (C)</b>	<b>1,88,06,752</b>	<b>19,78,624</b>	<b>-</b>	<b>2,07,85,376</b>	<b>1,53,25,219</b>	<b>7,86,701</b>	<b>-</b>	<b>-</b>	<b>1,61,11,920</b>	<b>46,73,456</b>	<b>34,81,533</b>
Assets under development (D)	26,34,96,512	-	-	26,34,96,512	-	-	-	-	-	26,34,96,512	26,34,96,512
<b>TOTAL (C+D)</b>	<b>28,23,03,264</b>	<b>19,78,624</b>	<b>-</b>	<b>28,42,81,888</b>	<b>1,53,25,219</b>	<b>7,86,701</b>	<b>-</b>	<b>-</b>	<b>1,61,11,920</b>	<b>26,81,69,968</b>	<b>26,69,78,045</b>
Previous Year	49,94,69,602	28,77,666	22,00,44,004	28,23,03,264	5,40,34,577	2,82,22,456	-	6,69,31,814	1,53,25,219	26,69,78,045	44,54,35,025

\* Charge is created against Land &amp; Building for availing loan facility shown under Note 2.3

## 2.12 Current and Non Current Investments

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>(A) Non-current Investments</b>		
<b>I Investments other Than Trade - Quoted (Fully Paid up) (At Cost)</b>		
Investments in Non Convertible Debentures		
NIL (50 units)- 10.75% Shriram Trading Finance Co Ltd of ₹1000000 each	-	5,03,19,150
50 (50) units - 10.20 % Srei Infrastructure Ltd of ₹1000000 each	4,96,00,000	4,96,00,000
	<b>4,96,00,000</b>	<b>9,99,19,150</b>
<b>II Investments other Than Trade - Unquoted (Fully Paid up) (At Cost)</b>		
<b>Investments in Mutual Funds</b>		
NIL (1055303.162) units UTI Short Term Income Fund Retail Plan ₹10 each	-	2,00,00,000
NIL (1716933.258) units Reliance Dynamic Bond Fund ₹10 each	-	2,50,70,807
NIL (4546.585) Franklin Templeton India Short Term Income Retail ₹1000 each	-	1,00,00,000
NIL (2000000) units ICICI Prudential Fixed Maturity Plan - Series 57 -3 Year Plan C of ₹10 each	-	2,00,00,000
NIL (1000000 units) ICICI Prudential Fixed Maturity Plan - Series 60 -27 Months Plan of ₹10 each	-	1,00,00,000
3000000 (3000000) units ICICI Prudential Fixed Maturity Plan - Series 63 3 Years Plan G of ₹10 each	3,00,00,000	3,00,00,000
NIL ( 486310.363 units)Birla Sun Life Dynamic Bond Fund Growth	-	1,00,00,000
NIL ( 516315.572 units) Birla Sun Life Short Term Opportunities Fund	-	1,00,00,000
NIL ( 783134.417 units) Morgan Stanley Active Bond Fund- Regular Growth	-	1,00,00,000
NIL ( 23725.533 units) Reliance Liquid Fund Treasury Plan DDR	-	3,62,70,171
	<b>3,00,00,000</b>	<b>18,13,40,978</b>
<b>III Trade Investments - Unquoted (Fully Paid up) (At Cost)</b>		
<b>Investments in Equity Instruments</b>		
123Greetings.com, Inc, A wholly owned subsidiary company incorporated in USA 10000000 (10000000) Common Stock Shares of US \$0.01 each	43,15,000	43,15,000
One Two Three Greetings (India) Private Limited A wholly owned subsidiary company incorporated in India 2000000 (2000000) Equity Shares of ₹10 each	2,00,00,000	2,00,00,000
IntraSoft Ventures Pte. Ltd. (Formerly known as 123Greetings (Singapore) Pte Ltd) A wholly owned subsidiary company incorporated in Singapore 200000 (200000) shares @ SGD 1.00 each	54,02,000	54,02,000
<b>IV Interest in Beneficiary Trust</b>		
IntraSoft Beneficiary Trust	1,00,00,000	1,00,00,000
	<b>3,97,17,000</b>	<b>3,97,17,000</b>
	<b>11,93,17,000</b>	<b>32,09,77,128</b>
Aggregate amount of Quoted Investments	4,96,00,000	9,99,19,150
Aggregate amount of Unquoted Investments in Mutual Fund	3,00,00,000	18,13,40,978
Aggregate amount of Unquoted Trade Investments & Interest in Beneficiary Trust	3,97,17,000	3,97,17,000
	<b>11,93,17,000</b>	<b>32,09,77,128</b>
Aggregate Market Value of Quoted Investments	4,79,81,000	9,56,44,961
Aggregate NAV of investments in Unquoted Mutual Fund	3,89,60,100	20,30,45,086
Aggregate NAV of Unquoted Trade Investments & Interest in Beneficiary Trust	3,97,17,000	3,97,17,000
	<b>12,66,58,100</b>	<b>33,84,07,047</b>
<b>(B) Current Investments</b>		
Trade Investments - Unquoted (Fully Paid up) (At Cost)		
Investments in Mutual Funds	-	-
	-	-

