



**Build on promise,  
Deliver on Trust**

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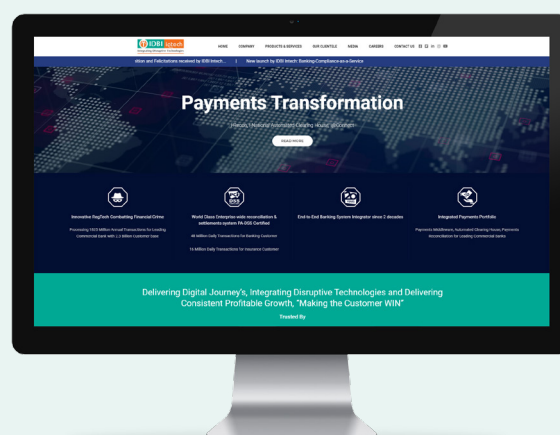
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To know more about us in digital mode, scan this QR code in your QR mobile application.



To view the report online, log on to [www.idbiintech.com](http://www.idbiintech.com)

### Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

In a world where digital transformations have become a necessity, we design innovations leveraging disruptive technology to power new-age businesses. We bring a unique approach to digital transformation, that is driven by innovation, agility and a start-up mindset. The result: an enhanced ability to deliver value-led accelerated business outcomes and a differentiated portfolio of services.

Our portfolio of services and solutions are built on the foundation of deep knowledge having worked with leading Banking, Financial Services and Insurance customers in India and abroad through the years. This is further enhanced by our significant investments in the latest industry solutions for Banking and Insurance, keeping in mind customer satisfaction and market demands as top priorities. Our next-generation technologies currently being leveraged include Blockchain, Artificial Intelligence, Machine Learning and more—all of which is bringing end-to-end digital transformation for our global BFSI clientele.

Customer Delight is our ultimate goal. Building on our promise of creating seamless digital experiences and resting on responsive services, agile operational models and strategic

capabilities to accelerate value creation for our patrons, we are orchestrating change and delivering personalised experiences.

Over the years, we have established a distinct identity with our products and solutions. This has not only earned us industry accolades but, has also motivated us to deliver on the trust bestowed on us by our customers. Our products are built on future ready technologies which are platform-agnostic, secure and easily scalable. Intech's specialisation is in Regulatory Compliance, varied Payment's solutions built on Future Ready Technologies. Making 'The Customer WIN' is our brand identity which we achieve through our core values of integrity, ingenuity and intelligence. Keeping up the passion and commitment in IDBI Intech being a trustworthy and admired brand is our energy.



# About Us

Incorporated in 2000, IDBI Intech Limited (Intech) is a wholly owned subsidiary of IDBI Bank, one of the leading banks in India. We leverage disruptive technologies to deliver business outcomes that digitally enable our clients' business to stay relevant and future ready.

We are a technology-led business transformation service provider, specialising in the Banking, Financial services and Insurance industry. With our unique approach to digital transformation, we continue to drive innovation and design agile solutions to accelerate value creation. Our expertise in advanced technology enables us to deliver seamless user experiences, making way for smoother digital transformation journeys.

IDBI Intech is a company with strong foundation in the Banking and Financial Services sector. We have developed a strong portfolio of solutions & services catering to the Financial Services landscape. These are our growth enablers in the Digital Transformation of our customers & in their evolving need to meet the changing business & regulatory demands. .

We see a strong demand for innovative solutions delivering business outcomes. We continue to drive strongly a culture of innovation, agility, time-to-value & collaboration, which are critical enablers for our growth. This has ensured that as a team, we are entrepreneurial in our thoughts & action in our journey of being a trusted partner to our customers.



## Our Vision

Evolve as the most preferred IT Solutions & Services Company in the Banking Financial Services and Insurance Industry sector to realise value for stakeholders.



## Our Mission

To render optimal IT services and innovative solutions to Banking Financial Services and Insurance Industry sector by leveraging technology with intellectual capital, to accomplish customer delight.





# Message from Managing Director & CEO

“

We have embraced new and advanced digital technologies, enhanced our ability to constantly improve our knowledge and skills and retained resources or acquired skilled people to sustain a competitive edge over others.



## Dear Shareholders,

The last financial year has been quite challenging for India. Due to economic headwinds caused by the Corona virus pandemic and muted growth across sectors, a direct impact was felt on the Banking Financial Insurance Industry sector. Although hopes of a recovery improved sentiments towards the end of the last fiscal, the second wave of the pandemic presented fresh challenges that impacted businesses across sectors. Despite unfavourable circumstances, at IDBI Intech, our prudent customer-centric approach and digital readiness helped us register a successful year, wherein we grew above the industry average.

Through the years, our products have been widely sought out in the Banking Financial Services & Insurance industry and we have been consistently recognized and felicitated across platforms. We have an innovation-oriented work culture and maintain a balance in terms of technological innovation, employee satisfaction and creating business value.





We have strengthened recruitment efforts through continued employee referrals, job fairs, social media campaigns & campus recruitment drives.

We continue to leverage competencies and latest technologies. We offer wide range of established software products for Combating financial Crime such as Anti-Money Laundering Solution (iAML) - integrating with multiple watchlist through APIs, Trade Based Money Laundering (iTbML), Early Warning System (iEWS), Fraud Risk Management (iFRM) and Real time Transaction Monitoring (iRTMS). We also have Enterprise Wide Reconciliation and Settlement System built on International Security Standards - PA DSS certified, iConnect (payment middleware) and specialized services in the areas of application development and support. We offer Banking Compliance-as-a-Service on a secure enterprise cloud.

We are all set to grow and expand as a Fintech company.

### Our Performance Overview

We posted profitable business growth in net income from operations. Our net worth improved significantly and as on March 31, 2021, stands at INR 9,006 lakh, with equities valued at INR 1,555 lakhs and cash reserve & surplus at INR 7,451 lakhs. Our income from operations has increased to INR 11,275 lakhs in FY21, in comparison to INR 9,697 lakhs in FY20.

Our robust performance is a result of our strategic ability to translate ideas into action, over the past few years. We have embraced new and advanced digital technologies, enhanced our ability to constantly improve our knowledge and skills and retained resources or acquired skilled people to sustain a competitive edge over others. We have adopted methods that seek to effectively and holistically serve the needs of the customers, backed by a strong emphasis on internal collaboration and synergy.

Even amidst the disruption caused by the Covid-19 pandemic, the resilience and strength of our agile business model enabled us to efficiently tide through crisis.

Our continuous efforts to promote Digital Innovation and enable digital access to financial services proved invaluable in an environment where businesses continued to operate through virtual platforms. Our responsive solutions enabled us to fulfil customer requirements and empowered them to remain connected & stay ahead and relevant in their journey, during a challenging period.

### Driving efficiency through robust governance

We are mindful of our role within the ecosystem in which we operate and the need to strengthen ties with customers, employees, partners, communities and the environment. Therefore, to enhance stakeholder engagement, we uphold the highest standards of corporate governance and operate with integrity, fairness and transparency. To drive growth and efficiently sustain our business model, our extensive portfolio of products and services as well as business processes, we continue to rely on sophisticated digital technology. Moreover, we have strengthened recruitment efforts through continued employee referrals, job fairs, social media campaigns & campus recruitment drives. In the last financial year, we have recruited 115 employees,

taking our total employee strength to 1591, as on March 31, 2021. We also maintain a healthy gender diversity ratio with a 37% share of women in our workforce. We also take pride in our continued efforts to retain talented people at the organisation.

### Acknowledgement

Before I conclude, I would like to thank all my colleagues and their families for their tremendous efforts in the year gone by. My colleagues have played an integral part in making the IDBI Intech brand widely accepted and acclaimed.

I also express my heartfelt gratitude to our Board of Directors, our shareholders and customers who continued to extend their support despite difficulties. As we move forward, we are committed to serve you with renewed vigour. We will continue to build on our promises to all stakeholders and deliver on the trust we have earned.

Lastly, as we grapple with numerous unforeseen circumstances in the aftermath of the pandemic, it is important not to lose the human touch. While business and professional goals have their own place, human lives remain our most treasured assets. Take care of your health and stay safe.

Warm Regards,

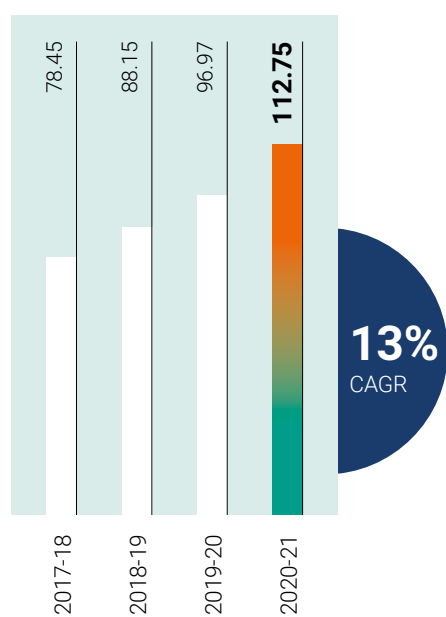
**Mr. Surajit Roy**  
Managing Director & CEO

# Performance Overview

## Growing Stronger

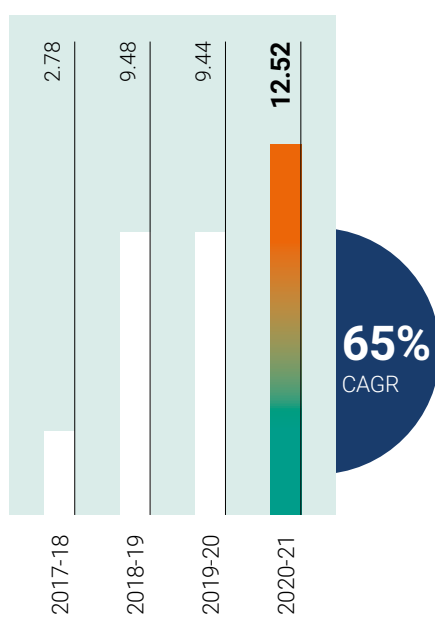
### Income from Operations

(in ₹ Crore)



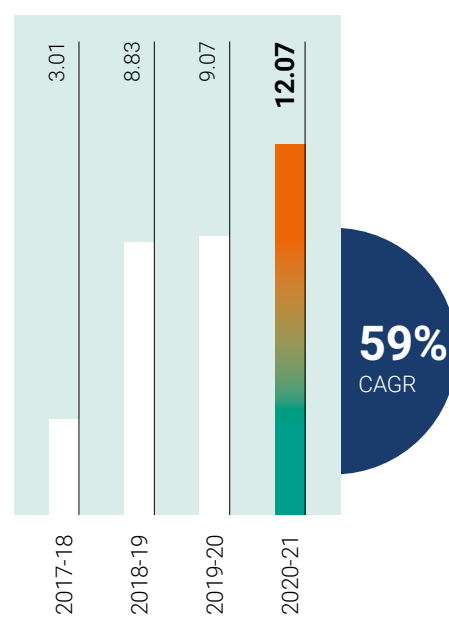
### Operating Profit Growth

(in ₹ Crore)



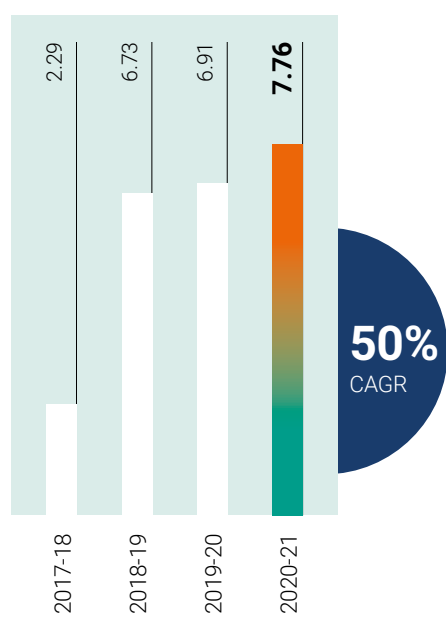
### PAT Growth

(in ₹ Crore)



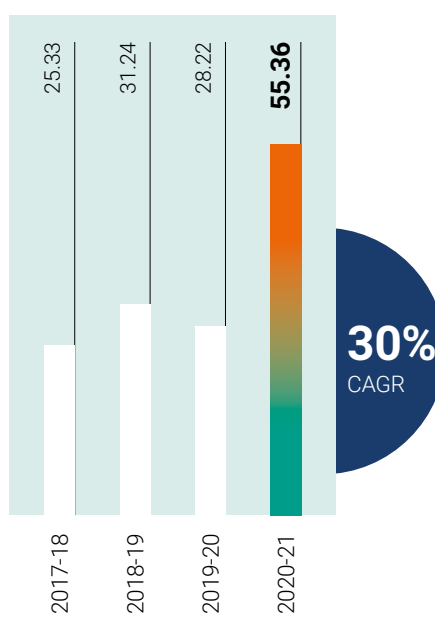
### Earnings per share – Basic

(₹)



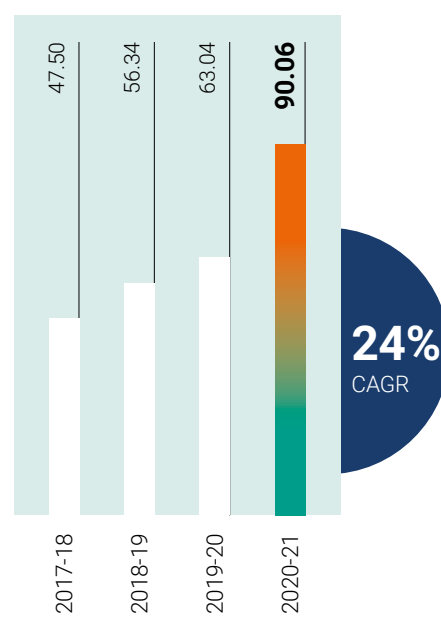
### Cash & Bank Balance

(in ₹ Crore)



### Net worth

(in ₹ Crore)





# A Comprehensive Portfolio

## Innovative Solutions



- i-Recon© (Enterprise wide Reconciliation & Settlement System)
- i-AML© (Anti Money Laundering Solution)
- i-Corporate Liquidity Management Solution
- i-Customer Intelligence
- i-Mobot (Social Media Bot)
- i-Quick (Instant Account Opening Mobile App)
- i-FRMS (Fraud Risk Management System)
- i-TBML (Trade Based Money Laundering)
- i-EWS (Early Warning Signals)
- API Banking: Enhancing Customer Delight Through API's

## Banking Products



- i-RTMS (Real Time Monitoring System)
- i-NACH (National Automated Clearing House)
- PFMS (Public Financial Management System)
- Abhay - Card Limit Controller App
- i-BUS (Mini Enterprise Service Bus)
- i@Connect© (Middleware for RTGS / NEFT / SFMS / SWIFT)
- i-IRAC (NPA Management Solution)
- i-AMS (Audit Management System)
- i-OMS (Off-site Monitoring System)
- i-CCM (Currency Chest Management)
- i-LMS (Locker Management System)
- i-Vault (Aadhaar Data Vault)

## Digital Solutions



- Banking-Compliance-as-a-Service
- Digital Technology Integration
- Connected Banking
- AI Based Application

# A Comprehensive Portfolio Contd...

## Recognised for our efforts

### Digital Technology Integration

Banks are embracing digital & innovation to stay ahead of the curve in the market place. The transformational roadmap in this journey encompasses the need for a reliable technology partner who brings in the needed industry, technology & innovative outcome driven mindset.

Intech possess the necessary business, technology and ecosystem expertise to integrate disruptive technologies to transform customer's digital journey. Intech offers Digital Technology Integration services leveraging its ecosystem and its own Fintech products providing a holistic solution delivering business outcome.

### Connected Banking

Connected Banking is redefining the financial services landscape in its ability to offer omni-channel experience,

personalization, launch new service offerings, revenues from new channels, improving overall customer experience and strategic collaboration with ecosystem. APIs are coming to the fore as a critical enabler for financial services in their digital transformation journey.

Intech offers services around API & Microservices to accelerate, scale digital transformation for our customers and bring a differentiated value to the underlying business technology architecture.

### Banking as a Service

Agility, innovate at speed, scalability, resilience and elasticity are bringing the paradigm shift in the financial services space to stay relevant and grow at efficient cost.

Intech, through its Fintech products, offers solutions on cloud as a service.

### AI Based Application

AI-based decisioning can ultimately help banks expedite workflow, reduce the volume of customer calls coming into the call centre, and improve customer service. Smart use of AI means viewing banking operations through both an automation and augmentation perspective. We work extensively on AI/ML to provide customized solutions for our customers.

### Our Innovative Products

i-AML© (Anti Money Laundering Cloud Solution)

Governments around the world recognize the corrosive dangers that unchecked money laundering poses to their economic and political systems and have prescribed acts, rules and regulations for prevention of money laundering.



The Anti-Money Laundering tool developed by IDBI Intech is a state-of-the-art application that gives the users unique features to effectively identify money laundering attempts in their organizations, report suspicious transactions to Regulatory Authorities and take preventive action / block the transactions, as per the Regulatory guidelines / Anti Money Laundering Act.

i@Connect® (Middleware for RTGS / NEFT / SFMS/ SWIFT)

i@Connect® is a web based solution with a Straight Through Processing (STP) capability to process payment requests. It is a middleware connecting Core Banking application / Trade Finance / Demat / Treasury systems with the Payment systems like RTGS, NEFT, SWIFT, etc. It helps to process large volumes of transactions in no time, without manual intervention. i@Connect® a middleware for RTGS / NEFT / SFMS / SWIFT avoids duplication of data entry, ensures data integrity and eliminates any scope for errors of Omission and Commission.

i-RECON (i-Recon Enterprise-wide Reconciliation & Settlement System)

Reconciliation & Accounting of bank's payment transactions is always a tedious task. Banks act as issuer and acquirer bank of various payment channels

facilitated by various financial networks such as NPCI, VISA, Master Card, Cash Net, Amex, UPI, JPI etc. for ATM, POS and Digital Banking payments. The i-Recon product of IDBI Intech is designed on latest AI based technologies to meet the reconciliation and settlement of daily transactions from various sources like NPCI (NFS / RuPay), VISA, MasterCard, Cash Net, Amex for ATM & POS, ATM Cash In Accounting using EJ / CBS / Switch / CBR (C3R), Digital Banking transactions like IMPS / UPI / BBPS / AePS etc., digital wallets, Card to Card transactions, Contactless Cards, Nostro Accounts (Swift), Dividend etc. up to the maximum possibility of matching and in highly efficient time bound manner. i-Recon is purely future proof and it is ready to adopt upcoming payment channels.

i-IRAC (Income Recognition and Asset Classification)

i-IRAC is a web-based solution for NPA management, based on rules and conditions, designed as per the regulatory norms of Income Recognition, Asset Classification and provisioning requirements. The solution helps to ascertain the status of the Loans and Advances accounts at any given point of time and not necessarily only at the quarter ends. It also provides for the asset classification and provisioning at the Head

Office level without involving the branches.

Whatsapp Banking

- Enhanced customer reach
- Quick services to IDBI Bank customers
- Presence on biggest social media platform
- Reduction in branch visit by customers

i-Corporate Liquidity Management Solution

Treasuries of Big corporates are finding it difficult to handle cash management related information since they have accounts with multiple Banks and do not have a bird's eye view on how to consolidate their funds and manage the liquidity within the organization effectively.

Banks are also in constant need of tools that can help them to take informed decisions, while at one side wherein most of the data comes from rating agencies, Banks are in better position to trust their own data in form of Past history records and transaction of Corporate Customers.

We at IDBI Intech have built Solutions that will help the Corporate customers to address to their liquidity issues and at the same time open up a revenue stream for Banks for the value-add services they can provide to their customers.





# Our Marquee Clientele



Indian Bank



Shinhan Bank



RBL Bank



Punjab National  
Bank



Life Insurance  
Corporation  
of India



UCO Bank



Wipro



IBM



ICICI Home  
Finance



ICICI Bank



J&K Bank



Bank of Baroda:  
BOB Financial  
Solutions  
Limited (BFSL)



Central Bank of  
India



Karur Vysya  
Bank



NSDL



Nelco



Canara Bank



Union Bank of  
India



CSB Bank



SIDBI



Equity Bank



LIC HFL



DCB Bank



BBK



IndusInd Bank



Bank of  
Maharashtra



Canara Robeco  
Asset Management  
Co. Ltd.