### Notes to 2.12:

- The beneficial interest in the Trust amounting to ₹1,00,00,000 represents 1750000 Equity shares of IntraSoft Technologies Limited shown under 'Non- Current Investment' in the Balance Sheet.

### 2.13 Long term Loans and Advances

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Unsecured, considered Good		
Capital Advances	9,83,542	2,48,000
Security Deposits	3,81,042	8,39,438
<b>Loan and Advance to Related Parties</b>		
Loan to wholly owned subsidiaries	-	-
	<b>13,64,584</b>	<b>10,87,438</b>

### 2.14 Trade Receivables

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Unsecured, Considered good		
More than six months from the due date	-	-
Others	9,84,79,372	5,65,03,086
	<b>9,84,79,372</b>	<b>5,65,03,086</b>

#### Notes to 2.14:

Whole Amount is due from Wholly owned subsidiaries

### 2.15 Cash and Bank Balances

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
<b>I. Cash and Cash Equivalents</b>		
Balances with banks		
In Current Account	94,13,942	48,30,815
Cash on hand	33,078	93,121
	<b>94,47,020</b>	<b>49,23,936</b>
<b>II. Other Bank Balances</b>		
In Current Account		
Unpaid Dividend Account	3,25,753	2,84,106
Employees Deposit Account	78,72,959	62,88,454
	<b>81,98,712</b>	<b>65,72,560</b>
	<b>1,76,45,732</b>	<b>1,14,96,496</b>

### 2.16 Short term Loans and Advances

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Loan to Body Corporate (Unsecured-Considered Good)	5,00,00,000	6,40,00,000
Advance to Employees	9,19,032	31,09,437
Advance to Suppliers	8,28,595	20,18,019
Prepaid Expenses	8,35,466	15,95,918
Service Tax Receivable (Net)	3,43,96,505	2,86,23,489
Advance Income Tax & TDS (Net of Provisions)	1,22,60,437	1,49,49,341
Advance for FBT (Net of Provisions)	-	10,119
Loans and Advances to related parties		
Loan to Wholly Owned Subsidiaries	95,00,000	1,20,00,000
MAT Credit Entitlement	7,64,43,982	6,56,50,134
Other Miscellaneous Advances	13,431	10,000
	<b>18,51,97,448</b>	<b>19,19,66,457</b>

**Notes to 2.16:**

- 1) Advance Income Tax & TDS is net of Provisions of ₹9,17,41,736 (₹8,09,47,888)
- 2) Minimum Alternative Tax (MAT) credit available to the company as per provision of section 115JAA of the Income Tax Act, 1961 ₹7,64,43,982 (₹6,56,50,134) has been recognised as MAT Credit Entitlement and carried forward for set off in future years.
- 3) i) Loans and advances in the nature of loans to subsidiaries \*

	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
One Two Three Greetings (India) Pvt Ltd	95,00,000	1,20,00,000
	<b>95,00,000</b>	<b>1,20,00,000</b>

\* The above loan have been given for business purpose.