South  
Indian Bank

# Corporate Social Responsibility

Our social initiatives comprise the work we do towards developing stronger communities while working closely with our people to become their preferred employer and creating superior experiences for our customers, in a sustainable manner.


## Initiatives Undertaken in FY21

- Provided laptops to tribal students of Vanvasi Kalyan Ashram in Kharghar district of Raigad.
- Financial support provided via college fee to tribal students of Vanvasi Kalyan Ashram.
- Contributed medical equipment to NMMC Health Department in Navi Mumbai.

## INR 19.20 lakhs

Total amount spent on CSR Initiatives



 <p><b>नवी मुंबई महानगरपालिका</b></p> <p>आरोप्य विभाग, 3 रा मजरा, से-15ए, मुख्यालय, सी.बी.डी., नवी मुंबई 400 614. दूरध्वनी क्र : 27567261</p>	<p><b>Navi Mumbai</b></p> <p><b>Municipal Corporation</b> मुंबई नगरपालिका</p> <p>HEALTH DEPT. 3<sup>rd</sup> Floor, SEC-15A, Head Office, CBD, NAVI MUMBAI - 400 614. TEL. No. : 022 - 2756 72 61.</p>
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NMMC/Health/ / 2021  
दि. ०५ / ०६ / 2021


To,  
IDBI Intech Ltd,  
IDBI Bldg, First Floor,  
Plot no 39-41, sector 11,  
CBD Belapur,  
Navi Mumbai-400614


**Sub :- Appreciation letter for Supply of Medical Equipment to  
NMMC Covid Centre on CSR**

In the view of the ongoing Covid 19 Pandemic, Navi Mumbai Municipal Corporation is doing Many Activities for control of Covid 19 pandemic. NMMC is very much grateful to M/s IDBI Intech Ltd for their contribution in this situation by providing Medical Equipment's which will be useful to critical covid 19 patients.

NMMC would be highly obliged if your organization extends cooperation to support in whatever possible manner in this endeavor in future

Looking forward for your continuing support

  
 Medical Officer of Health  
 Navi Mumbai Municipal Corporation

 <p><b>Vanvasi Kalyan Ashram, Konkan</b> <b>Dist: Navi Mumbai</b></p> <p><b>A Service Mission for Vanvasis</b></p> <p>Registration No. MAH / 722 / THANE, Charitable Trust No. F - 643 Thane</p>
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Date: 30 March 2021

To,  
Ms Lata Prasad  
Sr. Vice President - Administration  
IDBI Intech Ltd.  
IDBI Building, Ground Floor,  
Plot No. 39-41, Sector 11, CBD Belapur,  
Navi Mumbai 400614, Maharashtra, India.

Ref: Your letter Intech/IT/20-21/102 dated March 24, 2021

Dear Madam,

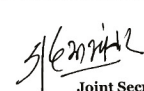
We would like to thank **IDBI Intech** for their valuable contribution of sponsoring educational fees of 14 tribal students amounting to Rs. 1,17,554/- and making available 15 laptops to these students who are taking education at college level under the project run by Vanvasi Kalyan Ashram in Navi Mumbai. You made available the laptops at a most crucial time when it was most needed due to the ongoing COVID19 pandemic. This would help the students in attending online classes as well as for appearing for examinations in the days to come.

Vanvasi Kalyan Ashram is running educational projects by way of providing hostel facilities to tribal students in various parts of Maharashtra. Tribal are mainly residing in deep jungles due to which they do not have easy access to the educational facilities. Kalyan Ashram strongly believes that unless and until the local tribal is educated and trained to take care of themselves and the community "The development of All" would not be achieved.

With this in view Kalyan Ashram is running Educational Project since its inception for the tribal. The basic objective of the scheme is to provide the free educational aids to tribal students. Every student is provided books, stationary, uniform, food, stay and medical support. In Navi Mumbai, under this project these facilities are provided to 15 college going students. Your financial contribution by sponsoring their fees and providing laptops will be of great help to these students to pursue their education for the betterment of themselves and their community at large.

We once again thank you and would be too glad to work together for the noble cause of serving the society in the days to come.

Warm Regards

  
 Joint Secretary  
 VKA, Navi Mumbai

# Growth Strategies

As we embark on the next leg of our growth journey, leveraging digitisation and renewing our push into various markets, we commit ourselves to the same stringent standards of corporate governance that we have adhered to and the core values that we have lived by.

## Develop New Product Solutions & Services



- To develop new product-solutions Enterprise Risk Management, Corporate Liquidity software, Sentiment Analytics software, Social Media banking, Mobile Apps for retail banking.
- Offering new products & services like Early warning, IT security, Data Centre services.
- To provide 'Banking compliances as-a-service' on-cloud for AML & Reconciliation applications.

## Focus on New geographies & Clients



- Garner revenues & clients from foreign geographies through focused expansion.
- Ambition for inorganic growth through acquisition.
- Consolidate & expand India business through holistic differentiated offering across Fintech products & Fintech services
- Strategic growth partnerships for business expansion in South-East Asia, UK & EU

## New Partnership Tie-ups



- Strategic partnerships with Cloud Service Providers for offering our products and services for a turnkey banking transformation.
- Strategic partnership with Fintech marketplace for offering our solutions & services for Digital transformation.

## Niche Positioning



- Strategic repositioning as a BFSI focused Digital Technology Integrator leveraging its in-house products & digital services.
- Innovation led approach to business outcome.





# Awards and Recognition

## Customer Credentials



One of the **largest insurance providers** in the world in terms of customer base



**Second** largest bank in India in terms of customer base



**22 Successful** implementations of combating financial crime in a decade

## Awards in FY21



CNBC TV18 **Most Trusted Brand** of India 2021



ET Edge **The Prestigious Brand** 2021



ET Edge **Best Tech Brand** 2021



ET Edge **Best Iconic Brand** 2021



Banking Frontier **FCBTA Award** 2020



Banking Frontiers **Technoviti Super Trophy** 2021



# Board of Directors



**Mr. Suresh Khatanhar**

**Chairman**

(Since Sep'20)

- Suresh Khatanhar is the Deputy Managing Director at IDBI Bank; he oversees the Retail Banking, Priority Sector Lending, Structured Retail Advances, Credit Card, Third Party Distribution, Treasury, CMS & GBG, Corporate Communication, Retail Recovery, Audit, Legal and Compliance
- He possesses 36 years of commercial banking experience, of which, he has been with IDBI Bank for a span of 22 years, wherein he was responsible for varied aspects of commercial banking
- He is certified associate of the Indian Institute of Bankers (CAIIB)



**Mr. Vishnubhotla Narayanamurthy**

**Director**

(From Jul'19 to Jul'21)

- He is Executive Director in IDBI Bank. He is handling the portfolio of Retail Liabilities, Cash Management Services & Government Business. He has also been in-charge of Third-Party Distribution and Financial Inclusion as Executive Director
- In a career spanning 31 years in IDBI Bank, he has experience in a wide range of functions including retail banking, corporate banking, project appraisal, corporate planning & policy, corporate communications, strategic investments, financial inclusion and corporate social responsibility
- He is certified associate of the Indian Institute of Banking & Finance



**Mr. A.P. Hota**

**Independent Director**

(Since Sep'17)

- Ex-MD & CEO of National Payments Corporation of India (from August 2010 to August 10, 2017) was a career central banker for 27 years
- He has played a key role in implementation of MICR technology in Cheque Clearing, Electronic Funds Transfer, Automated Clearing House and Cheque Truncation System in India.
- Mr. Hota had headed the Department of Payment and Settlement Systems in Reserve Bank from March 2005 to July 2008 during which the 'Payment and Settlement Systems Act' was legislated and also NEFT was introduced
- He was also a member in various Committees of the Government of India and Reserve Bank of India (RBI)

**Dr. Tejendra Mohan Bhasin****Independent Director**

(Since Jul '19)

- He has rich experience in banking and started his career as a probationary officer with OBC Bank in June 1978, subsequently was promoted to the post of General Manager and Head of IT Dept. in 2006-07 implemented 100% Core Banking Solution at OBC
- He has also worked with United Bank of India from 2007-10 as Executive Director; and also as the Chairman and Managing Director (CMD) of Indian Bank in from 2010-15
- During his incumbency as Chairman, Indian Banks' Association (IBA), Pradhan Mantri Jan Dhan Yojana (PMJDY) was successfully implemented and 28 crore new Saving Bank Accounts were opened
- Dr. Bhasin has also served as the Chairman of Governing Board, Institute of Banking Personnel Selection (IBPS); President, Indian Institute of Banking and Finance (IIBF); Chairperson, SWIFT User Group India during 2014-15
- Before Joining the Board of IDBI Intech, Mr. Bhasin has served as Vigilance Commissioner of India in the Central Vigilance Commission (CVC) from June 2015 to June 2019

**Mr. Alok Chaturvedi****Independent Director**

(Since Feb'20)

- He is former Director General of Foreign Trade. Mr. Chaturvedi is a career bureaucrat and started off his career as Indian Administrative Officer in 1986
- He joined as Director General of Foreign Trade in July 2017 and under his leadership many exporter-friendly IT initiatives such as paperless scrips for export incentives, issue of paperless licenses and certificates of origins, etc. were undertaken
- He had served as Joint Secretary (Infrastructure & Finance) in the Cabinet Secretariat, Government of India for 4 years from June 2012 handling policy issues related to Infrastructure and Finance Ministries
- Earlier from 1998 till 2004, he was Director in the Ministry of Civil Aviation handling Airports, Airlines and Bilateral Civil Aviation Agreements
- He has also served as a Expenditure Secretary for State Government of Bihar from 2005-08 and executed IT project of the Comprehensive Treasury Management Information System, all treasuries in the State were made online with a real time access of information of receipt and expenditure to all departments of the State Government

**Mr. Surajit Roy****MD & CEO**

(Since Aug'19)

- Has more than 25+ years of rich experience working for IT industry leaders in the technology services and products space
- Before joining Intech, he was working for tech giant Wipro Ltd as a business head for BFSI vertical and was instrumental in delivering large scale digital transformations for Wipro's BFSI clients
- Mr. Surajit was recently recognized as one of the "Most Promising Business Leaders of Asia 2020-21" by ET Edge



# Executive Management Team



**Mr. A. Praveen Kumar**  
**Executive Vice President –**  
**Technology Services**  
 (Since Jul '08)

- Praveen is heading the Technology Services of Intech providing support to IDBI Bank, its Group companies and external clients in end-to-end Technology delivery and support spanning across all the applications, digital channels and security
- He is also heading the team for development of number of innovative products viz., AML, Audit Management System, Recon System etc.
- He was architect of multiple major migration and integration projects for various clients viz., UWB Integration, Core Banking from Finacle 7 to Finacle 10.x, Internet Banking and ATM switch migrations to latest versions
- Has 30 years of experience in IT area in various organizations in BFSI Sector. He is also a Certified Information System Auditor from ISACA, USA



**Mr. Vaidyanath Balasubramanian**  
**Executive Vice President –**  
**Business Solutions Group**  
 (Since Dec '06)

- Has over 34 years of rich and varied experience in the IT industry, he is entrusted to management of Tier III Data Centres of IDBI Bank, security compliance, statutory compliance, IT procurements, management of network (WAN, LAN), email and VC infrastructure, Enterprise Fraud Risk Management System, NPA Management, payment middleware – i-Connect, CPS-H2H (for Co-operative banks) among others
- His current role also includes end-to-end IT requirements of the Group companies of IDBI Bank, management of all Call Centres on 24 X 7 basis for both inbound and outbound calling
- Trained professional on Core Banking Solution of Infosys (Finacle) and in RDBMS (like Unify, Informix, Ingres and Oracle)



**Mr. Suryanarayan Sundaram**  
**Chief Transformation Officer**  
 (Since Feb '21)

- Has expertise in Technology Transformation, Digital and API Banking, Project/Program Management, Delivery Management for Banking and Insurance Transformation and System Integration Projects
- Having 32 years of experience, Surya is responsible for Technology Transformation initiatives, especially for IDBI Bank, LIC and other key clients for their business growth. He is also responsible for creating alliances with Product OEMs for Intech in Global geographies
- Prior joining IDBI Intech, he was working as General Manager with Wipro in the capacity of Vertical Delivery Head – BFSI (India and Middle East)



**Mrs. Lata Prasad**  
**Senior Vice President –**  
**Support Services**  
(Since Dec '06)

- Lata joined Intech in 2006 as Group Head – Human Resource. In the last 15 years she had headed multiple support functions like Human Resources, Administration, Call Centre, Procurement Cell, IT Help Desk and IT Business pertaining to other subsidiaries of IDBI Bank
- Currently, she heads the IT Help Desk Operations, VMG (Vendor Management Group) and VAPT compliance audit.
- She is has over 35 years of experience in BFSI sector. Before joining the IDBI group, she had worked with Vijaya Bank, Bank of Punjab Ltd. and UTI Bank having exposures in HR department, Retail Banking business, service-related banking functions



**Mr. Param Kumar**  
**Vice President –**  
**Business development & IT Services**  
(Since Apr '08)

- With 29 years of rich experience in banking operations and business development, Param, who joined Intech in 2008, is heading the Marketing and Business Development team
- He is responsible for Lead generation through market scan and develop new business opportunities by identifying new market and customer need, promote company's product and services, develop negotiation and growth strategies, partners' alliance and lead all the bidding processes
- Param is an honours graduate in Mathematics and holds Masters' degree in Computer Application



**Mr. Saurabh Srivastava**  
**Vice President –**  
**Data Centre Management**  
(Since May '08)

- Saurabh heads the Data Centre operations for Intech and is responsible to oversee these operations for the IDBI Bank and its group companies, ensuring compliance with various standards (ISO9001, ISO27001) and regulatory guidelines
- He also manages the IT infrastructure projects including procurement, sizing, planning, deployment, migrations for clients including IDBI Bank
- Experienced in System and Data management, EMS & Backup Management, SAN Management, Privilege Identity Management, Patch Management, VMware On-Prem Cloud Management and Database Management apart from handling IT procurements, AMC/ATS renewals etc.

# Executive Management Team Contd...



**Mr. Samik Bandyopadhyay**  
Chief Financial Officer  
(Since Nov '18)

- He is involved in Financial & Strategic Planning and Analysis, Controllorship, Internal Financial Control, Risk Management, Transformational Leadership, Investor relations, Direct & Indirect taxation, Operation management, Pricing & Costing and Corporate Governance.
- A Chartered Accountant by profession and also a Certified Investment & Tax Planner from ICFAI, Samik played in senior management role for over 20 years, with proven ability to provide key financial data and support to assist in key business decisions
- Prior joining Intech Samik was working as Finance Head of Mumbai unit for Hexaware Technologies Ltd. Has over 24 years of work experience



**Ms. Moni Ganguly**  
Vice President –  
Human Resource & Corporate  
Communication  
(Since Feb '12)

- Moni leads a dual role for Intech. She is heading the Human Resource department as well as handling the Corporate Communication part too
- She also handles Public Relation management, Brand management and Corporate Communication
- She develops brand positioning and maintain brand uniformity across all channels, track engagement across various platforms and make data-driven decisions. Moni also manages participation at industry events, trade shows, and conferences.



# Corporate Strengths

## Creating a distinctive identity for ourselves

Intech's core strength is its vast pool of human capital comprising of highly experienced and dedicated teams of technical and functional domain experts. As a total IT solutions provider, Intech has been catering to several external clients in BFSI sector with its innovative products and services developed by leveraging new and emerging technologies as well as by adoption of industry and international best practices. It offers customized products and services with an aim to render optimal and cost-effective IT solutions and services which provide improved performance, operational efficiency and meets Compliance requirements.

For creating a distinctive identity, our core strengths are as follows:



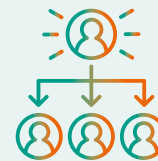
### Domain expertise

We possess strong expertise in our area of offerings to the BFSI customers. We have a sound understanding of emerging technologies, helping us develop solutions and services that are unique and proprietary to their nature.



### Skilled professionals

Our team of 1591 (as on March 31, 2021) with diverse skill sets having expert banking as well as technical knowledge provides the Company with strong impetus to growth. Our strong engagement initiatives help us in minimising attrition and in creating an empowering work environment.



### Strong leadership

We have a strong senior leadership team. With their unmatched experience and expertise across diverse technologies, they are steering the Company towards newer heights of growth.



### End to End System Integration experience

Our expertise in linking together various IT systems, services and/or software to enable all of them to work together to improve productivity and quality of the customers' operations where the various IT systems to "talk to each other" through the integration to seed up the information flows and reduce operational costs for the organisation.



### Robust financials

We continue to maintain a strong balance sheet with healthy cash and cash equivalents, and growing net worth. It is a debt free company and recorded consistency in growth both in revenue and profitability.

# Corporate Information

## IDBI Intech Ltd - an ISO 9001:2015 and ISO 27001 Certified Company

### Board of Directors

#### Suresh Khatanhar

Chairman  
(Since Sep'20)

#### Vishnubhotla Narayanamurthy

Director  
(From Jul'19 to Jul'21)

#### A.P.Hota

Independent Director  
(Since Sep'17)

#### Dr. Tejendra Mohan Bhasin

Independent Director  
(Since July'19)

#### Alok Chaturvedi

Independent Director  
(Since Feb'20)

#### Surajit S. Roy

MD & CEO  
(Since Aug'19)

### Management Team

#### Praveen Kumar

Executive Vice President –  
Technology Services  
(Since Jul '08)

#### Vaidyanath Balasubramanian

Executive Vice President -  
Business Solutions Group  
(Since Dec '06)

#### Suryanarayan Sundaram

Chief Transformation Officer  
(Since Feb '21)

#### Lata Prasad

Senior Vice President –  
Support Services  
(Since Dec '06)

#### Param Kumar

Vice President –  
Business development & IT Services  
(Since Apr '08)

#### Moni Ganguly

Vice President –  
Human Resource & Corporate  
Communication  
(Since Feb '12)

#### Samik Bandyopadhyay

Chief Financial Officer  
(Since Nov '18)

#### Saurabh Srivastav

Vice President –  
Data Centre Management  
(Since May '08)

### Company Secretary

Ritesh Kumar Jain

### Statutory Auditors

M/s Jain Tripathi & Co.  
Chartered Accountants  
204-B Ruby Apartment, Sir M. V. Marg  
Andheri East, Mumbai - 400069,  
Maharashtra

### Internal Auditors

BDO India LLP  
601, Floor 6, Raheja Titanium, Western  
Express Highway, Goregaon (E),  
Mumbai, 400063, INDIA

### Registered Office

IDBI Intech Ltd.,  
(UIN - U72200MH2000GOI124665)  
IDBI Bank Building, Plot No. 39-41, Sector  
11, CBD Belapur, Navi Mumbai 400614  
Email ID: ritesh.jain@idbiintech.com  
Phone: 022-39148000

### Bankers

IDBI Bank Ltd. Mumbai

# Management Discussion & Analysis

## Economic environment

### Global

In FY 2020-21 the global economy was hit by a once-in-a-century crisis caused by the COVID-19 pandemic. Economic activities came to a grinding halt during the first half of FY 2020-21, as governments around the world responded with social distancing, lockdown and quarantine measures, along with restrictions on a wide range of economic activities to control the spread of the virus.

International trade contracted for the first time since the global financial crisis owing to the widespread and strict lockdowns that severely impacted factory output, disrupted travel and reduced demand worldwide. However, various countries countered the disruption caused by the pandemic through major fiscal stimulus measures. Governments of every countries provided extensive fiscal support to households and firms (direct tax and spending measures as well as equity injections, loans and guarantees), and central banks reinforced this with expanded asset purchase programmes, funding-for-lending facilities and, for some, interest rate cuts. However, a second wave of infection across several developed countries, during the last quarter of the year, affected recovery.

### India

India continues to be the fifth-largest economy in the world. The economy was faced with structural slowdown, which resulted in a six-year low GDP growth. With the outbreak of the COVID-19 pandemic, India implemented strict lockdown and other containment measures to control the spread of the virus. This has restricted the economic activities and slashed domestic consumption. The services sector, mostly in the urban areas, was disproportionately impacted by the pandemic, thereby negatively impacting consumption.

In India, COVID-19 and associated responses had adverse effects on workers' morale, consumer sentiment, economies, and financial markets. Co-ordinated by state governments, the Government of India declared a lockdown on the country to prevent the spread of COVID-19, including severe travel and transport restrictions and a directive that citizens shelter in place. Establishments in the private, commercial, and industrial sectors were required to remain closed during the lockdown.

India's economy depends largely on private consumption and investment for its growth. As a result of rising unemployment and the fear of job loss, the discretionary spending on nonessential goods has drastically declined. Supply-side constraints are slowly easing, but a potential COVID-19 pandemic could disrupt supply chains and inhibit productivity, which, in turn, would

affect industrial production and investment. In order to reduce the economic impact of the pandemic, the government has announced two stimulus packages worth 10% of GDP each. In contrast, the cost of borrowing, debt expansion, and deficits may adversely affect the financial situation if not managed carefully.

The lockdown led to a 23.9% decline in GDP during Q1 FY 2020-21, followed by a 'V'-shaped recovery in the second quarter owing to a faster recovery across economic indicators. According to the 'Economic Survey 2020-21', the Indian economy is estimated to have contracted by 7.7% in 2020-21 against a growth of 4.2% reported in 2019-20, reflecting a sharp drop in household spending and private investment. The decline in GDP was sharp at 15.7% during the first half of the year, whereas the second half of the year was estimated to report a degrowth of just 0.1%.

During the second half of the year, there was a steady recovery in power demand, e-way bills, and GST collection, among others. A strong growth in commercial paper issuances, easing yields, and sturdy credit growth to MSMEs helped revamp credit flows for enterprises to survive and grow. Inflation remained above 6% for much of the year. The softening of inflation during end of 2020, reflected easing of supply-demand constraints.

The Reserve Bank of India (RBI) undertook several conventional and unconventional measures, such as Open Market Operations, Long Term Repo Operations, Targeted Long Term Repo Operations among others to ease liquidity. In a bid to make India self-reliant and fight against the impact of COVID-19, the Prime Minister of India announced stimulus packages worth Rs. 20 lakh crores or 10% of India's GDP towards Atmanirbhar Bharat Abhiyan. The government announced additional packages under this programme in September 2020 and November 2020.

## Forward Looking

### Global

Going forward, the extent of global recovery is expected to be uneven. The severity of the health crisis in each country, the degree of disruptions to economic activities (related to the structure of the economy and its reliance on contact intensive sectors), exposure to cross-border spill overs and the effectiveness of policy support to limit the damage will determine the rate of recovery. However, the recovery in service trade is expected to be slower than merchandise volumes, which is consistent with subdued cross-border tourism and business travel. The growth optimism is also derived from the vaccination drive that has started in several countries. This, along with a visible increase in the effectiveness of therapies, could raise expectations of a faster end to the pandemic and generate stronger consumption, investment and employment recoveries.



## India

The optimism is fuelled by the continued normalisation of economic activities, as the rollout of COVID-19 vaccines gathers traction. This is expected to be further supported by supply-side push from reforms and easing of regulations, incremental infrastructural investments and manufacturing sector boost through productivity-linked incentive schemes, recovery of pent-up demand for the services sector, growth in discretionary consumption following the rollout of the vaccines and acceleration in credit owing to adequate liquidity and low interest rates. The smooth rollout of the vaccines provides optimism on both health and economic fronts, with hopes of a strong rebound in the services sector, private consumption and investment.

[Source: World Economic Outlook, January 2021, Economic Survey 2020-21]

## IT industry overview

### Key focus area: Global

#### Digital

Digital has been the driving force across enterprises worldwide including India. The pandemic has accelerated the adoption of Digital across industries including financial services such as Banking, NBFC, Insurance & Capital Markets. Digital investments span across Customer experience, Customer journey, Customer engagement, Core Modernization leveraging API, AI & ML, Data & Analytics and Cloud. Each of this has been a critical enabler for digital adoption & acceleration benefiting organizations to be agile, innovate and stay ahead in their business.

#### Hybrid Cloud

Cloud has been imperative for organisations operating across the world, especially post-pandemic. Digital business transformation has entered a more challenging and urgency-driven era post the pandemic. Hybrid cloud infrastructure, with its software-defined features, intelligent automation, AI-led frameworks, container and API native architectures and catalogue-based consumption models provides scalability, flexibility and agility to the enterprise. Global IT companies have been providing customers with cost effective and efficient digital solutions owing to the liquidity crunch across most sectors. The sudden shutdown of offices, schools and enterprises have further increased the demand for cloud solutions and services.

#### Software as a Service (SaaS)

With a cutthroat business environment, SaaS tools are becoming a more viable choice for organizations looking for accessibility, function, and versatility. SaaS is a model wherein the software host maintains a server, and the data on the software can be accessed from any device with a valid internet connection. Post-pandemic, the global SaaS market gained immense traction owing to the increasing adoption of remote working by various organisations across the world. SaaS is reshaping cloud computing market. The

Gartner forecast states that service-based cloud applications will be worth \$143.7 billion by 2022 - indicating a wave of growth expected to shape SaaS trends in 2021.

#### Internet of Things (IoT)

The IoT services act as a support to end-user companies by aiding them with increased transparency and efficiency in logistics management, data management and infrastructure. It entails consulting, security and analytics services as per the requirement of the organisation. Several trends are fueling IoT's popularity in 2021, from data-intensive experiences that utilize internet of things (IoT) devices (such as self-driving cars or wearable devices) to health and safety, as COVID-19 continues to rise to prominence.

#### Cybersecurity

Cybersecurity is a priority for every organisation across the world, as each of them adapt to a post-pandemic world marked by increasing adoption of digitisation. Securing remote workers' identities and their individual devices are of utmost importance, with most resorting to working remotely at different locations around the world.

### Key focus area: India

India is developing a reputation as the center of "Digital Skills". The private sector is home to the largest number of employers in the industry. India's IT industry contributed 8% to the country's GDP in 2020. The Indian IT industry is forecast to export US\$ 150 billion in FY21, an increase of 1.9% over last year<sup>1</sup>. According to the IT industry, 138,000 new positions were filled in 2020<sup>1</sup>. According to STPI (Software Technology Park of India), software exports reached Rs. 5 lakh crore (US\$ 67.40 billion) in FY21<sup>1</sup>, up 7% YoY from Rs. 4.66 lakh crore (US\$ 62.82 billion) in FY20, amid the pandemic of Coronavirus and rapid digitization and deployment of remote working environments.

In terms of talent pool, India has the largest qualified pool of technical graduates in the world. National Association of Software and Service Companies (Nasscom) estimates that Indian IT industry revenue will reach US\$ 194 billion in FY21, an increase of 2.3% YoY<sup>1</sup>. The private sector employs the largest number of people in the sector. The Gartner estimates state that Indian IT spending will reach 93 billion U.S. dollars in 2021 (7.3% YoY growth) and 98.5 billion U.S. dollars in 2022<sup>1</sup>.

#### Digital India

Under the guidance of the Ministry of Electronics and Information Technology, the Government of India launched the Digital India initiative to ensure the delivery of the government's services through electronic media. Further, the government has also increased provision for the promotion of electronics and IT hardware manufacturing with the help of a modified special incentive package scheme, electronics development fund and electronics manufacturing cluster.

<sup>1</sup> IBEF Report on Indian IT Industry

## Organisational spending

An increase in organisational IT spending is expected on technologies, including advanced analytical solutions, access management, encryption software, desktop as a service, cloud and hyper-automation enabling systems. IT solutions, such as robotic process automation (RPA), artificial intelligence (AI), machine learning (ML) and digital/e-commerce, will also experience an increase in spending.

### SaaS

The Indian SaaS market has seen a paradigm shift over the past few years, and during this period the number of funded SaaS companies in the country has been doubled. This growth is expected to be encouraged by the frugality of operating in India, given the lower manpower cost required to create a large pool of diversified skilled talent.

### Artificial Intelligence (AI)

On a sector-basis, the IT and services sector account for the highest market share of AI services, which is pegged at 41.1%, followed by the technology sector (software and hardware firms) at 23.3% and Banking Financial Services and Insurance (BFSI) sector at 9.6%.

### Cloud services

Low cost of entry provided by public cloud services has made adoption to cloud services easier for Indian organisations. Owing to the increase in the number of cases of cyberattacks against organisations, the spending on cloud management and security services is expected to increase 29.4% y-o-y.

### Remote working place

Despite all those unfavourable working conditions, the Indian IT sector has been able to run its large-scale operations undisrupted – all thanks to its massive remote workforce. Interestingly, remote working has become the new work norm this year and is unlikely to end soon.

### Key factor for growth in IT industry

Positive factors	Negative factors
Growth in existing customer business	Continued pandemic effects
Successfully reaching new customer segments	Unexpected halt for lockdown
Improving on-line operations	Postponement of procurement requirement
Selling new business lines/ products	Squeezing margins & profitability
Improving sales / marketing	Competition from new entities
Positive government actions	Workforce cost & skill availability

[Source: CompTIA IT Industry outlook 2021]

## Forward Looking

### Global

COVID-19 has reinforced the importance of driving organisational transformation enabled by technology. On the back of increasing digitisation and increasing number of internet users across the world, various organisations forayed into a digital journey in 2020, during and post-pandemic. This paradigm shift in technology adoption will drive the global IT industry extensively in the years to come.

### India

The IT industry revenue on the back of increasing digitisation, increasing mobile penetration and affordable data cost, among others is expected to grow three times driven by the demand for Big Data, Data Analytics, AI and IoT. The increasing adoption of AI is expected to drive India's annual growth rate by 1.3% by 2035, as per NITI Aayog. A substantial increase in adoption of AI by Indian firms could also help India bounce back in the race of being one of the fastest growing economies in the world. Increasing IT spending is expected to drive the Indian IT industry. Approximately 900 million Indians are projected to be online by 2025, up from roughly 750 million in 2020<sup>2</sup>.

### Emerging (Next-Gen) Technologies

Digital adoption and cloud migration opened up avenues for emerging technologies such as intelligent data management, to be at the forefront of this accelerated transformational journey. As we move into 2021, there will be a sharpened focus on leveraging next-generation technology to drive growth and progress across sectors. Rapid cloud adoption during the pandemic, technology is going to play a big role in 2021. Firms will shift from on-premises licensed software to subscription-based SaaS models, as well as adopt new software collaboration tools. Subscription model

The trend of monthly subscription plans is already visible and will continue to the next year as businesses will continue to be conservative about cash flow till the situation completely stabilize.

### Cyber Security

The probable introduction of 5G by the end of 2021 could add an ample of opportunities and use cases, leading to the new cybersecurity categories. It is very much expected that a percentage of the funded local cybersecurity companies will shoot up substantially, making them potential enough to give cut-throat competition to foreign silos and increase their global prominence.

### Customer Experience

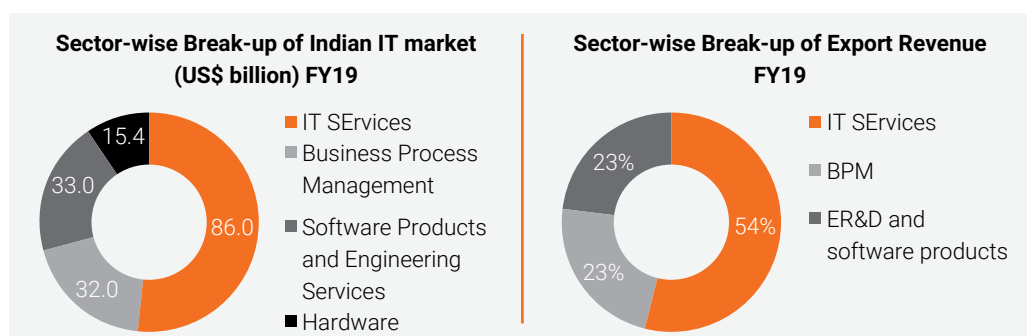
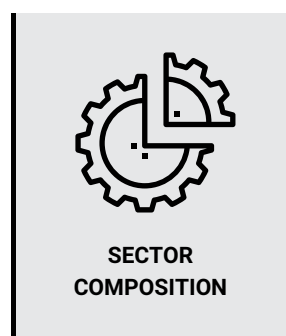
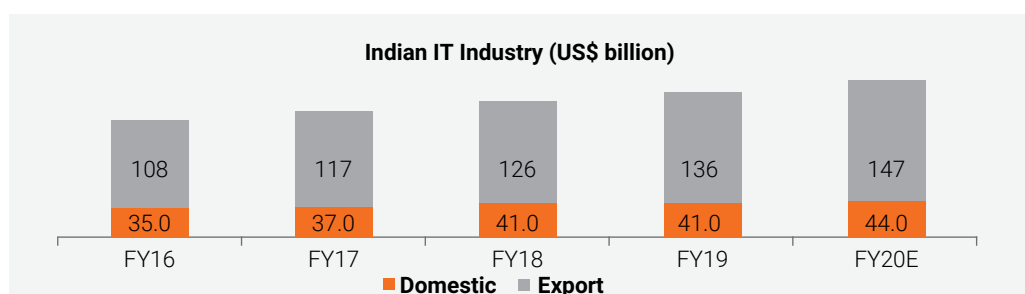
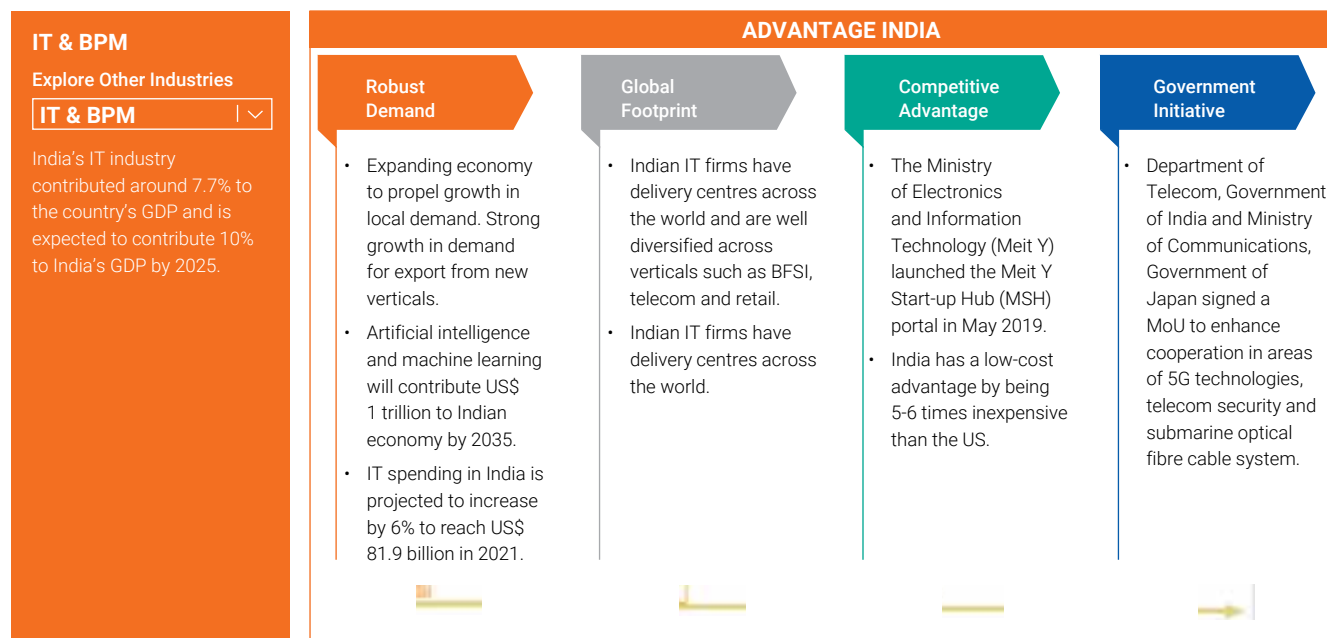
CX (customer experience) will continue to remain a catalyst to business success as businesses reorganise their priorities to incorporate a seamless CX journey for customers. On the other hand, digital transformation will definitely take precedence in the coming year to accommodate more omnichannel services, better

<sup>2</sup> <https://www.investindia.gov.in/sector/it-bpm>

IT security, agile technology and collaborative tools. FinTech will benefit largely from the new consumers as the convenience will drive a lot of referrals and word of mouth. With the government's continued push on digital payments, such as mandatory Fast-TAG for every vehicle, we'll see even more digital payments adoption as people begin to travel as COVID-19 fades away. There is also a dramatic and permanent shift in consumer shopping behaviour in e-Commerce. The consumer today has become more cost-conscious and is investing increasingly in an affordable fashion. We have also observed that customers from Tier II and Tier III cities who were previously reluctant to do online shopping now enjoy the perks of digital retail.

## People centric

Businesses will take steps to be more people-centric, not just toward their customers, but also toward their employees too. Employee experience and engagement will be a major area where we will see a change, as businesses rethink their digital workplace. Return to Office (RTO) will peak towards the end of 2021, but will never be 100 per cent, revealed by a survey. Even there will be significant increase in Work from Office (WFO) numbers, a significant percentage of employees will prefer working from their native places, as RTO will be more time-consuming and complex considering the reverse migration that needs to happen in large numbers, survey report said. Productivity continues to be very high, despite many large companies reporting that work environment at home is the single largest factor impacting Work from Home (WFH). Increased office space requirement post RTO will not be on priority list.

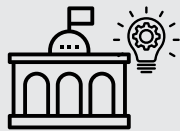
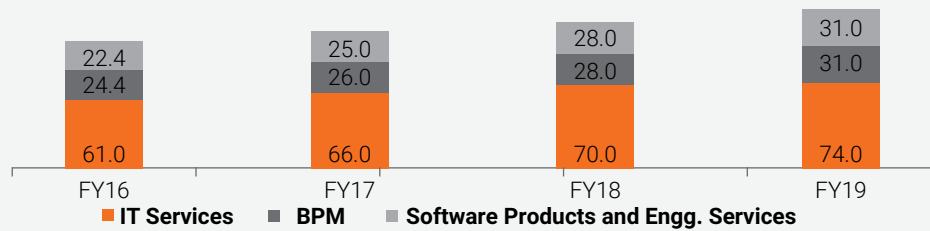






## KEY TRENDS

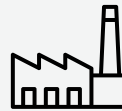
## Growth in Export Revenue (US\$ billion)



## GOVERNMENT INITIATIVES



## Make in India



## Phase Manufacturing Programme (PMP)



## Simplified Other Service Provider (OSP) guidelines



## ADVANTAGE INDIA

- Growing demand: Expanding economy to propel growth in local demand. Strong growth in demand for export from new verticals.
- Global Footprint: Indian IT firms delivery centres across the world and are well diversified across verticals such as BFSI, telecom and retail.
- Policy Support and government initiatives: Department of Telecom, Government of India and Ministry of Communications, Government of Japan signed MoU to enhance cooperation in areas of 5G technologies, telecom security and submarine optical fibre cable system.
- Competitive Advantage: The Ministry of Electronics and Information Technology (MeitY) launched the MeitY Start-up Hub (MSH) portal in May 2019.

[Source: [www.ibef.org](http://www.ibef.org)]

## BFSI Sector overview

In the last one year, the BFSI sector has seen a paradigm shift in adopting digital technologies to deliver transformational business outcome for its customers. Banks have set up dedicated Digital business unit & center of excellence (CoE), which have been empowered to drive digital across business units – Retail Banking, Corporate Banking, Channels, Transaction Systems, Payments & Regulatory compliance. These units have been incubated with talent, process & technology to bring in the transformational & cultural mindset required for enterprise-wide digital transformation.