- ii) Loans and advances in the nature of loans to body Corporate \*

	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
SMV Agencies Pvt Ltd	5,00,00,000	5,00,00,000
	<b>5,00,00,000</b>	<b>5,00,00,000</b>

\* The above loan have been given for business purpose.

**2.17 Other Current Assets**

<b>Particulars</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
Accrued Interest on ICD and NCD	1,63,22,887	1,67,40,825
	<b>1,63,22,887</b>	<b>1,67,40,825</b>

**2.18 Revenue From Operations**

<b>Particulars</b>	<b>Year Ended 31st March, 2015</b>	<b>Year Ended 31st March, 2014</b>
	₹	₹
IT enabled services	30,62,88,508	18,57,18,201
	<b>30,62,88,508</b>	<b>18,57,18,201</b>

**2.19 Other Income**

<b>Particulars</b>	<b>Year Ended 31st March, 2015</b>	<b>Year Ended 31st March, 2014</b>
	₹	₹
a Interest Income		
On Inter Corporate Deposits & Fixed Deposit	60,49,428	51,53,591
On Non Convertible Debentures	70,58,562	1,34,99,627
	<b>1,31,07,990</b>	<b>1,86,53,218</b>
b Dividend Income (Non-current Investments)	40,01,383	58,28,237
c Gain on redemption of Mutual Funds (Current Investments)	2,32,55,977	2,12,72,659
d Profit on sale of Fixed Assets	6,555	-
e Other Miscellaneous Income	6,72,074	3,05,765
	<b>4,10,43,979</b>	<b>4,60,59,879</b>

**Notes to 2.19:**

TDS on Interest Income ₹6,04,943 (₹5,15,357)



## 2.20 Product & Content Development Expenses

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
Webspace and Bandwidth Charges	4,11,981	3,68,047
	4,11,981	3,68,047

## 2.21 Sales and Marketing Expenses

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
a Branding and Promotion	1,37,207	70,335
b Market Place , Marketing & Referral Fees	4,32,07,277	2,20,50,282
	4,33,44,484	2,21,20,617

## 2.22 Employees Benefit Expense

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
a Salaries and Wages	16,98,45,724	11,42,46,088
b Contribution to provident and other funds	28,72,254	16,19,083
	17,27,17,978	11,58,65,171

### Notes to 2.22:

- Salaries and Wages includes Gratuity ₹23,18,057 (₹8,34,695)
- Employee Benefit includes Managerial Remuneration ₹1,63,94,933 (₹60,64,263).

## 2.23 Finance Costs

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
Interest to Bank	1,56,278	3,68,938
Others	57,73,717	29,56,842
	59,29,995	33,25,780

## 2.24 Other Expenses

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
a Power and Fuel	42,76,919	38,49,592
b Rent	11,52,158	24,75,900
c Repairs to Others	31,40,718	25,03,681
d Insurance	1,94,150	1,89,985
e Rates and Taxes	4,27,493	4,03,532
f Travelling & Conveyance	1,82,71,314	92,13,881
g Legal and Professional Charges	60,10,547	1,03,76,775
h Director's Sitting Fees	9,00,000	10,00,000
i Auditors Remuneration		
Statutory Audit Fee	1,50,000	1,00,000
Tax Audit Fee	60,000	40,000
Limited Review	40,000	37,500
Other Services (Certificates)	57,500	23,860