## Key trends in Banking sector

In light of growing uncertainty, banks today are focusing heavily on the use of technology to enhance customer experience, digitize customer journey, proactive customer profiling leveraging AI & Analytics, frictionless digital payments, risk profiling & monitoring and future proofing risk & compliance. The events of 2020 accelerated India's banking sector in embracing Digital, AI & Cloud. This transformation will be underpinned by developments in the public and hybrid cloud space, blockchain, microservices-based architecture, and artificial intelligence, going into 2021.

## Architectural transformation

With customer experience gaining traction in the industry, next-generation banks need to be fluid as well as highly responsive. The adoption of a lighter and flexible microservices architecture will be critical to achieving this along with core modernization.

## Exploring new horizons with cloud

For banks that are still on the fence about cloud adoption, there are many flexible options to choose from. Hybrid Cloud, for one,

offers the convenience of lower Capex, along with the security of on-premise set-up. With the advent of better cloud security, banks could even look at public cloud ecosystems as viable, long-term options.

## Blockchain to safeguard data sanctity

The shared infrastructure of blockchain ensures the veracity of information, making it easier for banks to detect fraud and eliminate risks. With the potential to reduce operational costs while improving efficiencies, blockchain will be a potential gamechanger in the near future.

## Open banking gains in popularity

As customers explore ways to bank as per their preference and convenience, we expect radical developments in the open banking space. API banking is already accelerating processing times, reducing go-to-market cycles, and improving decision-making and responsiveness. All roads in open banking will eventually lead to data democratisation and socioeconomic upliftment.

## AI turns humane

AI-driven financial models have proven their worth in the last decade or so. But they are not free of controversies. Most of them are spurred on by the fact that AI-enabled models are essentially black-boxes that leave no room for transparency. With the emergence of feedback-enabled AI, we will see this paradigm change. Responsible and trustworthy AI will allow banks to uphold ethics and governance and minimise model risks, while driving continuous efficiencies.

[Source: *Business Today*, January 27, 2021]

## Key trends in Insurance sector

In the present scenario, Information Technology (IT) has become the backbone of every industry, especially for the insurance industries, all over the world. Instead of just adding value to the insurance sector, technology underpins its very growth and evolution. The Information Technology has a huge impact on the insurance industry and the unthinkable have become doable now. The insurance industries are giving priority to the profitable growth. Through the use of innovative technologies this growth can be effectively increased. There are certain technology trends which will make a significant impact on growth in the insurance industry.

### Increased use of Internet of Things (IoT) by Insurers

Decline in the cost of sensors, improved communication methods and increased data processing power have enabled the widespread use of the IoT. The data transmitted by IoT can be further analysed using data processing techniques for useful insights. Using IoT, insurers can closely analyse customers' data and identify their needs and risks. Customers' health risks can be determined more accurately using wearables. Policyholder service will transform from being a customer-initiated activity to insurer-initiated activity. IoT can help in reducing the turn-around time for initiation of claims by tracing the exact location and circumstances responsible for the claim. IoT sensors can be used as warning systems, which can reduce the frequency and severity of claims.

### Using Big Data to improve Claim Processing capabilities

The Big Data analytics enables the insurance companies to identify and report events in a fast and effective way and the claim assessment activity can now be automatically assigned based on the performance of the adjuster and complexity of the claim. Insurance companies can efficiently execute the subrogation and settlement process, which was a challenge due to the huge amount of data. This needs to improve Big Data storage and processing capabilities and also able to pick data from the right sources, in order to avoid unimportant and misleading data.

### Entry of Non-Traditional Firms in Insurance

Non-traditional firms are entering the insurance value chain through partnership and alliances. Companies such as Google, Walmart, and Amazon have access to a vast customer database and are successful in their business models and have a huge capital base. Google launched an online insurance comparison site, which let the users compare rates from different insurance providers. Because of the entry of new players, competition will increase in the market. The smaller insurance firms will be impacted the most, as they will not be able to scale up their technology infrastructure and competency to cope up with the entry of technology giants. Customers will benefit from the increased competition in the industry, which will force companies to provide a better customer experience.

### Increased use of Aerial and Digital Imagery

Aerial and digital imagery and the technical advancements in it can be used by insurance companies for seamless data management, avoiding risks, providing a quick response to catastrophe events, and detecting fraud. Aerial and Digital imagery utilises digital images and software to view properties and land, and estimate their size, location, damages incurred,

and proximity to identified risks. It reduces the cost of insurance companies processing claims. The benefits associated with aerial and digital imagery have a huge potential to become a primary tool for insurers to assess properties. Insurers can look for alliances with professional firms to provide these services.

### Increasing demand for Cyber Insurance

Cyber risk has been termed as a potential global threat by the World Economic Forum. The increase in cyber threats are the prime reason for the current need of cyber insurance. The nature of business and local regulation, potential impact of cyber attack may remain the prime factor in respect of product designing and pricing. Insurers can integrate cyber-insurance products to the existing core systems. It is impossible for an insurance company to give complete protection without technological help and sound technical solutions.

### Social Media and Collaboration

Social media is about helping people connect. Social media tools—such as Facebook, LinkedIn and Twitter—are frequently used in marketing to drive brand awareness and connect with customers. The other uses of social media tools improve collaboration and improve decisions and processes both internally with carriers and externally with the distribution channel. The technology can help to get feedbacks on service quality, customer satisfaction and wishes and employee performances. The simple regression analysis can be performed in order to predict the dependent variable from the independent variable (predictor) where performance of the employees and etc., was considered as the dependent variable and information technology was considered as the independent variable and hypothesis can be obtained.

[Source: LegalServiceIndia.com]

## Key banking risks and forward looking

### Credit Risk

In this pandemic-fuelled era, digital security has replaced our dependency on physical verification and related practices. As ease of doing business gains prominence, we will see a steep increase in credit risks. Additionally, digitisation of borrower data would mean tighter KYC norms and more background checks.

Going forward banks will adopt a real-time, rules-based system that alerts them of stress much before the issue blows out of proportion. The centralisation of credit approval processes is a step in the right direction. Cloud-based technology platforms will enable banks to rapidly roll out enhancements and adhere to new regulatory compliances with least disruption to service.

### Model Risk

Moves like accelerated adoption of open banking, will increase the banking sector's reliance on advanced financial models. Sophisticated models - involving big data algorithms - carry with them huge risks related to awareness, accuracy and validation.

For this reason, it's fair to expect that model risk management will undergo comprehensive changes in coming days. This will be triggered by fast-paced developments in automation, feedback-enabled AI and the like. In addition, ground-breaking developments in analytics will help build out financial models that are more risk-averse and competitive. Efficient automated validations will lead to higher accuracy and transparency in the financial models.

## Enterprise Risk Management (ERM)

Going forward, the Indian banking sector will focus on setting up an effective ERM function to reduce risk, accelerate performance, and meet regulatory demands. Experts have been calling for a unified and strategic approach to risk management to replace the compartmentalised approach that is currently followed. We also expect to see more emphasis on IT risk management as an area that is independent of business continuity, vendor risks and other functions.

### Key insurance risks and forward looking

#### Investment risk

Investment risk (market, credit & liquidity) is the risk arising out of variations in the level or volatility of market prices of assets and financial instruments, including the risk arising from any mismatch between assets and liabilities, due to external market and economic factors.

#### Insurance risk

Insurance risk is the risk arising because of variance to the best estimate or because of random fluctuations in the frequency, size and timing of insurance liabilities. Insurance risk comprise the following components: mortality, morbidity, persistency and expense risk.

#### Operational risk

Operational risk is the risk of loss, resulting from inadequate or failed internal processes, people and systems, or from external events.

#### Outlook

Digital advancements working to provide seamless consumer experiences will further provide customized pricing and smaller risk pools based on customer requirements. An integrated engagement platform will allow data, insights and transactions across multiple industries to be used among entities. This will lead to an increased adoption of usage-based insurance products tailored to individual needs.

The introduction of integrated insurance solutions will eliminate the need for traditional products altogether. The implementation of automation in underwriting processes will not only reduce manual efforts, but also lower underwriting overheads. Prescriptive algorithms can be forecasted, to be used by agents or digital channels to actively influence customers purchases.

The implementation of RPA and conversational AI will reduce a majority of manual efforts undertaken, thereby actively optimizing cost and resolution time. Using automation with AI & ML in processes like claim processing, underwriting, customer service, and policy administration; and implementation of RPA for claim settlement, fraud detection, real-time data analytics, customer experience, and product personalization - can reduce the cost of claims. With convenient and seamless user experiences, FinTechs and InsurTechs now go beyond just a few chatbots, offering personalization in services as well as omni-channel support.

## About the Company

IDBI Intech Ltd is a technology-led business transformation organisation specialising in the Banking, Financial Services and Insurance industry vertical. Incorporated in the year 2000, it

serves as a wholly-owned subsidiary of IDBI Bank, a leading bank in India. With over two decades of experience and expertise as a leading Banking and Insurance digital technology business transformation partner, IDBI Intech leverages disruptive technologies to deliver business outcomes that digitally enable our clients' business to stay relevant and future-ready.

We bring a unique approach to digital transformation—one that is driven by innovation, agility and a start-up mindset. The result: an enhanced ability to deliver value-led accelerated business outcomes and a differentiated portfolio of services.

Our portfolio of services and solutions are built on the foundation of knowledge gained by working closely with leading Banking, Financial Services and Insurance customers in India and abroad through the years. This is further enhanced by our significant investments in the latest industry solutions for Banking and Insurance, keeping in mind customer satisfaction and market demands as top priorities. Our next-generation technologies currently being leveraged include Blockchain, Cybersecurity, Artificial Intelligence, Machine Learning and more—all of which is bringing end-to-end digital transformation for our global BFSI clientele.

At IDBI Intech, we understand that creating seamless digital experiences are the new norm when it comes to ensuring customer delight. To provide this meaningful value to customers, organisations need to create a frictionless user journey. This is only possible with innovative digital outcomes that connect a user's needs, emotions and behavior with an advanced responsive service design and features whose strategy is executed with speed.

To help our customers achieve these high standards of customer delight, we have pioneered a wide range of Digital Innovations that leverage AI, ML, API & Microservices resulting in one-of-a-kind Fintech Products, leading Financial Crime & Compliance Solutions which have been highly recognized across the market and Digital Ecosystems across the BFSI landscape. Apart from orchestrating seamless and efficient business technology integration, this has brought in meaningful real-time personalized experiences and accelerated business outcomes for customers.

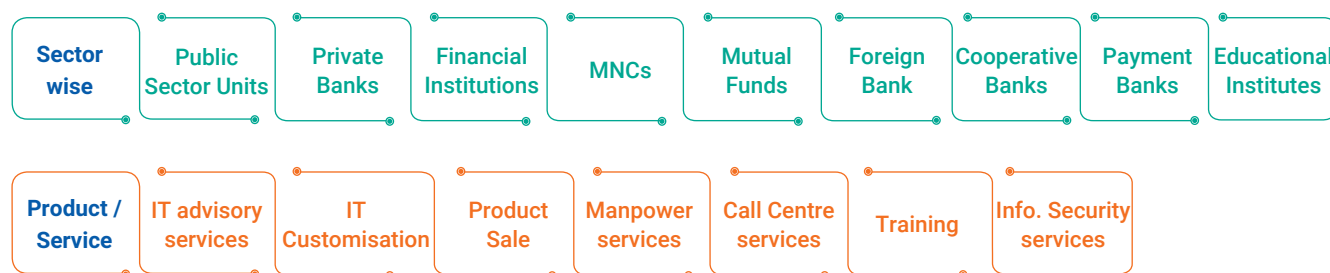
At IDBI Intech, our differentiators are our core values of Integrity, Ingenuity and Intelligence—the foundation of our collective culture and character. They define our customer value creation and shape our individual behaviours, decisions and actions, helping us successfully deliver satisfaction and confidence to our esteemed customers, year-on-year.

Added to this is our keen focus on skilling our employees and building an innovation-oriented culture. It is this human capital, in tandem with digital disruptive technologies that are instrumental in the creation of our business value and in the continuous adding of flagship Fintech products. We are very proud to acknowledge that through the years our products have been widely sought by the BFSI industry and we have been consistently recognised and felicitated for our achievements by leading business platforms.

Through the years, we have developed a long-standing relationship with our customers and peers in the industry while gaining the trust and loyalty of our employees. We are humbled by the support of all our stakeholders as we enthusiastically look forward to continuing this relationship in the years to come.



## Key service area



## Performance in FY 2020-21

FY 2020-21 has been a year on contrast. On the one hand, there is global economic slowdown due to pandemic, at the same time there is a digital exploration in the IT sector. IT Industry has witnessed digital transformations but for Intech's market segment the ticket sizes remain small.

During the pandemic, our focus was on working proactively to support our customers, employees and communities by creating a sustainable road map for the future. We leveraged technology innovation to help businesses deliver continuous support for our customers; ensured that our employees got to balance social distancing and safety needs with productivity parameters and undertook concrete initiatives to keep our communities safe, connected and informed.

During the year, the revenue surpassed Rs. 100 Cr land mark and has reported 16% growth over last financial year. Operating profit and PAT have reported 32% and 33% growth respectively over last financial year. We won 71 orders worth Rs. 44.62 Cr during the year and IT giants like IBM, Wipro became our customer in this financial year with long-term agreements. Intech has received six awards during the financial year.

During the year, Intech has successfully executed raising of Capital funds by further issue of equity capital through Right issue of shares to its Promoter.

## Our Strategy and Action Plans

### Broad Strategies

- To leverage selling of existing flagship products to Banks/ FIs.
- To develop new product-solutions of Future-Ready-Technology like Enterprise Risk Management (Operational Risk), Corporate Liquidity software, Sentiment Analytics software, Social Media banking, Mobile Apps for retail banking, etc.
- To provide 'Banking compliances as-a-service' on-cloud for i-AML (Anti Money Laundering) & i-Recon applications
- Digital on-boarding of BFSI customers through products like i-Quick, Video KYC, WhatsApp Banking etc.
- Re-engineering of some of our existing in-house products based on customer feedback and regulatory changes.

- Strong Business Relationship Tie-Up
  - with Cloud Service Providers for offering our products and services on cloud or in subscription-based model
  - with major OEMs for third party Products for delivering Turnkey solution as a System Integrator.
- Target Geographies: Domestic and International BFSI Customers.
- Target customers: Public & Private Sector Banks, Insurance Companies, Small Finance Banks, Payment Banks, Co-operative Banks, NBFCs.

### Action Plans

Areas	Actions
Redefining Intech's position in the market place	Digital technology integrator Integrating Disruptive Technologies
Planned Product Offering	Subscription based product offering Re-engineering of some of our existing products Offering new products & services like Enterprise Risk for Insurance, Early warning signal for credit monitoring, Digital technology integration Offering third party products
Go-to-market (GTM)	Participation in RFP process Direct marketing/ sales with industry propositions Channel partners Online digital marketing
Target domestic & international market segments	Product specific online campaigns Participating in seminars, webinars and technology events
Delivery lead business generation	Enhancement of wallet share / cross sell
Talent retention and acquisition	Re-skilling of existing talent Hiring of next-generation talent
System Integration (SI) Services	IT products & services

## Creating a Young Energetic Millennial with Innovative Digital Mindset workforce

Human resource is the key to long-term growth for a company offering IT services. We foster a happy and open culture employing around 1600 individuals. We promote a fair and just human resource practice balancing work and home life and creates an environment of inclusiveness, engagement and acceptance.

We ensure that our employees are abreast of the latest trends in the industry and impart necessary development and training opportunities to equip them with additional skills to offer value-addition to our customer proposition. The onset of the COVID-19 pandemic required us to take prompt actions to safeguard our employees.

## Fostering relationship with our key stakeholders

We value fostering close relationships with all stakeholders. Our purpose is to deliver innovative products and services that bring a better quality of life, health and well-being to people everywhere.

### Fostering relationship with customers

We believe in creating superior customer experience through our tailor-made offerings and excellent servicing. Even during the pandemic, we had provided seamless support remotely for our customers and were able to deliver meeting their expectations.

We established the following principles while working with our customers during the pandemic:

- Put the relationship before the contract
- Act first in the interests of customers, discuss commercial impacts later
- Communicate effectively and be transparent about our challenges
- Remember that the crisis will eventually pass, but the relationships will last forever

Our customers have been delighted with our high levels of productivity, engagement and commitment. We had received appreciation letters from both internal and external customers. Customers have clearly seen the difference between what we brought to the table and what some of our competitors offered. We believe this crisis period has helped us to cement relationships with our customers, build better trust and credibility.

### Fostering relationship with suppliers

We work with a number of vendors and suppliers across various products and services. The suppliers are selected based on the nature of products and services, quality, capability, cost, delivery commitment and compliance with the regulatory norms.

With an aim to promote the local economy, we prefer selecting local suppliers for outsourcing jobs such as facilities management, procurement of materials for infrastructure development and other operations. Our well-equipped procurement team provides

regular feedbacks to the suppliers in order to help them to bring best practices to their operations. We interact with the suppliers regularly and educate them on the quality standards and the importance of making them a partner in our requirements and service us better.

### Fostering relationship with promoter-investor

We are the backbone of the entire IT operations of our Promoter, IDBI Bank. We provide seamless support for all IT operations as well as the Call Centre services to them. During the year, as a part of the committed Digital journeys / New Technology enhancement initiatives to the Top Leadership Team of the IDBI Bank, we have executed seven successful Technology enhancement / Digital outcomes for the bank viz.

1. IDBI Bank is the first bank to do “**Document Embedding**” feature with “**Letter of Credit and Bank Guarantee**” messages sent over SFMS platform, managed by IFTAS (a wholly owned subsidiary of RBI). This initiative is indeed a landmark achievement and successfully executed by IDBI Intech with complete support and co-operation from Bank – received appreciation from IFTAS for the same and from Bank's Top Management.
2. **Account Opening apps, i- Quick.** Intech has developed a mobile app for IDBI Bank both in Android & iOS platforms to attract new customers in opening an account in IDBI Bank through a simple digital onboarding process in less than 3 minutes. i-Quick app is available in respective APP stores. This is the First Digital mobile app Launch for IDBI Bank for instant customer onboarding. On an average approx. 100 numbers of Accounts are now being opened by Retail customer in less than 3 minutes, every day.
3. **WhatsApp Banking:** This is yet another successful execution for a new beginning of Digital banking journey, first time for the bank. Salient Features for this new Digital Journey for the bank includes Passbook (Savings, FD, Lien) updates, Mini Statements, Cheque Book Request, Email statement requirement, ATM / Branch Locator, Interest rates etc.
4. **Video KYC:** This is yet another successful launch by the bank for the first time. Intech collaborated with a vendor for Video KYC and worked with the vendor extensively for integrating the various internal / external systems like EDW/ NPCI/ UIDAI/ NSDL/ CERSAI/ Email/ SMS/ HRMS/ Active Directory etc along with Core Banking system through Finacle Integrator.
5. **i-Calculator for Customer Risk Calculation Solution:** This is an in house developed product for doing customer risk through an automated process i.e robust process of deriving customer risk, validate KYC document submitted and will ensure compliance to RBI.
6. Apart from the above mentioned successful Digital Journey launches for the Bank for the First time, **successfully migrated ATM Switch** from version 7.5 to 7.7 for the bank.
7. Developed another **unique product, i- Tag Geo** – tagging mobile app application in both iOS & Android. This mobile

app is used by the officers when they are on a visit to assess any collateral property or for any loan recovery. Bank official tags the location of the property / customer they visit and also takes photographs of the collateral property. The data is centrally stored and tagged against account number.

Apart from above, we have successfully completed the year end processes for IDBI Bank in the new Finacle 10.x upgraded version ahead of the scheduled timeline.

Members of the senior management of the Company periodically participate in various forums and conferences with the top leadership team of the IDBI Bank. They also took part in the periodic/quarterly calls with IT Department along with other departments of the bank.

Our audited financial results, strategic plan, projections are shared with our parent companies and periodic updates, clarification and inputs are shared with the Corporate Finance team.

### Initiatives taken for Life Insurance Corporation of India – the ultimate parent company

During the year, we had executed successfully the following projects for LIC, our ultimate parent company:

- 1. Lead Management Software:** The application will help the Pension and Gratuity team of LIC to manage the leads which they get from different sources. The application will provide the divisional office team and the central office team online status on the progress of the leads.
- 2. Penny transaction /Account validation Feature in Cash Management System:** Intech has developed this module in-house as a part of the existing CMS application which will helping LIC to perform account validation in bulk. The validation process requires sending Rs.1/- IMPS transaction to the beneficiary banks and getting the confirmation. This module has been developed within the short time as there was urgent requirement from LIC top management.
- 3. Cheque scanning on Linux (OS):** As per LIC requirement for Cheque Collection, Truncation and Settlement, Intech has developed Clearing System and integrated on LINUX OS for Teller / Cashier PCs. The scanning module has been directly integrated with LIC Insurance Core System to avoid any separate Application login for Cashiers. Since LIC uses Linux based desktops, integrating the CTS cheque scanners is big challenge as globally these scanners are integrated with Windows desktop.
- 4. Fixing IS Audit Issues:** We have provided two technical resources to support the LIC to fix IS Audit gaps with regard to Networking, Security and Infrastructure.

### Caring for the community

We have been active in taking care of our communities and have made community development part of our overall corporate objective. Our Corporate Social Responsibility (CSR) policy

provides the guidelines for initiatives to fulfil our responsibility towards our communities. We also encourage our employees to voluntarily participate in community-empowering initiatives.

### Our core focus area and goals for CSR are:

- Hunger, Poverty, Malnutrition and Healthcare
- Education
- Rural Development projects
- Gender equality and empowerment of women
- Environmental sustainability
- National heritage, art and culture
- Welfare measures for armed forces veterans and their dependents
- Promotion of sports activities
- Contribution to central government relief and welfare funds and to approved technology incubators

### During the year, we undertook the following initiatives for the community:

- Contribution to M/s. Vanvasi Kalyan Ashram towards its students' college fees amounting to Rs. 1,17,554/-
- Support to fifteen tribal students pursuing higher education for the academic year 2020-21 by providing Laptops with one year warranty costing Rs. 402, 675/-.
- Providing medical equipment to NMMC Health department amounting to Rs. 13,99,647/-

### COVID-19: our response to sustain business operations

The COVID-19 pandemic has impacted businesses and lives across the globe. It created a climate of uncertainty on how businesses work and how to navigate change. We aimed at supporting our key stakeholders—customers, employees and communities.

In order to have Business Continuity across locations and ensuring minimal disruption to our operations, we formed a cross-functional taskforce with representatives from various business functions such as IT, Facilities, HR, Compliance and Communication among others. This taskforce closely monitored the situation and worked in accordance with the information and guidelines provided by the government and other global agencies such as the World Health (WHO) Organisation, Centres for Disease Control and Prevention (CDC) among others.

Regular communication with clients and partners was maintained to update them on our preparedness and response. We constantly engaged with employees to help them with emotional support and health guidance, as needed.

## Managing risks and uncertainties

Amidst the changing landscape of the IT industry, it is crucial for us to be prepared for change; identify, analyse and mitigate risks; and implement the necessary mitigation strategies.

### Risk management policy

Our risk management policy aims to achieve the following objectives for managing risk to safeguard our business and continue creating values:

- To ensure that all the material risk exposures of the company are identified, assessed, quantified, appropriately mitigated and managed
- To establish a framework for the company's risk management process and to ensure companywide implementation
- To ensure systematic and uniform assessment of risks related with IT projects, products & services
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices
- To ensure business growth with financial stability
- Ensure that the risk governance structure is aligned with the organisational structure and risk profile with well-defined and delineated roles, responsibility and delegation of authority
- Enable transparency of risk management activities with respect to internal and external stakeholders

### Risk management process

Risk management is the responsibility of everyone in the organisation and applies to all functions and operations. The risk management process is triggered when:

- The business sets a new goal, undertakes a project or an investment or revisits its strategy for the coming years
- The exterior conditions change significantly, e.g., regulatory or legal changes, major changes in competitive landscape, changes to key partnerships, etc.
- Risk reviews of governing documents, contracts or other sources are conducted periodically

The broad purposes of the risk management process are:

- To ensure protection of all stakeholders to the extent possible through build-up of an integrated Risk Management structure for identifying, assessing, mitigating, monitoring, evaluating and reporting of all risks.
- To provide basis for informed decision making at all levels of the company.
- To continually strive towards strengthening the Risk Management structure through continuous learning and improvement.

We have prioritised the following key risks and created effective mitigation strategies:

- Regulatory and compliance
- Human resource related
- Technology change
- Disaster recovery/business continuity
- Data protection and privacy
- Service delivery risk
- Revenue concentration
- Competition and reputation

## Internal control systems and their adequacy

The Management is primarily responsible for establishing of overall policies and active oversight of parameters and maintaining internal financial controls within the Company. This is largely based on the internal controls over financial reporting criteria that has been established by the Company. These are in accordance to the size and nature of our operations and have been designed to provide reasonable assurance on recording and providing reliable operational and financial information, as per the applicable statutes and with regard to compliance norms.

We strictly follow the statute, laws, rules and regulations of the land, which is regularly reviewed by the statutory and internal auditors. The adequate internal control framework identifies and analyses risks and manages appropriate responses. It also ensures stringent compliance across all the business units and departments. The aim behind this is to check any fraud and errors, and also to check the completeness of accounting records and timely preparation of financial statements. The Audit Committee then reviews the audit observations and takes the required follow-up actions.

## Financial analysis

### Year under review at a glance

#### Key Numbers of FY 2020-21

- **Revenue:** Rs. 112.75 Cr registered growth of 16% over previous year
- **Operating Profit:** Rs.12.51 Cr registered growth of 32% over previous year
- **PAT:** Rs.12.07 Cr registered growth of 33% over previous year
- **Earnings per share (Basic):** Rs.7.76
- **Dividend:** 20%
- **Net worth:** Rs. 90.06 Cr



## Balance Sheet

### 1. Property, plant and equipment (PPE) and intangible assets

- Total additions in capital assets during the current year were Rs. 0.77 Cr as tangible assets mainly in computer & accessories, Office equipment and furniture & fittings.
- Total additions of intangible assets were Rs. 1.90 Cr during the year which includes procurement of software, in-house developed software and payment for copyright items.
- The above additions include Rs. 0.30 Cr as tangible assets and Rs. 0.45 Cr as intangible assets for our call centre segments
- During the year Rs. 0.83 Cr of tangible impaired assets and Rs. 0.52 Cr intangible impaired assets, were written off from the books of accounts.

- The Company has provided adequate depreciation in accordance with the useful lives of the assets determined in compliance with the requirements of the Companies Act, 2013

### 2. Long term loans and advances

- There is decrease of Rs. 0.45 Cr in Long term loans and advances due to realisation of tax refunds during the year.

### 3. Deferred tax assets

- The deferred tax assets (net of deferred tax liability) have been increased by Rs. 0.96 Cr during the year. Note no. 10 of the Financial Statements provides the components of assets and liabilities.

### 4. Other assets

Rs. Cr

Particulars	Non-current		Current		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Deposits	0.53	0.53	0.19	0.13	0.72	0.66
Bank deposits, maturing after 12 mths	2.77	7.57	-	-	2.77	7.57
Balance with govt. authorities	0.52	0.52	-	-	0.52	0.52
Accrued interest on fixed deposit	0.02	0.57	1.27	0.26	1.28	0.83
Prepaid expenses	-	-	0.36	0.29	0.36	0.29
Accrued income	-	-	17.07	11.73	17.07	11.73
Advance to suppliers	-	-	0.06	0.35	0.06	0.35
Employee & other advances	-	-	1.17	2.15	1.17	2.15
	<b>3.83</b>	<b>9.19</b>	<b>20.11</b>	<b>14.91</b>	<b>23.94</b>	<b>24.11</b>

Other assets reduced by Rs. 0.16 Cr mainly on account of the following:

- Decrease in bank deposits by Rs. 4.81 Cr maturing after 12 months on account of utilisation of funds. Further, advance to suppliers as well as to employees has been reduced by Rs. 1.27 Cr on account of recovery.
- This decrease is partly off-set by increase in accrued income by Rs. 5.33 Cr and increase in accrued interest on fixed deposits, prepaid and deposits by Rs. 0.45 Cr, Rs. 0.07 Cr and Rs. 0.06 Cr respectively.

### 5. Trade receivables

- Trade receivable as on March 31, 2021 stood at Rs. 6.82 Cr as against Rs. 9.44 Cr as on March 31, 2020, a decreased by Rs. 2.62 Cr.
- Day's sales outstanding (DSO) stood at 22 days compared with 36 days at the end of the previous financial year.

### 6. Cash & cash equivalents and other bank balances

- Cash & cash equivalents aggregate to Rs. 46.53 Cr as on March 31, 2021, an increase of Rs. 22.39 Cr from Rs. 24.14 Cr as on March 31, 2020. Increase is largely reflective of better cash management including lower DSO.
- Other bank balances representing bank deposits held in lien with bank guarantee stood at Rs. 8.83 Cr as on March 31, 2021 as compared to Rs. 4.08 Cr as on March 31, 2020.
- The Total Cash and Bank balance including bank deposits in lien was Rs. 55.36 Cr at the end of the FY 2020-21.

### 7. Share Capital

- The Paid-up share capital of the Company as on March 31, 2021 was Rs. 15.55 Cr comprising 155,51,470 Equity shares of Rs. 10 each.
- During the year 24,23,263 equity shares were allotted under Right issue.

## 8. Reserve & Surplus

- a) The Company's reserve stood at Rs. 74.51 Cr as on March 31, 2021, increased by Rs. 24.60 Cr from Rs. 49.91 Cr as on March 31, 2020.
- b) The premium received on Right issue of equity shares was Rs. 12.53 Cr.

## 9. Trade payables

- a) Trade payables has been reduced to Rs. 1.30 Cr as on March 31, 2021 from Rs. 2.24 Cr as on March 31, 2020. With better cash management with higher realisation from business operations, the suppliers were paid off.

- b) At the end of the financial year, there is no due to MSME units.

## 10. Short term provisions

- a) The short-term provisions include provisions for employee benefits including provision for incentives, bonus and salary payable.
- b) The short-term provision stood at Rs. 3.33 Cr as on March 31, 2021, increased by Rs. 0.37 Cr from Rs. 2.96 Cr. The increase in head counts resulted such increase.

## 11. Other liabilities

Particulars	Non-current		Current		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Unearned revenues	-	-	0.52	0.45	0.52	0.45
Statutory liabilities	-	-	2.82	2.92	2.82	2.92
Expenses payable	0.07	0.07	1.40	1.66	1.46	1.73
Earnest money deposits	0.03	0.03	-	-	0.03	0.03
	<b>0.10</b>	<b>0.10</b>	<b>4.74</b>	<b>5.04</b>	<b>4.84</b>	<b>5.13</b>

Other liabilities reduced by Rs. 0.30 Cr mainly on account of following:

- a) Expenses payable provision has been reduced by Rs. 0.26 Cr and provision for statutory liabilities has also reduced by Rs. 0.10 Cr.
- b) The above reduction is partially off-set by increase in unearned revenue by Rs. 0.07 Cr.

2019-20. This decrease is mainly attributed towards the higher revenue growth in FY 2020-21.

## 4. Operation and other expenses

Operation and other expenses increased to Rs. 11.19 Cr in FY 2020-21 from Rs. 8.69 Cr in FY 2019-20, an increase of 29%. This increase was largely on travel, rent, subscription fees and on promotional expenses. As a percentage to revenue, these cost were 10% in FY 2020-21 and 9% in FY 2019-20.

## 5. Depreciation and amortisation

Depreciation and amortisation expenses increased to Rs. 1.00 Cr in FY 2020-21 from Rs. 0.75 Cr in FY 2019-20, an increase of Rs. 0.25 Cr largely due to procurement of computer and accessories and capitalization of in-housed developed software during the year.

## 6. Income tax expenses

Income tax expenses for FY 2020-21 was Rs. 2.76 Cr as compared to Rs. 2.51 Cr in FY 2019-20. This increase is largely due to increase in revenue as well as adjustment of prior period tax liability with additional provision made for past year applying the principle of prudence.

## 7. Profitability

The Company's profit before depreciation, interest & tax (EBDIT) increased to Rs. 15.83 Cr in FY 2020-21 as compared to Rs. 12.32 Cr in FY 2019-20, an increase of 28%. The profit after tax increased to Rs. 12.07 Cr in FY 2020-21 as compared to Rs. 9.07 Cr, an increase of 33%.

EPS-basic increased by Rs. 0.85 to Rs. 7.76 for FY 2020-21 as compared to Rs. 6.91 for FY 2019-20.

## Profit & Loss

### 1. Income from operations

The income from operations has been increased by 16% y-o-y basis, from Rs. 96.97 Cr in FY 2019-20 to Rs. 112.75 Cr in FY 2020-21. The IT service segment has recorded an increase of 23% y-o-y basis, from Rs. 66.37 Cr in FY 2019-20 to Rs. 81.62 Cr in FY 2020-21, whereas the Call centre service segment has recorded an increase of 2% y-o-y basis, from Rs. 30.60 Cr in FY 2019-20 to Rs. 31.14 Cr in FY 2020-21.

### 2. Other Income

Other income increased to Rs. 2.32 Cr in FY 2020-21 as compared to Rs. 2.12 Cr in FY 2019-20. This increase is mainly attributed towards the interest received during the year from the income tax refund on completion of assessment.

### 3. Employee benefit expenses

The employment expenses increased to Rs. 80.03 Cr in FY 2020-21 from Rs. 76.02 Cr in FY 2019-20, an increase of 5%.

The total employee count as on March 31, 2021 stood at 1591 as compared to 1476 as on March 31, 2020, a net addition of 115 numbers. Ratio of employee cost to revenue has been decreased to 71% in FY 2020-21 from 78% in FY

## Cash flow

Particulars	Rs. Cr	
	2020-21	2019-20
Net cash flow from operating activities	8.38	(0.70)
Net cash flow from investment activities	(0.95)	5.47
Net cash flow from financing activities	14.96	(2.38)
	<b>22.39</b>	<b>2.39</b>

The cash flow from operations increased considerably to Rs. 8.38 Cr as compared to Rs. (0.70) Cr in the previous year. The increase was attributed to better cash management during the year resulting in better collections, reduced DSO and optimised cash expenses. During the year, out of cash used for investing activities major payment of Rs. 2.30 Cr made for procuring capital assets. The Company also received Rs. 1.30 Cr as interest from fixed deposits. Cash flow from financing activities represent receipt of Rs. 15 Cr by further issuance of equity shares.

Net increase in cash and cash equivalent during the year was by Rs. 22.39 Cr.

## Cautionary statement

Certain statements in this Management Discussion & Analysis Report concerning the future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding COVID-19 pandemic and the effects of government and other measures seeking to contain its spread,

risks related to an economic downturn or recession in India and other countries around the world, changes in political, business, and economic conditions, fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, liability for damages on our service contracts, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, unauthorized use of our intellectual property and general economic conditions affecting our industry and the outcome of pending litigation and government investigation.

**For and on behalf of the Management**

**Surajit S. Roy**

Managing Director & CEO

Navi Mumbai, September 1, 2021



# Statutory Reports



# Directors' Report

To,  
The Members of  
IDBI Intech Limited

Your Directors are pleased to present the 21<sup>st</sup> Annual Report on the business and operations of your Company together with the Audited Financial Statements for the Financial Year ended March 31, 2021.

## I. Financial Performance:

The highlights of the company's financial performance for the year ended March 31, 2021 with comparative figures for the previous year are given below:

(Rs. In Lakhs)		
Particulars	FY 2020-21	FY 2019-20
Income from operations	11,275	9,697
EBIDTA	1,352	1,019
Less: Depreciation	100	75
<b>Profit from Operations</b>	<b>1,252</b>	<b>944</b>
Less: Exchange Rate Fluctuation (Gain)/Loss (net)	1	(2)
Less: Interest	-	-
Add: Other Income	232	212
<b>Profit Before Tax</b>	<b>1,483</b>	<b>1,158</b>
Less: Provision for Taxation	276	251
<b>Profit After Tax</b>	<b>1,207</b>	<b>907</b>
Add: Balance brought forward from previous year	4,991	4,321
<b>Balance available for appropriation</b>	<b>6,198</b>	<b>5,228</b>
<b>Appropriation:</b>		
Dividend*	-	197
Tax on dividends*	-	40
<b>Balance carried to Balance Sheet</b>	<b>6,198</b>	<b>4,991</b>

\*Dividend pertaining to FY 2018-19 which is paid out in FY 2019-20

## II. Company's major achievements in FY 2020-21

- The revenue surpassed Rs. 100 Cr land mark in the current financial year and recorded a growth of 16% over the previous financial year.
- Operating profit and PAT have recorded an increase of 32% and 33% respectively over the last financial year.
- Over the past few years, the focus has been on addition of new clients and increase in wallet share from existing customers. This has led to profitable growth of 35 % in overall volume of external business. In FY 2020-21, 'External Business' contributed 38% of total revenue i.e increase of 5 % over the previous Financial Year.
- IT giants like IBM, Wipro became our customer in this financial year and the agreements with them are on the

long-term basis. During the year, the Company has got 71 Purchase Orders and 15 new clients have been added.

### Equity Infusion & Net worth

#### Net worth:

The net worth of the company as on March 31, 2021 stands at Rs. 9,006 lakhs, comprising of Rs. 1,555 lakhs as equity and Rs. 7,451 lakhs as Reserve & Surplus.

#### Right Issue

Intech has successfully executed Right issue of shares where Rs. 15 Cr. has been received at a premium of Rs. 51.90 per share.

### III. Human Resource Capital:

The focus of the Company has been to leverage digital re-imagination to drive growth and efficiency of our business models, products and services, business processes as well as the workplace. This helps the Company to deliver a superior experience to every key stakeholder, viz. customers, employees, investors and the community at large. Exceeding customers' expectations requires a high level of focus, competence and technical expertise. We strengthened our recruitment efforts through continued employee referrals, job fairs, social media & campus recruitment drives. Over the last year, the Company has recruited net 115 employees taking the total strength to 1591 as of March 31, 2021. The Company is focused towards attracting and retaining high calibre employees through comprehensive Hiring and on-going Deployment processes. Our Gender Diversity is more evident now with a healthy 37% of our workforce being women. We take pride in our continued focus on employee retention, initiatives taking by the Company during pandemic. This focus strengthened by our Rewards & Recognition program has helped reduce our overall attrition rate. In IT segment the attrition rate has been reduced from 16% to 6% in the current financial year.

To sustain our Human Capital Strategy, we have identified and consolidated strong performance indicators. This has led to an increased focus on accountability and ownership from all.

### IV. Business Overview

IDBI Intech has been the IT backbone of IDBI Bank Ltd and its Subsidiaries & Associate companies and provides end-to-end IT services to them. The services provided by Intech include Software development and support, customizations of IT solutions, Support in implementation and Management of the third-party applications including Core Banking system, Digital channels. Management of the total IT infrastructure covering Data Centre, Disaster Recovery (DR) and Near DR sites, Information security and Networking, IT consultancy services, Training and Certification, BPO Services etc. Intech has also been providing the Products and services to LIC of India and its Group companies.

Intech's core strength is its vast pool of human capital comprising highly experienced and dedicated teams of technical and functional domain experts. As a total IT solutions provider, Intech has been catering to several external clients in BFSI sector with its innovative products and services developed by leveraging new and emerging technologies as well as by adoption of industry and international best practices. It offers customized products and services with an aim to render optimal and cost effective IT solutions and services which provide improved performance, operational efficiency and meets Compliance requirements.

During the Financial Year 2020-21, the company under new professional leadership has re-designed its business strategies along with focus on widening and deepening

of the external market through sale of in-house developed products to maximize revenue and profit by acquisition of new clients and offering new line of product or services to our clients.