## 2.24 Other Expenses (contd.)

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
j Donation	87,100	60,600
k CSR	8,34,800	-
l Net loss on foreign currency translation (other than considered as finance cost)	8,41,499	2,59,19,692
m Loss on Sale of Fixed Assets	35,37,775	11,47,045
n Loss on Redemption of Mutual Fund / NCD	5,69,150	29,51,830
o Miscellaneous Expenses	1,26,72,851	1,26,05,110
p Prior Period Expenses (Net)	(13,666)	85,500
	<b>5,32,10,308</b>	<b>7,29,84,483</b>

### Notes to 2.24:

#### 1. Net loss on foreign currency translation

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
Loss on foreign currency translation	50,18,551	3,73,41,699
Gain on foreign currency translation	(41,77,052)	(1,14,22,007)
	<b>8,41,499</b>	<b>2,59,19,692</b>

#### 2. CSR Activities

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
Gross amount required to be spent by the company during the year	8,30,453	-
Actual amount spent by the company during the year	8,34,800	-

## 2.25 Exceptional Item

Particulars	Year Ended	Year Ended
	31st March, 2015	31st March, 2014
	₹	₹
Assets discarded/ Written off	-	18,10,86,528
Less : Transfer from General Reserve	-	(18,10,86,528)
	-	-

## 2.26 Contingent Liabilities and Commitments

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
a Contingent Liabilities		
1 Claims against the company not acknowledge as debt	-	-
2 Guarantees	1,25,000	1,25,000
3 Other money for which the company is contingently liable	-	-
b Commitments		
1 Capital commitments	9,83,542	2,48,000
2 Uncalled liability on shares and other investments partly paid	-	-
3 Other commitment	-	-

## 2.27 Expenditure in foreign currency

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
Travelling Expenses	1,31,89,102	57,42,138
Subscription and Membership Fee	3,30,156	1,01,641
Webspace & Bandwidth Charges	37,427	-
	<b>1,35,56,685</b>	<b>58,43,779</b>

## 2.28 Earnings in foreign exchange

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	₹	₹
IT enabled Services	30,56,88,508	18,34,68,202
	<b>30,56,88,508</b>	<b>18,34,68,202</b>

## 2.29 Segment Reporting

As per requirements of AS-17 of the Companies (Accounting Standard) Rules, 2006, no disclosure is required as the Company is operating in single business/geographical segment of Internet based delivery of services.

## 2.30 Disclosure of Related Party Transactions

### a) Names of related parties and nature of relationship where control exists:

#### i) Key Managerial Personnel and their relatives

Mr. Arvind Kajaria	Managing Director
Mr. Sharad Kajaria	Whole Time Director
Mrs. Padma Kajaria	Mother of the above
Mr. Rakesh Dhanuka	Company Secretary
Mr. Mohit Kumar Jha	Chief Financial Officer

#### ii) Subsidiary Company

Names	Country of Incorporation
Wholly owned Subsidiary 123Greetings.com, Inc	USA
Wholly owned Subsidiary IntraSoft Ventures Pte. Ltd. (Formerly known as 123Greetings (Singapore) Pte Ltd)	Singapore
Wholly owned Subsidiary One Two Three Greetings (India) Pvt Ltd	India
Stepdown Subsidiary 123Stores, Inc	USA

#### iii) Enterprise where KMP have significant Influence or control

IntraSoft Beneficiary Trust

### 2.30 Disclosure of Related Party Transactions (contd.)

b) Transactions and balances with related parties:

Name of the Party	Nature of Transaction	As at	As at
		31st March, 2015	31st March, 2014
		₹	₹
Transactions with Subsidiaries Company			
123Greetings.com, Inc	Sale of IT Enabled Services	19,27,03,426	18,21,29,776
	Amount Received	5,16,40,938	1,99,75,306
	Amount Adjusted with Advance	20,88,82,326	8,21,32,109
	Advance Received	0	20,88,82,326
	Amount Receivable	1,70,64,844	8,48,84,682
One Two Three Greetings (India) Pvt. Ltd	Sale of IT Enabled Services	6,00,000	22,50,000
	Amount Received	25,00,000	13,89,996
	Amount Receivable	-	-
	Advance Received	2,77,81,596	2,83,81,596
	Unsecured Loan (Given)	95,00,000	1,20,00,000
Intrasoft Ventures Pte. Ltd	Sale of IT Enabled Services	32,27,830	1,43,613
	Technical / Support Fees	11,86,437	11,94,813
	Amount Received	44,14,267	13,71,088
	Amount Receivable	-	-
123 Stores, Inc	Sale of IT Enabled Services	10,85,70,814	-
	Exchange Gain/ (Loss)	6,25,311	-
	Amount Received	-	-
	Amount Receivable	10,91,96,125	-
	Advance Received	-	-
Mr. Arvind Kajaria	Dividend Payment- FY 2013-14 (Final)	28,00,014	28,00,014
	Dividend Payment- FY 2014-15 (Interim)	28,00,014	-
Mr. Sharad Kajaria	Dividend Payment- FY 2013-14 (Final)	28,00,000	28,00,000
	Dividend Payment- FY 2014-15 (Interim)	28,00,000	-
Mrs. Padma Kajaria	Dividend Payment- FY 2013-14 (Final)	14,00,000	14,00,000
	Dividend Payment- FY 2014-15 (Interim)	14,00,000	-
IntraSoft Beneficiary Trust	Dividend Payment- FY 2013-14 (Final)	17,50,000	17,50,000
	Dividend Payment- FY 2014-15 (Interim)	17,50,000	-
Transactions with Key Managerial Personnel			
Mr. Arvind Kajaria	Director's Remuneration	72,10,800	24,28,800
Mr. Sharad Kajaria	Director's Remuneration	67,60,800	21,28,800
Mr. Rakesh Dhanuka	Remuneration	6,47,945	5,50,751
Mr. Mohit Kumar Jha	Remuneration	17,75,388	9,55,912

### 2.31 Disclosure as per AS-15 "Employees Benefits"

The followings tables set out the funded status and amount recognised in the companies' financial statement as at March 31, 2015 for the defined benefit plans:

GRATUITY	As at	As at	
	31st March, 2015	31st March, 2014	
		₹	₹
<b>I. Change of Benefit Organization</b>			
Liability at the beginning of the year	36,75,533	29,21,606	
Interest cost	3,30,798	2,62,945	
Current Service Cost	12,66,136	9,85,960	
Past Service Cost ( Non Vested Funds )	-	-	
Past Service Cost ( Vested Funds )	-	-	
Benefit Paid	(3,72,404)	(80,768)	
Actuarial ( Gain )/Loss on obligation	7,21,123	(4,14,210)	
Curtailments and Settlements	-	-	
Liability at the end of the year	56,21,186	36,75,533	