During the Financial Year 2020-21, Intech has embarked upon and concluded various IT projects for its clients. Some of the specific initiatives done for parent IDBI Bank and LIC of India are enumerated below:

#### A. For IDBI Bank Limited

1. IDBI Bank is the first bank to do **"Document Embedding" feature with "Letter of Credit and Bank Guarantee"** messages sent over SFMS platform, managed by IFTAS (a wholly owned subsidiary of RBI). This initiative is indeed a landmark achievement and successfully executed by IDBI Intech with complete support and co-operation from Bank – received appreciation from IFTAS for the same and from Bank's Top Management.
2. **WhatsApp Banking:** This is another successful execution for a new beginning of Digital banking journey, *first time for the bank*.
3. **Video KYC:** This is yet another successful launch by the *bank for the first time*. Intech collaborated with a vendor appointed by the Bank for Video KYC and worked with the vendor extensively for integrating the various internal / external systems to make the application operational.
4. **i-Calculator for Customer Risk Calculation Solution:** This is an in-house developed product for doing customer risk through an automated process i.e robust process of deriving customer risk, validate KYC document submitted and will ensure compliance to RBI for both Retail and Corporate clients.
5. **I-Tag:** Geo-tagging mobile application in both IOS and Android used to capture the photographs of the collateral properties and capture Geo location during the visit to client by Bank's staff.
6. As part of the Digital initiatives some of the key modules implemented in Internet Banking modules of the Bank are RTGS 24x7, Positive Pay (CPPS) for Cheques integration with CTS, PFMS module integration and Fastag Integration

#### B. IT solutions to address the requirement of LIC's and Group companies.

1. **AML solution** for LIC from Business Regulatory Compliance perspective. This is for the *First Time, globally, iAML product is developed and implemented successfully on MySQL database by Intech*.
2. Successful completion of **Proof of Concept (POC) of Cheque Scanning** on LINUX Operating System for LIC branches. The scanning module has been directly integrated with LIC Insurance Core System to avoid any separate login for Cashiers.

3. **Lead Management Software** for Pension and Gratuity Team: Developed Lead Management software in MySQL database to manage the leads which come from different sources. The entire implementation was done within one month's time.
4. **Penny Transaction / Account Validation:** LIC's business demand was for a facility in Cash Management System (CMS) software to check for account validation from beneficiary bank. Intech developed this module in house as part of the existing CMS application in an agile manner which help LIC to perform the account validation in bulk.
5. **Fraud Monitoring and Management** for LIC Housing Finance Limited has been successfully implemented.
6. **Enterprise Risk Management** for LIC is one of the most prestigious projects of LIC for their IPO and is awarded to Intech for the development of this product which is going to be unique Globally. The product development is on track as per the defined timelines of the project.

### C. ISO 27001:2013 certification

Intech has completed the entire process of ISO 27001:2013 certification and successfully completed the process requirement and now Intech is a ISO 27001:2013 certified company.

### D. Payment Application Data Security Standard (PA-DSS) Certification:

Global Security Certification renewal for in-house developed product 'i-Recon'.

## V. Awards and Recognitions

Intech has received five awards in this financial year:

1. "The Best Tech Brand 2020 21" from Economic Times Edge
2. "The Prestigious Brand 2020 21" from Economic Times Edge
3. "The Most Trusted Brand of India 2020 21" from CNBC TV18
4. Best AI Based AML SAAS (Solution As a Service) from Banking Frontiers
5. Technoviti "Super Trophy" Winner 2021 from Banking Frontiers for Two of its Innovative Products:
  - I MoBOT (WhatsApp Banking) for Social Media Banking

- I Quick for instant Bank Account Opening Application

Economic Times -Edge also recognized Mr Surajit Roy, MD & CEO as the "Most Promising Business Leader of Asia for his exemplary Leadership Qualities."

## VI. Future Business Strategy

IDBI INTECH has made remarkable progress, in spite of extremely tough conditions of outbreak of pandemic. The current situation brought drastic changes in the way business as usual used to perform and also changed the traditional ways and methodologies. As a business strategy, Intech is increasing its focus on products such as i-AML, i-RECON and iConnect due to exponential increase in the volume of online transactions. New software products are being developed based on the latest technologies like Artificial Intelligence (AI), Machine Learning (ML) and Block chain. Existing software products are being transformed to work on open-source making them Database independent. Additional sales channels are being added by way of partnerships with market leaders in system integration. Intech has successfully enhanced its Brand Value and increased its presence in India across various segments by add marquee customers. Intech is also aggressively on the way to set its footsteps in international markets. In the coming years, Intech will concentrate on increasing it's external business by acquiring more and more customers for in-house products by way of cross-selling and up-selling. Intech is ready with new versions of AML and Lead Management System for Insurance sector and currently developing an Enterprise Risk Management solution. Extensive marketing of these products is being planned for the Insurance companies in India to increase the presence across BFSI. Another sector with huge business potential is the Co-operative banking sector and Intech is in process of creating products and services for co-op banks on SAAS (Software As A Service) model to be offered on subscription basis bundling the solution, infrastructure and support services together. New products are being developed on latest digital disruptive technologies like Robotic Process Automation (RPA), Blockchain and Neural Networks to improve the customer experience.

## STATUTORY DISCLOSURE

### a) Annual Return

As per the requirements of Section 92 of the Act and Rules framed there under, the Annual Return for Financial Year 2020-21 is uploaded on the website of the Company [www.idbiintech.com](http://www.idbiintech.com) and the same is available at <https://www.idbiintech.com/pdf/21st-agm.zip>

**b) The Board/Committee members and number of meetings of the Board/Committees**

S. No.	Particular	Detail of Members	Designation	No. of Meeting during FY 2020-21
1	Board of Directors	Shri Suresh Khatanhar	Chairman of the Board	
		Shri V. Narayanamurthy	Director	
		Shri A. P. Hota	Independent Director	
		Shri T. M. Bhasin	Independent Director	
		Shri Alok Vardhan Chaturvedi	Independent Director	5
		Shri Surajit Roy	MD & CEO	
2	Audit Committee of the Board	Shri A. P. Hota	Chairman	
		Shri T. M. Bhasin	Member	
		Shri V. Narayanamurthy	Member	4
		Shri Surajit Roy	Member	
3	Nomination & Remuneration Committee of the Board	Shri A. P. Hota	Chairman	2
		Shri T. M. Bhasin	Member	
		Shri V. Narayanamurthy	Member	
4	Corporate Social Responsibility Committee of the Board	Shri V. Narayanamurthy	Chairman	
		Shri Alok Vardhan Chaturvedi	Member	1
		Shri Surajit Roy	Member	
5	Information Technology Committee of the Board	Shri A. P. Hota	Chairman	
		Shri Alok Vardhan Chaturvedi	Member	1
		Shri Surajit Roy	Member	

Your Board of Directors has accepted all the recommendation made by the Audit Committee during the financial year ended 31st March, 2021.

**c) Directors' Responsibility Statement**

As required by Section 134(1) (c) of the Companies Act, 2013, the Directors of IDBI Intech Ltd confirm that:

1. In the preparation of the annual accounts, for the financial year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. Accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period ended on March 31, 2021.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

5. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**d. Statement on declaration given by Independent Directors under Section 149(6):**

All Independent Directors have declared that they have complied with the entire requirement prescribed u/s 149(6) of Companies Act 2013 and they meet all the criteria of independence as provided in Section 149(6) of Companies Act 2013.

**e). Policies Under section 178(1) and 178 (3) of Companies Act 2013.**

The Company has well defined Policy on Directors' and Key Managerial Personnel appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178.

**f). Compliance with Section 134 (3) (f) of the Companies Act, 2013:**

The Statutory Auditors of the Company are appointed by the Comptroller and Auditor General of India. M/s Jain & Tripathi, Chartered Accountants (FRN: 103979W), Mumbai were appointed as Statutory Auditors for the Financial Year 2020-21.



There is no reservation, qualification or adverse remark in Auditor's Report.

**g). Particulars of loans, guarantees or investments under section 186**

The Company has not given any loan or Guarantee or made any investment as prescribed u/s 186 of Companies Act 2013 during the Financial Year 2020-21.

**h). Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form**

No contracts or arrangement as per sec 188(1) with related parties has been entered into by the company except for transactions in the ordinary course of business during the F.Y. 2020-21 for which Omnibus approval was taken from Audit Committee of the Board. Details of transactions are attached as per **Annexure – I in form AOC-II**.

There are no materially significant related party transactions made by the Company with its Holding company, its group companies, Directors, Key Managerial Personnel or other designated person which may have a potential conflict with the interest of the Company at large.

**Details of Directors and Key Managerial Personnel**

The Board/members made the following appointments/ re-appointments of Directors during the FY 2020-21:

Shri Suresh Khatanhar (DIN: 033022106) was appointed as Additional Director on the Board on September 16, 2020.

In the last Annual General Meeting of the Company, Shri Alok Vardhan Chaturvedi (DIN: 01998520) was appointed as Independent director for the period of five years.

In last Annual General Meeting Shri Suresh Khatanhar (DIN: 033022106) appointed as Director liable to retire by rotation and Shri V. Narayanamurthy (DIN: 00555704) was re-appointed as Director liable to retire by rotation.

**The following Directors were ceased to be the directors during the FY2020-21:**

As per the letter received from IDBI Bank Limited under Ref. No. 1041/ SAIC)/ Nominee dated September 11, 2020 advising the company, that in view of the busy schedule of Shri Rakesh Sharma, Managing Director & CEO, IDBI Bank Ltd, it has been decided by the Bank to appoint Shri Suresh Khatanhar, DMD, IDBI Bank, on the Board of IDBI Intech Limited as a Director & Chairman of the Board in place of Shri Rakesh Sharma. In view of this, Shri Rakesh Sharma has tendered his resignation from the Chairmanship and the Directorship, vide resignation letter dated September 11, 2020.

Dr A. S. Ramasastry, Independent director on the Board of the Company has completed his 3 years tenure on September 17, 2020.

In terms of the relevant provisions of the Companies Act & Article 135 and 137 of the Articles of Association of the Company, appointments and re-appointment of Directors shall be as per the items included in Notice of 21st Annual General Meeting of the Company.

**j). The amount if any, proposed to be carried to any reserve.**

During the Financial year 2020-21, no amount has been proposed to be carried to any reserve.

**k). Dividend:**

Your directors have recommended dividend of Rs. 2/- per equity share of the face value of Rs.10/- each (@ 20%) amounting in the aggregate to Rs. 3,11,02,940/- (Rupees Three Crore Eleven Lakh Two Thousand Nine Hundred Forty only) to be paid to equity shareholders subject to approval of the members in Annual General Meeting .

**l). Material Changes and commitments:**

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report.

**COVID- 19 Impacts**

The COVID-19 pandemic has emerged as a global challenge, creating disruption across the world. Global solutions are needed to overcome the challenges – businesses & business models have transformed to create a new work order/business opportunities. The swift transition to remote working was facilitated by the 'Work From Home' policy adopted by the Company. This transformative model enables remote access for employees, sets up a suitable cyber security framework. These new ways of working and managing businesses present a great opportunity to more than just 'recover' from the consequences of the crisis, but to accelerate transformation.

Intech constantly engaged with employees to help them with emotional support and health guidance, as needed. The physical and emotional well being of employees continues to be a top priority for the Company, with several initiatives like transport facilities, extensive sanitization, social distancing measures, etc. to support employees during the pandemic. During the year Rs. 224 lakhs has been incurred on account of safety measures taken in view of the outbreak of the pandemic.

**m). Details on the conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo****i) Conservation of Energy:**

The operations of your company are not energy intensive.

**ii). Technology Absorption: NIL**

**iii). Foreign Exchange earnings and outgo:** The Company has earned foreign exchange amounting to Rs 74 lakhs and has outgo of foreign exchange amounting to Rs. 68 lakhs during the Financial year 2020-21 as compared to corresponding figures of Rs. 100 lakhs and Rs. 23 lakhs in the previous Financial Year.

**n). A statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company**

The Risk Management Policy has been implemented by the Company and is in force. There is no such element of risk which may threaten the existence of the Company.

**o). The details about the policy developed and implemented by the company on Corporate Social Responsibility initiatives taken during the year;**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the financial year 2020-21 are set out in Annexure II of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company.

**p). Evaluation of Independent and Non-Independent Directors**

The formal annual evaluation of Non-Independent Directors has been carried out by Independent Directors at their meeting held on April 23, 2021 and the Board of Directors have evaluated the performance of Independent Directors at its meeting held on April 23, 2021 as prescribed under Schedule IV of the Companies Act 2013.

**q). Compliance of the Secretarial Standards**

During the financial year, the Company has complied with the applicable Secretarial Standards i.e SS-1 and SS-2 as issued by the Institute of the Company Secretaries of India.

**Other Disclosures****Share Capital:**

The Authorised share capital of the Company has not been increased during the financial year 2020-21.

The Company has made the Right Issue to its existing Shareholder i.e. IDBI Bank vide letter of offer dated March 6, 2021 which was fully subscribed by IDBI Bank on March 23, 2021. The Allotment has been made by Board of Directors on March 24, 2021 as per the following detail:

S. No.	Name of Shareholder	No. of shares for allotment	Distinctive No. of shares	
			From	To
1.	IDBI Bank Limited	24,23,263	1,31,28,208	1,55,51,470

**Details of Equity Share Capital after Right Issue****(A) Issued Capital**

Particulars	Issued Capital	
	No. of shares	Amount (Rs.)
Before this issue	1,31,28,207	13,12,82,070
After this issue	1,55,51,470	15,55,51,470

**(B) Paid-up Capital**

Particulars	Paid-up Capital	
	No. of shares	Amount (Rs.)
Before this issue	1,31,28,207	13,12,82,070
After this issue	1,55,51,470	15,55,51,470

### Public Deposits:

Your Company has not invited or accepted any deposits either from the public or from the shareholders of the Company and, as such, no amount of principal or interest was outstanding as on the date of Balance Sheet.

### Whistle Blower Policy

Your Company has adopted a Whistle Blower Policy under HR policy of the Company. This policy has been framed for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees, who avail of the mechanism. There is no such event reported during F.Y. 2020-21.

### Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and the rules made thereunder.

The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

As per the requirement of Section 22 of Sexual Harassment of Woman at work place (Prevention, Prohibition and Redressal) Act, 2013 (Act), during the F.Y. 2020-21, there were no case reported.

### Adequacy of Internal Financial Control in respect with the Financial Statements

The Company has an Internal Financial Control System commensurate with the size, scale and complexity of its operations. Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating action on continuing basis. These are routinely tested and certified by Statutory Auditors. Significant Audit observations and follow up actions thereon, if any are reported to the Board or Audit Committee of the Board.

### Significant and Material Orders Passed by the Regulators or Courts or Tribunals.

There are no significant material orders passed by the Regulators / Courts/Tribunals which would impact the going concern status of the Company.

### Maintenance of Cost Records and Cost Audit

Requirements for Maintenance of Cost record and conducting cost audit as prescribed under Section 148(1) is not applicable upon the business carried out by your Company during the financial year ended March 31, 2021.

### Instances of Fraud, if any reported by the auditors

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

### Subsidiaries, Joint Ventures and Associates Companies

The Company has neither a subsidiary nor any associate or Joint Venture Company or LLPs.

### Change in the nature of Business

During the year under review there is no change in the nature of the business of the Company.

### Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

There are no applications made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.

### Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

There are no instances of one time settlement during the financial year.

### Acknowledgement

The Board expresses its deep gratitude to the management of IDBI Bank Ltd for advice, counsel and guidance in the functioning of the Company and looking forward to its continued support. The Board also places on record the appreciation for the business support extended by group companies of IDBI Bank Ltd, and other Business Associates, Customers and Vendors. The Board of Directors also place on record their sincere appreciation to all the employees without whose dedication, commitment and hard work, the progress of the company as reported above would not have been possible.

For and on behalf of the Board

Sd/-  
**Surajit Roy**  
Managing Director & CEO

Sd/-  
**Suresh Khatanhar**  
Chairman

Date: July 26, 2021  
Place: Mumbai

# ANNEXURE – I

## AOC -II

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties during FY 2020-21 referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

### I. Details of contracts or arrangements or transactions not at arm's length basis

Sr. No.	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts	Salient terms of the contract or arrangements or transactions including the value, if any:	Justification for entering into such contacts or arrangement or transactions	Date(s) of Omnibus approval by the Audit Committee of the Board	Amount paid as advance, if any	Date on which the special resolution was passed in general meeting as required under proviso to section 188
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NIL

### II. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts	Salient terms of the contract or arrangements or transactions including the value, if any: (Rs in Lakhs)		Date(s) of Omnibus approval by the Audit Committee of the Board	Amount paid as advance, if any
1.	IDBI Bank Ltd.	<b>Amount Received/ Receivable from</b> IT Advisory & Consultancy Services, ATM Implementation Services, Manpower Services, Customer care Services, Training Services and Interest on Fixed Deposit with Bank	FY2020-21	IT Advisory & Consultancy Services, ATM Implementation Services, Manpower Services, Customer care Services, Training Services	7,379	May 21, 2020	-
	Fixed Deposit with Bank			176			
	Total			7,555			
		<b>Amount paid/Payable</b> Interest on Overdraft Account, Gift Card Purchase from IDBI Bank, Bank Charges (Including BG Commission), Deputation Salary (MD& CEO)	FY2020-21	46		May 21, 2020	-

For and on behalf of the Board

Sd/-  
**Surajit Roy**  
Managing Director & CEO

Sd/-  
**Suresh Khatanhar**  
Chairman

Date: July 26, 2021  
Place: Mumbai



# ANNEXURE –II

## Report on CSR Activities to be included in the Board Report

### 1. Brief Outline of CSR Policy:

The Company's CSR policy is designed to focus on holistic development of target communities, and endeavour to create long-term social and economic value for the organisation and society. The Company has adopted the core areas for its CSR initiatives, all of which are culled from the activities spelt out under Schedule VII of the Companies Act 2013

### 2. Composition of CSR Committee:

The CSR Committee of the Board is comprised of the following directors:

S. No.	Name of the Member	Designation	No. of CSR Committee Meetings held during the F.Y 2020-21	No. of Meeting Attended during FY 2020-21
1.	Shri V. Narayanamurthy	Chairman of the Committee	1	1
2.	Dr. A. S. Ramasastri	Independent Director (Ceased to be director w.e.f. 17-09-2020)	1	1
3.	Shri Alok Vardhan Chaturvedi	Independent Director (Inducted on 3-8-2021)	1	0
4.	Shri Surajit Roy	MD & CEO	1	1

### 3. Web link for CSR related information – [www.idbiintech.com](http://www.idbiintech.com)

### 4. Impact Assessment of CSR Projects- Not Applicable

### 5. Detail of amount available & required for setoff as per CSR rules:

S. No.	Financial Year	Amount available for set-off from preceding FY (in Rs)	Amount required to be setoff for FY, if any
1.	2020-21	NIL	NIL

### 6. Average Net Profit of the Company as per section 135(5) - Rs. 9,59,88,937/-

### 7. a. Two percent of Net profit of the Company as per section 135(5) - Rs. 19,19,779/- (rounded off to Rs. 19, 20,000/-)

### b. Surplus arising out of CSR projects of previous FY - Nil

### c. Amount required to be set-off for FY, if any - Nil

### d. Total CSR Obligation for FY 2020-21-(7(a)+7(b)-7(c) - Rs. 19, 20, 000

### 8. a. Detail of CSR amount Spent or Unspent for the financial year:

Total Amount Spent for the FY. (in Rs)	Amount unspent (in Rs.)				
	Total Amount Transferred to unspent CSR Account as per section 135(6)		Amount Transferred to any funds specified under Schedule VII as per section 135(5)		
	Amount	Date of transfer	Name of Fund	Amount	Date of Transfer
19, 20,000	Nil	Nil	Nil	Nil	Nil

**b. Detail of CSR amount Spent against Ongoing CSR Projects of FY 2020-21- NIL****c. Detail of CSR amount Spent against other than ongoing Projects for FY 2020-21:**

S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Project Duration	Amount Allocated for the Project (in Rs.)	Amount Spent in Current FY (in Rs.)	Amount Transferred to unspent CSR A/c	Mode of implementation direct Yes/NO	Mode of Implementation Through Agency	
				State	Dist.						Name	RN.
1.	Laptops to tribal students of Vanvasi Kalyan Ashram	Promoting Education	Yes	MH	Kharghar Raigad	completed	402675.00	402675.00	Nil	Yes	NA	NA
2.	College Fee to tribal students of Vanvasi Kalyan Ashram	Promoting Education	Yes	MH	Kharghar Raigad	completed	117554.00	117554.00	Nil	Yes	NA	NA
3.	medical equipment to NMMC Health Dept	Promoting Healthcare	Yes	MH	Airoli & turbhe Navi Mumbai	completed	1399647.04	1399647.04	Nil	Yes	NA	NA

**d. Amount Spent in Administrative Overhead - NIL****e. Amount Spent on Impact Assessment - Nil****f. Total Amount Spent for the FY (a+b+c) - Rs. 19,20,000****g. Excess Amount for set-off in any - Not Applicable****9. a. Detail of Unspent CSR amount for preceding three FY - Not Applicable (NA)****b. Detail of CSR amount spent in the FY for ongoing projects of Preceding FY - NA****10. Creation or acquisition of Capital assets created or acquired through CSR Spent - NA****11. Reason for not Spending Two percent of Average Net Profit as per section 135(5) - Not Applicable****12. Responsibility Statement of CSR Committee**

The CSR Committee certifies that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board

Date: April 22, 2021  
Place: Mumbai

Sd/-  
**Surajit Roy**  
Managing Director & CEO

Sd/-  
**V. Narayanamurthy**  
Chairman CSR Committee

भारतीय लेखापरीक्षा और लेखा विभाग  
कार्यालय प्रधान निदेशक लेखापरीक्षा  
(नौवहन), मुंबई



INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT  
(SHIPPING), MUMBAI.