## 2.31 Disclosure as per AS-15 “Employees Benefits” (contd.)

<b>GRATUITY</b>	<b>As at 31st March, 2015 ₹</b>	<b>As at 31st March, 2014 ₹</b>
<b>II. Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions	3,72,404	80,768
Benefit Paid	3,72,404	(80,768)
Actuarial ( Gain )/Loss on Plan Assets	-	-
Fair Value of Plan Assets at the end of the year	-	-
Total Actuarial Gain / (Loss) to be Recognised	-	-
<b>III. Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	-	-
Actuarial ( Gain )/Loss on Plan Assets	-	-
Actual Return on Plan Assets	-	-
<b>IV. Amount Recognised in the balance Sheet</b>		
Liability at the end of the year	56,21,186	36,75,533
Fair Value of Plan Assets at the end of the year	-	-
Difference	(56,21,186)	(36,75,533)
Unrecognized Past Service Cost	-	-
Amount Recognised in the Balance Sheet	(56,21,186)	(36,75,533)
<b>V. Expenses Recognised in the Income Statement</b>		
Current Service Cost	12,66,136	9,85,960
Interest cost	3,30,798	2,62,945
Expected Return on Plan assets	-	-
Net Actuarial (Gain) / Loss to be Recognised	7,21,123	(4,14,210)
Past Service Cost ( Non Vested Benefit ) Recognised	-	-
Past Service Cost ( Vested Benefit ) Recognised	-	-
Effect of Curtailment or settlement	-	-
Expenses Recognised in the Statement of Profit and Loss	23,18,057	8,34,695
<b>VI. Balance Sheet Reconciliation</b>		
Opening Net Liability	(36,75,533)	(29,21,606)
Expense as above	(23,18,057)	(8,34,695)
Employers Contribution	3,72,404	80,768
Effect of Curtailment or settlement	-	-
Current Defined Benefit Obligation at the end of the period	(1,20,053)	(93,853)
NON- Current Defined Benefit Obligation at the end of the period	(55,01,133)	(35,81,680)
Amount Recognised in the Balance Sheet	(56,21,186)	(36,75,533)
<b>VII. Actuarial Assumption</b>		
Discount Rate Current	7.85%	8.25%
Rate of Return on Plan Assets Current	N.A.	N.A.
Salary Escalation Current	5.00%	5.00%

2.32 The Company has been approved as STP unit under the scheme of The Government of India.

### 2.33 Disclosure of Loans and Advances as per the requirement of clause 32 of the listing agreement with the stock exchange in India.

	Amount Outstanding at the year end	Maximum amount outstanding during the year	Amount Outstanding at the year end	Maximum amount outstanding during the year
	As at 31st March, 2015 ₹	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹	As at 31st March, 2014 ₹
Loans and advances in the nature of loan to subsidiaries				
a) 123Greetings. Com,Inc	Nil	Nil	Nil	Nil
b) One Two Three Greetings (India) Pvt. Ltd	95,00,000	1,20,00,000	1,20,00,000	1,30,00,000
Loans and advances in the nature of loans where there is :				
a) No repayment schedule or repayment beyond seven years	Yes	Yes	Yes	Yes
b) No interest or Interest below Section 186 of the Companies Act, 2013 as per general rules of the company.	Yes	Yes	Yes	Yes
Loans and advances in the nature of loans to the Firms / Companies in which directors are interested :				
a) Shares of the Subsidiary Company	Nil	Nil	Nil	Nil
b) Shares of a Subsidiary (including sub/fellow subsidiary)	Nil	Nil	Nil	Nil

### 2.34 Earning Per Equity Share

Particulars	As at 31st March, 2015	As at 31st March, 2014
	₹	₹
(a) Net Income available to Equity Shareholders (₹) (Numerator)	5,01,46,923	2,04,55,013
(b) Weighted average no. of Equity Shares outstanding (Denominator)	1,47,31,678	1,47,31,678
(c) Earning per Share (₹) Basic & Diluted	3.40	1.39

**2.35** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

**2.36** The Company has transactions with related parties. For the financial year ended March 31, 2014 the Company has obtained the Accountant's Report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 and has filed the same with the tax authorities. For the year ended March 31, 2015, Management confirms that it maintains documents as prescribed by the Income Tax Act, 1961 to prove that these transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Signature to Note 1 & 2

For K.N.GUTGUTIA & CO.  
Chartered Accountants  
Firm Registration No. 304153E

For and on behalf of the Board

Mohit Kumar Jha  
Chief Financial Officer

Arvind Kajaria  
Managing Director

K.C. Sharma  
(Partner)  
Membership No. : 50819

Rakesh Dhanuka  
Company Secretary

Sharad Kajaria  
Whole-time Director

Place : Kolkata

Date : 27th May, 2015

# Notice

**NOTICE** is hereby given that the Twentieth Annual General Meeting of the Members of IntraSoft Technologies Limited will be held on Tuesday, 8th September, 2015 at 3.00 P.M. at Sunville, Orchid Room, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

## ORDINARY BUSINESS

1. To consider and adopt
  - (a) the audited financial statement of the Company for the financial year ended March 31, 2015, the Reports of the Board of Directors and Auditors thereon; and
  - (b) the audited consolidated financial statement of the Company for the year ended March 31, 2015.
2. To confirm the payment of interim dividend and to declare final dividend on Equity Shares.
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 appoint M/s. K. N. Gutgutia & Co., Chartered Accountants (Firm Registration No. 304153E) as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

## SPECIAL BUSINESS

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

“**RESOLVED THAT** pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the

Company and its free reserves provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹100 crore notwithstanding that the aggregate of money borrowed or to be borrowed exceeds the limit laid down by the Act.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, things as may be necessary, proper and expedient to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “The Board” which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to mortgage / charge and / or also to create liens, charges and all other encumbrances of whatsoever nature on all or any of the Company's immovable and movable properties, tangible and intangible, and the whole or substantially the whole of all or any of the undertakings of the Company, where-so-ever situate, present and future, in such form and in such manner as the Board may think fit and proper, in favour of Banks/Institutions/other lenders/trustees of the holders of securities, issued/to be issued from time to time in one or more tranches, to secure the principal amount of moneys borrowed/to be borrowed pursuant to borrowing power of the Board, together with interest, compound interest, premium on redemption and all costs, charges and expenses and all other moneys as may become due and payable by the Company, in that behalf and to vary or modify existing mortgages, charges, hypothecation, encumbrances and lien as the case may be, from time to time, in such manner and in such form on all or any of the properties or part of any of the property and the undertakings of the Company, both present and future, as may be decided by the Board and as agreed to by the

said banks/institutions/other lenders/trustees of the holders of securities issued/to be issued by the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be necessary, expedient and incidental thereto for giving effect to this resolution."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company for making investment(s) by way of subscription, purchase or otherwise the securities of any other body corporate, giving loan or guarantee and providing security upto an aggregate amount not exceeding ₹100 crore at any time notwithstanding that the aggregate of the loans

or guarantees or securities given or to be given and / or investments so far made or to be made exceeds the limits/ will exceed the limits laid down by the Act.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, things as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board of Directors

**Rakesh Dhanuka**

*Company Secretary*

ACS No.: 27724

Place: Kolkata

Date: 27th May, 2015

**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 proxy form in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for commencement of the Annual General Meeting.
- b) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- c) The final dividend on Equity Shares, as recommended by the Board of Directors, if approved by the shareholders, will be credited / dispatched on or after 9th September, 2015 to those members whose names shall appear on the Company's Register of Members on 1st September, 2015. 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 are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
- g) Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
- h) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 2nd September, 2015 to Tuesday, 8th September, 2015 (both



days inclusive) for the purpose of payment of dividend, if declared at the meeting.

- i) SEBI vide its Circular dated 21st 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-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W), Mumbai – 400 078.
- j) Shareholders who have not encashed their dividend warrants for the dividends declared for the financial years 2008-09 to 2013-14 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. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29th August, 2014 (date of last Annual General Meeting) on the website of the Company ([www.itlindia.com](http://www.itlindia.com)) and also on the website of the Ministry of Corporate Affairs.

In terms of 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 addresses 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 Clause 35B of the Listing Agreement, 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, 5th September, 2015 (9:00 am) and ends on Monday, 7th September, 2015 (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. 1st September, 2015, 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](mailto: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](http://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. 1st September, 2015.

- 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. 1st September, 2015 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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](http://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](http://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 OF THE COMPANIES ACT, 2013

### ITEM NO. 5 & 6

Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013, which have become effective from September 12, 2013, provide that the Board of Directors of a company shall not, without the consent of members in general meeting by way of special resolution, borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business; and/ or sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, respectively.