गोपनीय/शीघ्रडाक

संख्या: जीए/सीए-1/लेखा/IDBI Intech/2020-21/ 42

सेवा में,

The Managing Director & Chief Executive Officer,  
IDBI Intech Limited,  
IDBI Building,  
1<sup>st</sup> Floor, Plot No.39-41, Sector-11,  
CBD Belapur  
Navi Mumbai - 400 614.

**विषय:-** 31 मार्च 2021 को समाप्त वर्ष हेतु IDBI Intech Limited के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

31 मार्च 2021 को समाप्त वर्ष हेतु IDBI Intech Limited के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ इस पत्र के साथ संलग्न हैं। टिप्पणियों को मुद्रित वार्षिक प्रतिवेदन के विषयसूची में उचित संकेत सहित सांविधिक लेखापरीक्षक के प्रतिवेदन के आगे रखा जाये।

वार्षिक सामान्य बैठक के समापन के पश्चात, वित्तीय विवरणों, सांविधिक लेखापरीक्षक का प्रतिवेदन तथा भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियों को अपनाते हुए वार्षिक सामान्य बैठक की कार्यवाही की एक प्रतिलिपि इस कार्यालय को अविलम्ब अग्रेषित की जाय। मुद्रित वार्षिक रिपोर्ट की दस प्रतियाँ भी इस कार्यालय को भेजी जायें।

कृपया इस पत्र एवं संलग्नकों की प्राप्ति की सूचना दें।

भवदीय,

Sd/-

(पी.वी. हरि कृष्णा)

प्रधान निदेशक लेखापरीक्षा (नौवहन), मुंबई

संलग्न: यथोपरि।

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IDBI INTECH LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of IDBI Intech Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 23 April 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of IDBI Intech Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the  
Comptroller and Auditor General of India

Sd/-

(P V Hari Krishna)  
Principal Director of Audit (Shipping), Mumbai

Place: Mumbai  
Date: 13.07.2021





# **Financial Statements**

# Independent Auditor's Report

To the Members of **IDBI INTECH LIMITED**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of IDBI INTECH LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss, and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as "the Financial Statements"].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and the profit, and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our Auditors Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report the fact. We have nothing to report in this regard.

### 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 standards specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operative effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained

up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

**Report on Other Legal and Regulatory Requirements (Contd..)**

- 
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:
- 
- (h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year has been approved by the board dated 31st July, 2019 which was subsequently ratified by shareholders in the general meeting held on 17th Sept 2019. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- 
- i. The Company has not disclosed the impact of pending litigations on its financial position in its financial statements. As per the information received from the management, all of these cases are pending of OBST division and management is of the opinion that there will not be much of the financial impact of these litigations. Refer Note 22 to the financial statements.
- 
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
-



# Balance Sheet

(Rs. In '000)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>Shareholder's Funds</b>			
a. Share capital	3	15,55,15	13,12,82
b. Reserves & surplus	4	74,50,93	49,90,75
		<b>90,06,08</b>	<b>63,03,57</b>
<b>Non Current Liabilities</b>			
a. Other non current liabilities	5	9,78	9,78
b. Deferred tax liability (net)	10	-	31,98
<b>Current Liabilities</b>			
a. Trade payables	9	1,30,33	2,23,74
b. Other current liabilities	6	4,74,00	5,03,69
c. Short term provisions	8	3,33,46	2,96,42
		9,37,79	10,23,85
<b>TOTAL</b>		<b>99,53,65</b>	<b>73,69,18</b>
<b>II. ASSETS</b>			
<b>Non - Current Assets</b>			
a. Property, plant and equipment	7		
i. Tangible assets		1,27,11	1,06,32
ii. Intangible assets		1,96,71	50,58
iii. Capital work-in-progress		12	36,56
b. Deferred tax asset (net)	10	64,09	-
c. Long term loans & advances	11	9,52,89	9,98,82
d. Other non-current assets	12	3,83,20	9,19,49
		<b>17,24,12</b>	<b>21,11,77</b>
<b>Current Assets</b>			
a. Trade receivables	13	6,81,99	9,44,37
b. Cash & bank balances	14	55,36,33	28,22,00
c. Other current assets	15	20,11,21	14,91,04
		82,29,53	52,57,41
<b>TOTAL</b>		<b>99,53,65</b>	<b>73,69,18</b>
III. Notes forming part of financial statements	1 to 34		

As per our report attached.

For **Jain Tripathi & Co.**

Chartered Accountants

Firm registration No.: 103979W

For and on behalf of the Board of Directors

Sd/-

**Sushma V. Tripathi**

Partner

Membership No.: 112135

Sd/-

**Suresh Khatanhar**

Chairman

Sd/-

**Surajit S. Roy**

Managing Director &amp; CEO

Place: Mumbai

Date: April 23, 2021

Sd/-

**Ritesh Kumar Jain**

Company Secretary

Sd/-

**Samik Bandyopadhyay**

Chief Financial Officer

# Statement of Profit and Loss

(Rs. In '000)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
<b>I. INCOME</b>			
a. Income from operations	16	112,75,37	96,97,44
b. Other income	17	2,32,21	2,12,00
		<b>115,07,58</b>	<b>99,09,44</b>
<b>II. EXPENSES</b>			
a. Employee benefits expenses	18	80,02,99	76,02,42
b. Operation and other expenses	19	11,19,45	8,68,94
c. Finance cost		-	35
d. Products for resale		8,00,27	2,07,13
e. Exchange rate difference (net)		1,37	(2,54)
f. Depreciation & amortization expenses	7	1,00,26	74,60
		<b>100,24,34</b>	<b>87,50,89</b>
<b>Profit Before Tax</b>		<b>14,83,24</b>	<b>11,58,55</b>
<b>III. Tax Expenses</b>			
a. Income tax - current		3,50,96	2,34,96
b. Income tax - deferred		(96,07)	16,24
c. Prior period tax adjustment		21,46	-
		2,76,35	2,51,19
<b>Profit for the year</b>		<b>12,06,89</b>	<b>9,07,36</b>
<b>Earnings per share</b>			
(Face value Rs. 10/- per share)			
Basic & diluted	20	7.76	6.91
<b>IV. Notes forming part of financial statements</b>	1 to 34		

As per our report attached.

For **Jain Tripathi & Co.**  
Chartered Accountants  
Firm registration No.: 103979W

For and on behalf of the Board of Directors

**Sd/-**  
**Sushma V. Tripathi**  
Partner  
Membership No.: 112135

**Sd/-**  
**Suresh Khatanhar**  
Chairman

**Sd/-**  
**Surajit S. Roy**  
Managing Director & CEO

Place: Mumbai  
Date: April 23, 2021

**Sd/-**  
**Ritesh Kumar Jain**  
Company Secretary

**Sd/-**  
**Samik Bandyopadhyay**  
Chief Financial Officer

# Cash Flow Statement

(Rs. In '000)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Net profit before tax	14,83,24	11,58,55
<b>Adjustment for :</b>		
Depreciation and amortisation expenses	1,00,26	74,60
Provision for the doubtful accounts	2,39	-
Loss / (gain) on asset transfer	-	(2,08)
Interest on bank deposits	(1,75,51)	(2,05,62)
Interest on overdraft	-	35
<b>Operating profit before working capital changes</b>	<b>14,10,38</b>	<b>10,25,80</b>
<b>Adjustment for:</b>		
Changes in trade receivables	2,59,99	(1,75,62)
Changes in loans & advances	(4,16,93)	(7,33,28)
Changes in current and other liabilities	(86,06)	3,87,05
Changes in other non-current liabilities	-	(5,98)
Cash flow from operations	<b>11,67,38</b>	<b>4,97,97</b>
Direct taxes paid (net)	(3,29,11)	(5,67,91)
<b>Net cash flow from operating activities</b>	<b>8,38,27</b>	<b>(69,94)</b>
<b>B. Cash flow from investment activities</b>		
Interest on bank deposits including accrued interest	1,30,35	1,68,25
Long term fixed deposits	5,63	4,18,32
Payment to capital vendors (net of sale proceeds)	(2,30,76)	(39,78)
<b>Net cash flow from investment activities</b>	<b>(94,78)</b>	<b>5,46,79</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of shares (net)	14,95,62	-
Dividend paid (including corporate dividend tax)	-	(2,37,40)
Interest on overdraft	-	(35)
<b>Net Cash flow from financing activities</b>	<b>14,95,62</b>	<b>(2,37,75)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>22,39,12</b>	<b>2,39,10</b>
Cash and cash equivalent at the beginning of the period	24,13,71	21,74,61
<b>Closing cash and cash equivalent (Refer Note 14a)</b>	<b>46,52,83</b>	<b>24,13,71</b>

As per our report attached.

For **Jain Tripathi & Co.**

Chartered Accountants

Firm registration No.: 103979W

For and on behalf of the Board of Directors

Sd/-

**Sushma V. Tripathi**

Partner

Membership No.: 112135

Sd/-

**Suresh Khatanhar**

Chairman

Sd/-

**Surajit S. Roy**

Managing Director &amp; CEO

Place: Mumbai

Date: April 23, 2021

Sd/-

**Ritesh Kumar Jain**

Company Secretary

Sd/-

**Samik Bandyopadhyay**

Chief Financial Officer

# Notes Forming Part of Financial Statements

## 1 A Background

IDBI Intech Limited ("IDBI Intech" or "Intech" or "the Company"), established in March 2000 under the Companies Act, is a wholly owned subsidiary of IDBI Bank Limited ("the Bank"). The Company is engaged in information technology sector for consulting, technology, innovative products & outsourcing services, training and certification in BFSI sector.

## B Significant accounting policies

### i) Basis of preparation of Financial Statements

Intech, being a wholly owned subsidiary of IDBI Bank, is governed by the accounting policies followed by the Bank for consolidation purpose. Accordingly, these financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis taking note of the Circular No. RBI/2018-19/146 dated 22.03.2019 issued by Reserve Bank of India.

These financial statements comply in all material aspects with the applicable Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) and prescribed under section 133 of the Companies Act, 2013 (the "Act").

Accounting policies have been consistently applied and are consistent with those used in the previous year except where otherwise stated."

### ii) Use of estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between actual results and estimates are recognised in the year in which the results are known / materialised.

Any revision of accounting estimates is recognised prospectively. Example of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs to be expended, provision for doubtful debts, future obligations under employee retirement benefit plans, provision for income taxes, accounting for contract costs expected to be incurred, post-sale customer support, the useful lives of depreciable fixed assets and provisions for impairment.

The management believes that the estimates used in preparation of financial statements are prudent and reasonable."

### iii) Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of the financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of the financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

As on the financial year end the Company does not foresee any material uncertainties related to events and conditions that may cast significant doubt about the ability to continue as a going concern, however it will continue to closely monitor material changes in markets and future economic conditions."

The judgement on our future growth prospects, financial expectations and plans for navigating the COVID-19 impact on our employees, clients and stakeholders are forward-looking, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding COVID-19 and the effects of government and other measures seeking to contain its spread, risks related to an economic downturn or recession in India and other countries around the world, changes in political, business, and economic conditions, fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks

# Notes Forming Part of Financial Statements

or system failures, liability for damages on our service contracts, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, unauthorized use of our intellectual property and general economic conditions affecting our industry and the outcome of pending litigation and government investigation.

## iv) Revenue recognition

"Revenue is primarily derived from software development and related services and from the licencing of the software products. The Company also generates revenue from call centre services.

Arrangement with customers for software development and related services are either on a fixed price, fixed-time frame or on a time-and-material basis.

"Revenues on time and material contracts are recognised when the related services are performed.

In case of fixed price and fixed time framed contracts, where there is no uncertainty as to measurement or collectivity of consideration, are recognized using percentage of completion method of value of the contract and completed service. When there is uncertainty to the measurement or ultimate collectivity, revenue recognition is postpone until such uncertainty is resolved.

Revenue from sale of software applications and products are recognized on transfer of property of goods or on achievement of milestone.

Revenue from Annual Technical Services (ATS) are recognized proportionately over the period in which services are rendered.

Revenue from client training, support and other services arising due to the sale of software products is recognised as the related services are performed.

Provision for estimated losses, if any, from the incompleting contracts are recorded in the period in which such losses become probable based on the current estimate.

The impact of any revision in contract value of the percentage of work completed is reflected in the year in which the change becomes known. Amount received or billed in advance of services performed are recorded as unearned revenue. Unbilled services included in other current assets represents amount recognized based on services performed in advance of billing in accordance with contract terms. Revenue is reported net of discount / incentive.

Revenue from call centre arises from unit priced contracts, time based contracts, cost based projects and engagement services. Such revenue is recognised on completion of the related services and is billed in accordance with the specific terms of the contract with the client.

Interest Income is recognised on time proportion basis.

## v) Property, plant and equipment (PPE) and intangible assets

"Property, Plant and Equipments are stated at cost of acquisition less accumulated depreciation / amortisation and impairment loss, if any. Cost includes all expenses incurred for acquisition of assets to bring them to working conditions for intended use.

The intangible assets like softwares, on which propriety rights continue with the company, are capitalized at costs. Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software, and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct man-power and overhead costs that are directly attributable to preparing the asset for its intended use.

The cost of the fixed assets that are not yet ready for their intended use at the reporting date are shown as capital work-inprogress.

## vi) Depreciation and amortisation

Depreciation and amortisation on fixed assets is provided on straight-line method based on the estimated useful lives of the assets as determined by the management based on the expert technical advice/ stipulations of schedule II to the Act. Assets individually costing less than Rs. 5,000/- are fully depreciated in the year of addition. Depreciation on assets purchased / disposed off during a period is proportionately charged.

Particulars	Estimated useful life
Computer & accessories	
Servers & networks	6 years
Desktops & laptops	3 years
Office equipments	
Mobile handsets	3 years
Other equipments	5 years
Power equipments	10 years
Furniture & fixtures	10 years



# Notes Forming Part of Financial Statements

Particulars	Estimated useful life
Motor car	8 years
Electrical installations	10 years
Intangible assets	5 years

"Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

Depreciation or amortisation methods, useful lives and residual values are reviewed periodically at each year end."

## vii) Employee benefits

### a. Post-employment benefits:

The Company participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans.

Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks are borne by the employee. The expenditure for defined contribution plans is recognized as an expense during the period when the employee provides service.

Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks are borne by the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur.

Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefits become vested.

The retirement benefit liability recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of available refunds and /or reduction in future contributions to the scheme."

### b. Short term employee benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the year when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and bonus payable. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### c. Benefit plans:

The Company has the following employee benefit plans:

#### Provident fund:

Employees receive benefits from a provident fund, which is a defined benefit plan. The employer and employees each make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. A portion of the contribution is made to the Employees' Provident Fund Organisation ('EPFO') and the remainder of the contribution is made to the government administered pension fund.

#### Gratuity:

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by Life Insurance Corporation of India ('LIC').

#### Compensated absences:

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the

# Notes Forming Part of Financial Statements

additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company makes annual contribution to the Group Leave Encashment Scheme (GLES), administered by LIC"

## viii) Reporting currency

### a. Functional and presentation currency

The financial statements are presented in Indian Rupees, the currency of the primary economic environment in which the Company operates.

### b. Foreign currency transaction

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Exchange differences arising on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss. Monetary items denominated in foreign currency are restated using the exchange rate prevailing at the reporting date and the resulting net exchange difference is recognized in the Statement of Profit and Loss.

With a view to minimize the volatility arising from fluctuations in currency rates, the Company enters into foreign exchange forward contracts. Forward exchange contracts and other similar instruments that are not in respect of forecasted transactions are accounted for using the guidance in Accounting Standard ('AS') 11, 'The effects of changes in foreign exchange rates'. For such forward exchange contracts and other similar instruments covered by AS 11, based on the nature and purpose of the contract, either the contracts are recorded based on the forward rate/fair value at the reporting date, or based on the spot exchange rate on the reporting date.

## ix) Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

## x) Lease

### a. Finance lease

Assets taken on finance lease are accounted for as fixed assets at lower of present value of the minimum lease payments and the fair value and a liability is recognised for an equivalent amount. Lease payments are apportioned between finance charge and reduction in outstanding liability.

### b. Operating leases

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on straight line basis over the lease term.

## xi) Taxes on income

Income Taxes are accounted for in accordance with Accounting Standard (AS 22) on "Accounting for Taxes on Income". Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid or recovered from the tax authorities using the applicable tax rates. Deferred taxes are recognised for future tax consequence attributable to timing difference between taxable income and accounting income, measured at relevant enacted / substantively enacted tax rates.

In the event of unabsorbed depreciation and carry forward losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Minimum Alternate Tax ("MAT") credit entitlement is recognized in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961" issued by The Institute of Chartered Accountants of India (ICAI). MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will be able to adjust against the normal income tax during the specified period. At each balance sheet date, the Company reassesses MAT credit assets and adjusts the same, where required.

# Notes Forming Part of Financial Statements

Advance taxes paid and provisions for current income taxes are presented net in the balance sheet if arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis."

## **xii) Impairment of assets**

The Management periodically assesses, using external and internal sources whether there is an indication that an asset may be impaired. An impairment loss is recognised wherever the carrying value of an asset exceeds the recoverable amount. The recoverable amount is the higher of asset's net selling price and value in use, which means the present value of the future cash flows expected to arise from the continuing use of the asset and its eventual disposal.

An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

## **xiii) Provisions, contingent liabilities and contingent assets**

A provision is recognised if, as a result of past event, the Company has a present legal obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made

as contingent liability. Contingent liabilities are not recognised but are disclosed in the notes. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## **xiv) Cash and cash equivalents**

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and deposits maturing within twelve months from the closing date are considered to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

## **xv) Equity share capital**

Costs directly attributable to the issue or re-purchase of equity shares, net of any tax effects, are recognised as a deduction from equity.

## **xvi) Earnings per share ('EPS')**

Basic EPS are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

# Notes Forming Part of Financial Statements

## 2 Recent accounting pronouncement

The Ministry of Corporate Affairs had issued a notification dated 24th March 2021 making certain amendments in Schedule III to the Companies Act, 2013 which will become applicable from April 1, 2021.

In order to maintain transparency, the Company made early adoptions of certain applicable amendments, which are disclosed in the respective notes / para in this financial statements. The corresponding comparable previous years figures were re-grouped and reclassified accordingly.