Considering the business operations and requirement of funds thereof, it is considered necessary to authorize the Board of Directors to borrow amount and to create security on the assets of the Company on such borrowings to a sum not exceeding ₹100 crore (Rupees Hundred crore only) over and above the aggregate of the paid up capital of the Company and its free reserves at any time.

The Board accordingly recommends the resolution at Item nos. 5 & 6 for the approval of the Shareholders.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in passing of this resolution.

### ITEM NO. 7

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any investment, give loan, give guarantee and provide any security beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up capital and free reserves and

securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, only with the approval of the shareholders of the Company accorded by way of special resolution.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013, to authorize Board of Directors for making investment, giving loan or guarantee or providing security for an amount not exceeding ₹100 crore at any time.

The Board accordingly recommends the resolution at Item no. 7 for the approval of the Shareholders.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

By Order of the Board of Directors

**Rakesh Dhanuka**  
*Company Secretary*  
ACS No. 27724

Place: Kolkata  
Date: 27th May, 2015

### 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



## ATTENDANCE SLIP

### 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

I/We hereby record my/our presence at the 20th Annual General Meeting of the Company held on Tuesday, 8th September, 2015 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 .....

## Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 read with Rule 19(3) of the Companies(Management and Administration) Rules, 2014]

### 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

Name of the Member(s):.....

Registered Address::.....

Email ID::.....

Folio No. / Client ID::.....

DP ID::.....

I / We, being the member(s) of ..... shares of IntraSoft Technologies Ltd, hereby appoint:

1) Name .....

Address .....

Email: ..... or failing him .....

2) Name .....

Address .....

Email: ..... or failing him .....

3) Name .....

Address .....

Email: ..... or failing him .....

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Tuesday, 8th September, 2015 at 3:00 P.M. at Sunville, Orchid Room, 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below;

Sr. No.	Resolutions
1.	To consider and adopt the Audited Standalone and Consolidated Financial Statement as at 31st March, 2015 along with the reports of the Board of Directors and Auditors thereon.
2.	To confirm the payment of interim dividend and to declare final dividend on Equity Shares.
3.	Re-appointment of Mr. Sharad Kajaria who retires by rotation.
4.	Appointment of Statutory Auditors and fixing their remuneration.
5.	Approval to borrow in excess of limit specified under Section 180(1)(c) of the Companies Act, 2013 but not exceeding ₹100 Crores
6.	Approval to create charge, mortgage and/or hypothecation on the assets of the Company under Section 180(1) (a) of the Companies Act, 2013
7.	Approval to make investment, give loan, guarantee and / or provide security in excess of limit specified under Section 186 of the Companies Act, 2013 but not exceeding ₹100 Crores

Signed this ..... day of ..... 2015

Signature of Shareholder(s): .....

Signature of Proxy(s): .....

<p>Affix Revenue Stamp</p>
------------------------------------

# CORPORATE INFORMATION

## **Board of Directors**

- Arvind Kajaria - Managing Director
- Sharad Kajaria - Whole-time Director
- Rupinder Singh - Independent Director
- Anil Agrawal - Independent Director
- Vishal Agarwal - Independent Director (resigned w.e.f. 30.06.2014)
- Savita Agarwal - Independent Director (appointed w.e.f. 30.06.2014)

## **Auditors**

M/s K. N. Gutgutia & Co.  
Chartered Accountants  
Kolkata

## **Company Secretary & Compliance Officer**

Rakesh Dhanuka

## **Registrar and Share Transfer Agents**

Link Intime India Private Limited  
C-13 Pannalal Silk Mills Compound, L. B.S. Marg,  
Bhandup (W), Mumbai - 400078  
Tel: 91-22-2594-6970, Fax: 91-22-2594-6969  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## **Bankers**

HDFC Bank Ltd.  
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](mailto: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](mailto:intrasoft@itlindia.com)



**123Stores**

**123  
Greetings**

---

**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](mailto:intrasoft@itlindia.com)