## 3 Share capital

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>a. Authorised</b>		
7,50,00,000 equity shares of Rs. 10/- each	75,00,00	75,00,00
25,00,000 preference shares of Rs. 100/- each	25,00,00	25,00,00
	<b>100,00,00</b>	<b>100,00,00</b>
<b>b. Issued, subscribed &amp; paid up</b>		
1,31,28,207 equity shares of Rs. 10/- each fully paid up	13,12,82	13,12,82
Issued during the year:		
24,23,263 equity shares of Rs. 10/- each fully paid up	2,42,33	-
	<b>15,55,15</b>	<b>13,12,82</b>
<b>c. Reconciliation of number of shares</b>	<b>Nos.</b>	
Shares outstanding at the beginning of the year	1,31,28,207	1,31,28,207
Shares issued during the year	24,23,263	-
Shares brought back during the year	-	-
Shares outstanding at the end of the year	<b>1,55,51,470</b>	<b>1,31,28,207</b>

### d. Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.

Particulars	As at March 31, 2021	As at March 31, 2020
<b>e. Details of shares held by shareholders holding more than 5% shares</b>		
IDBI Bank Ltd. (promoter & holding company) in no. equity shares of Rs. 10 each	1,55,51,470	1,31,28,207
% of holding	100%	100%

## 4 Reserves & surplus

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>a. Securities premium account</b>		
Opening balance	-	-
(+) Received during the year	12,57,67	-
(-) Share issue expenses	(4,38)	-
<b>Closing Balance</b>	<b>12,53,29</b>	<b>-</b>
<b>b. Balance in Statement in Profit and Loss</b>		
Opening balance	49,90,75	43,20,79
(+) Transfer from balance in Statement of Profit and Loss	12,06,89	9,07,36
(-) Proposed dividend	-	(1,96,92)
(-) Tax on proposed dividend	-	(40,48)
<b>Closing Balance</b>	<b>61,97,64</b>	<b>49,90,75</b>
<b>Total</b>	<b>74,50,93</b>	<b>49,90,75</b>

# Notes Forming Part of Financial Statements

## 5 Other non-current liabilities

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Earnest money deposits	3,00	3,00
b. Employee benefits - OBST (Refer Note 22 b)	6,78	6,78
	<b>9,78</b>	<b>9,78</b>

## 6 Other current liabilities

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Unearned revenues	52,47	45,44
b. Statutory liabilities	2,81,91	2,92,16
c. Expenses payable	1,39,62	1,66,08
	<b>4,74,00</b>	<b>5,03,69</b>

## 7 Property, plant and equipment

(Rs. In '000)

Particulars	Gross Block				Depreciation and amortisation				Net Block	
	As at 01.04.2020	Additions	Deletion / Adjustment	As at 31.03.2021	As at 01.04.2020	During the year	Deletion / Adjustment	As at 31.03.2021	As at 31.03.2021	As at 01.04.2020
<b>I. Tangible fixed asset</b>										
<b>a. Information technology division</b>										
Computer & accessories	1,41,00	39,66	32,09	1,48,57	1,34,24	6,00	32,09	1,08,14	40,43	6,77
Office equipment	40,78	4,55	16,30	29,03	35,39	2,48	16,30	21,57	7,46	5,38
Power equipments	2,67	-	-	2,67	2,67	-	-	2,67	0	0
Furniture & fixtures	5,55	1,59	1,01	6,13	4,26	1,14	1,01	4,39	1,74	1,30
Motor car	17,47	-	-	17,47	26	2,18	-	2,44	15,03	17,21
<b>b. Contact centre division</b>										
Office equipment	28,57	11,57	1,44	38,70	19,55	14,23	1,44	32,35	6,35	9,01
Computer & accessories	2,44,05	13,91	26,45	2,31,52	1,78,27	25,76	26,45	1,77,58	53,94	65,79
Electrical installation	5,01	-	5,01	-	4,15	86	5,01	-	-	86
Furniture & fixtures	5,12	-	73	4,39	5,11	-	73	4,39	0	0
Leasehold Improvements	-	5,32	-	5,32	-	3,15	-	3,15	2,17	-
<b>Total (i)</b>	<b>4,90,21</b>	<b>76,59</b>	<b>83,02</b>	<b>4,83,79</b>	<b>3,83,89</b>	<b>55,80</b>	<b>83,02</b>	<b>3,56,68</b>	<b>1,27,11</b>	<b>1,06,32</b>
Previous year	4,70,37	39,87	20,03	4,90,21	3,57,16	46,04	19,31	3,83,89	1,06,32	1,13,21
<b>II. Intangible fixed assets</b>										
<b>a. Information technology division</b>										
Copy rights	25	12	-	37	25	-	-	25	12	-
Software licenses	63,57	30,46	37,63	56,41	60,60	3,16	37,64	26,13	30,28	2,97
Software - inhouse developed	2,36,07	1,14,68	-	3,50,75	2,36,07	9,17	-	2,45,79	1,04,96	-
<b>b. Contact centre division</b>										
Software licenses	1,94,69	45,32	14,64	2,25,38	1,47,08	31,58	14,64	1,64,03	61,35	47,61
<b>Total (ii)</b>	<b>4,94,58</b>	<b>1,90,59</b>	<b>52,26</b>	<b>6,32,90</b>	<b>4,44,00</b>	<b>44,46</b>	<b>52,27</b>	<b>4,36,20</b>	<b>1,96,70</b>	<b>50,58</b>
Previous year	4,91,88	2,70	-	4,94,58	4,15,44	28,56	-	4,44,00	50,58	76,44
<b>III. Capital Work in Progress</b>										
Intangible assets - Copy rights	27	-	15	12	-	-	-	-	12	27
Intangible assets - Software licenses	36,29	1,08	37,37	-	-	-	-	-	-	36,29
<b>Total (iii)</b>	<b>36,56</b>	<b>1,08</b>	<b>37,53</b>	<b>12</b>	-	-	-	-	<b>12</b>	<b>36,56</b>
Previous year	36,56	-	-	36,56	-	-	-	-	36,56	36,56
<b>Grand Total (i+ii+iii)</b>	<b>10,21,35</b>	<b>2,68,26</b>	<b>1,72,81</b>	<b>11,16,81</b>	<b>8,27,89</b>	<b>1,00,26</b>	<b>1,35,29</b>	<b>7,92,88</b>	<b>3,23,93</b>	<b>1,93,46</b>
Previous year	9,98,81	42,57	20,03	10,21,35	7,72,61	74,60	19,31	8,27,89	1,93,46	2,26,21



# Notes Forming Part of Financial Statements

## 8 Short term provisions

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
a. For employee benefits	3,33,46	2,96,42
	<b>3,33,46</b>	<b>2,96,42</b>

## 9 Trade payables

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Dues to micro and small enterprises	-	14
b. Dues to capital creditors	15,87	-
c. Dues to others	1,14,46	2,23,60
	<b>1,30,33</b>	<b>2,23,74</b>

### Trade payables (client wise)

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Related parties [Note 30 (c)(v)]	76,02	1,83,45
b. Others	54,31	40,29
	<b>1,30,33</b>	<b>2,23,74</b>

### Trade payables (age wise)

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
The Company generally gets credit period of 15-60 days		
Undisputed		
a. Not due		
i. Dues to micro and small enterprises	-	14
ii. Dues to others	28,28	10,17
b. Less than one year		
i. Dues to micro and small enterprises	-	-
ii. Dues to others	1,02,05	2,05,67
c. More than one year but less than two years		
i. Dues to micro and small enterprises	-	-
ii. Dues to others	-	7,76
	<b>1,30,33</b>	<b>2,23,74</b>

# Notes Forming Part of Financial Statements

## 10 Deferred tax

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax assets</b>		
a. Provision for doubtful debt	60	-
b. Depreciation	12,27	9,31
c. Provision of gratuity	12,01	-
d. Provision of leave encashment	39,21	-
<b>Deferred tax liabilities</b>		
a. Provision for doubtful debt	-	(6,76)
b. Provision of gratuity	-	(28,49)
c. Provision of leave encashment	-	(6,04)
<b>Net Deferred Tax (Liability) / Asset</b>	<b>64,09</b>	<b>(31,98)</b>

## 11 Long term loans & advances (unsecured)

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Considered good		
a. Prepaid	15,76	18,38
b. Tax refund due	9,37,14	9,80,44
	<b>9,52,89</b>	<b>9,98,82</b>

## 12 Other non-current assets

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Deposits	52,60	52,72
b. Bank deposits accounts, maturing after 12 months	2,06,13	3,97,44
c. Bank deposit lien marked against bank guarantee	70,39	3,59,91
d. Balance with government authorities	52,35	52,35
e. Accrued interest on long term fixed deposit	1,74	57,07
	<b>3,83,20</b>	<b>9,19,49</b>

## 13 Trade receivables (unsecured)

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Undisputed		
a. Considered good	6,81,99	9,44,37
b. Considered doubtful	8,29	5,90
Less: Provision for doubtful receivables	(8,29)	(5,90)
	<b>6,81,99</b>	<b>9,44,37</b>

# Notes Forming Part of Financial Statements

## 13 Trade receivables (unsecured)

### Trade receivables (age wise)

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
The Company's credit period generally ranges from 30-90 days		
a. Not due	1,75,88	7,06,11
b. Less than six months	4,12,94	2,35,87
c. More than six months but less than one year	77,82	-
d. More than one year but less than two years	15,34	8,29
Less: Provision for doubtful receivables	-	(5,90)
e. Above two years	8,29	-
Less: Provision for doubtful receivables	(8,29)	-
	<b>6,81,99</b>	<b>9,44,37</b>

### Trade receivables (client wise)

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Related parties [Note 30 (c)(i)]	3,27,38	5,20,26
b. Others	3,54,61	4,24,11
	<b>6,81,99</b>	<b>9,44,37</b>

## 14 Cash & bank balances

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>a. Cash and cash equivalent</b>		
i. In current account (including sweep-in deposits)	15,67,95	10,49,65
ii. In overdraft account debit balance (note below)	-	-
iii. Bank deposits accounts, maturing within 3 months	13,86,06	6,15,18
iv. Bank deposits accounts, maturing within 3 months to 12 months	16,98,82	7,48,88
	<b>46,52,83</b>	<b>24,13,71</b>
<b>b. Other bank balances</b>		
i. Bank balances held in lien with bank guarantee	8,83,50	4,08,29
	<b>55,36,33</b>	<b>28,22,00</b>

### Note:

Overdraft facilities availed from IDBI Bank with a limit of Rs. 5 Crores is secured against first charge on current assets of the company for 1 year with a revolving facility to be renewed every year at yearly interest rate of MCLR (Y) + 270 bps p.a. (Present effective rate: 8.10% p.a.). There is a debit balance in in this account, which is less than one thousand rupees.

# Notes Forming Part of Financial Statements

## 15 Other current assets

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Considered good		
a. Prepaid expenses		
i. Medclaim insurance	19,42	17,28
ii. Others	16,37	11,52
b. Deposits	19,45	13,32
c. Accrued income	17,06,50	11,73,29
d. Accrued interest on short term fixed deposits	1,26,60	26,10
e. Advance to suppliers	5,82	34,90
f. Other loans and advances (includes employee advance, recoverables from customers, receivables from LIC, etc.)	1,17,05	2,14,64
	<b>20,11,21</b>	<b>14,91,04</b>

## 16 Income from operations

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
a Operation wise:		
Sale of Products	12,17,51	5,79,91
Rendering of services		
i. Information technology services	69,44,01	60,57,56
ii. Contact centre services	31,13,85	30,59,97
	<b>112,75,37</b>	<b>96,97,44</b>
b Geography wise:		
i. Domestic	112,01,25	95,97,60
ii. Overseas	74,12	99,84
	<b>112,75,37</b>	<b>96,97,44</b>
c Client wise:		
i. Related parties [Note 30 (b)(i)]	84,92,72	73,30,38
ii. Others	27,82,65	23,67,06
	<b>112,75,37</b>	<b>96,97,44</b>

## 17 Other income

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Interest income		
i. On income tax refund	48,68	-
ii. On fixed deposits	1,75,51	2,05,62
b. Profit/(Loss) on sale of fixed assets (net)	-	2,08
c. Provisions written back / (written off) - net	8,02	4,30
	<b>2,32,21</b>	<b>2,12,00</b>

# Notes Forming Part of Financial Statements

## 18 Employee benefits expenses

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Salaries and allowances	69,92,29	66,26,21
b. Contribution to provident and other funds	4,99,42	4,41,92
c. Staff welfare expenses	5,11,28	5,34,29
	<b>80,02,99</b>	<b>76,02,42</b>

## 19 Operation and other expenses

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Auditors' remuneration		
i. Statutory audit fees	1,75	1,75
ii. Certification fees	1,00	1,00
b. Bank charges	12,26	3,13
c. Books & periodicals	10	30
d. Communication charges	49,80	54,63
e. Directors' sitting fees & other expenses	9,80	6,05
f. Electricity charges	58,93	60,70
g. Facility management fees	3,22,08	3,13,81
h. Insurance charges	1,31	3,49
i. Legal & professional fees	17,99	18,35
j. Printing & stationery	10,82	22,66
k. Promotional expenses	37,27	4,50
l. Doubtful debts	2,39	-
m. Rates & taxes	12,40	10,51
n. Rent - premises & others	1,44,77	1,06,66
o. Repairs and maintenance	97,73	92,02
p. Staff recruitment expenses	25,97	40,41
q. Subscription fees	83,81	40,14
r. Training, seminar and conference expenses	1,01	5,14
s. Travelling & conveyance	2,08,30	56,29
t. Miscellaneous expenses	19,96	27,39
	<b>11,19,45</b>	<b>8,68,94</b>

## 20 Earnings per share

Particulars	As at March 31, 2021	As at March 31, 2020
a. Profit after tax (in Rs. '000)	12,06,89	9,07,36
b. Weighted no. of equity shares	15,55,14,70	13,12,82,07
c. Nominal value of equity share (in Rs.)	10	10
d. Basic earnings per share (in Rs.)	7.76	6.91

Since there is no outstanding diluted shares during the period, there was no dilution to basic earnings per share.



# Notes Forming Part of Financial Statements

## 21 Key ratios

Particulars	(Rs. In '000)	
	As at March 31, 2021	As at March 31, 2020
a. Current ratio [ Current assets / Current liabilities ]	8.78	5.13
b. Return on equity [ Profit for the year / Shareholders' fund ]	13%	14%
c. Trade receivables turnover ratio [ Trade receivables / Income from operation x 365 days ]	22.08	35.54
d. Working capital turnover ratio [ Income from operation / Current assets minus Current liabilities ]	1.55	2.29
e. Net profit ratio [ Profit for the year / Income from operation ]	11%	9%

Note: Higher realisation of receivables, results improved current ratio and impacted trade receivables turnover ratio.

## 22 Contingent liabilities

- The Company has provided bank guarantee of Rs. 377.27 lakh to customers for its IT Projects. As at 31st March 2021, the contingent liabilities under these guarantees amounted to Rs. 377.27 lakh (previous year Rs. 395.31 lakh).
- The company has contested and has appealed at higher bench against an order passed by the Jaipur High Court for a claim to pay compensation amounting to Rs. 4.28 lakh (previous year Rs. 4.28 lakh) to one of the ex-employee of the erstwhile OBST vertical and expects favourable outcome. The company has made provision on estimated basis including the possible statutory dues. However the outcome to pay any further compensation to other ex-employees of the said OBST vertical cannot be ascertained and hence no separate provision, except the retiring benefits, has been made.
- Claims for taxes on income:

Where the Company is in appeal:

- Income tax demands of Rs. 512,133 (previous year Rs. 512,133) have been raised in respect of assessment completed for AY 2013-14 and AY 2014-15, arising from certain disallowances by the Income tax authorities. The Company has appealed against the Orders and based on merit, expects favourable outcome. Hence no provision against such demand is considered necessary.
- Service tax authority put a demand of Rs. 83,64,562 (previous year Rs. 83,64,562) including interest and penalty by disallowing certain CENVAT credit availed by the Company during the Service tax audit in respect of period from FY 2012-13 to FY 2017-18. This demand was reduced to Rs. 78,27,711/- by the Commissioner of Central Tax (Appeal). The company has appealed to CESTAT against the Orders and based on merit, expects favourable outcome. Hence no provision against such demand is considered necessary. However the company had paid Rs. 51,13,352 under protest, which is reflected under other non-current assets.
- Demand of VAT made by Sales tax authority amounting to Rs. 25,77,113 (previous year Rs. 25,77,113) for the period from FY 2010-11 to FY 2015-16 has been contested and appeal to Deputy Commissioner of Sales tax. Based on merit, the Company expects a favourable outcome on the same. Hence no provision against such demand is considered necessary.

# Notes Forming Part of Financial Statements

## 23 Capital Commitments

Estimated amount of partial contracts remaining to be executed on asset purchase and not provided for (net of advances) as on 31st March 2021 is NIL (previous year Rs. 15.56 lakh)

## 24 Segment reporting

"The Company has identified business segment as the primary segment. Business segments have been identified in line with AS 17 taking into account the product and services offered to target customers globally, different risk and returns, the organisational and the internal reporting systems. The Company's operations predominantly relate to providing end-to-end business solutions to enable clients in BFSI sector to enhance their business performance. The MD&CEO being the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented for the respective business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the accounting policies.

Primarily following are the business segments of the Company :

- i) Information Technology (IT)
- ii) Call Centre (CC)

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Allocated expenses of segments which are categorized in relation to the associated efforts of the segment. Certain expenses, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. The Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly, these expenses are separately disclosed as 'unallocated' and adjusted against the total income of the Company. The 'Other income' consists mainly on interest earnings are not specifically allocable to any business segments.

Business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized. The Company's major operations are in domestic segment. The segment results for overseas operations are insignificant. Disclosure of revenue by geographic locations is given in Note 16(b) Revenue from operations.

(Rs. In '000)

Particulars	IT	CC	Total
<b>a. Segment results for the year ended March 31, 2021</b>			
Income from Operations	81,61,52	31,13,85	112,75,37
Less: Operating allocable expenses	(68,36,25)	(24,75,77)	(93,12,01)
Less: Allocable depreciation	(24,68)	(75,59)	(1,00,26)
<b>Segment profit</b>	<b>13,00,60</b>	<b>5,62,50</b>	<b>18,63,09</b>
Less: Unallocable costs			(6,12,06)
Less: Unallocable finance costs			-
Add: Other income			2,32,21
<b>Profit before tax</b>			<b>14,83,24</b>
Less: Tax expense			(2,76,35)
<b>Profit after tax</b>			<b>12,06,89</b>
<b>b. Segment results for the year ended March 31, 2020</b>			
Income from Operations	66,37,47	30,59,97	96,97,44
Less: Operating allocable expenses	(61,32,99)	(20,41,49)	(81,74,48)
Less: Allocable depreciation	(13,79)	(60,81)	(74,60)
<b>Segment profit</b>	<b>4,90,69</b>	<b>9,57,67</b>	<b>14,48,36</b>

# Notes Forming Part of Financial Statements

## 24 Segment reporting (Contd..)

(Rs. In '000)

Particulars	IT	CC	Total
Less: Unallocable costs			(5,01,46)
Less: Unallocable finance costs			(35)
Add: Other income			2,12,00
<b>Profit before tax</b>			<b>11,58,55</b>
Less: Tax expense			(2,51,19)
<b>Profit after tax</b>			<b>9,07,36</b>
<b>c. Segment assets as on March 31, 2021</b>			
i. Non-current assets	2,15,39	1,70,81	3,86,20
Unallocable non-current assets			13,37,92
			<b>17,24,12</b>
ii. Current assets	20,84,42	3,11,96	23,96,38
Unallocable current assets			58,33,15
			<b>82,29,53</b>
<b>Segment assets as on March 31, 2020</b>			
i. Non-current assets	52,19	2,06,57	2,58,76
Unallocable non-current assets			18,53,02
			<b>21,11,77</b>
ii. Current assets	15,28,84	6,00,45	21,29,28
Unallocable current assets			31,28,13
			<b>52,57,41</b>
<b>d. Segment liabilities as on March 31, 2021</b>			
i. Non-current liabilities	-	-	-
Unallocable non-current liabilities			9,78
			<b>9,78</b>
ii. Current liabilities	1,63,35	48,10	2,11,45
Unallocable current liabilities			7,26,34
			<b>9,37,79</b>
<b>Segment liabilities as on March 31, 2020</b>			
i. Non-current liabilities	-	-	-
Unallocable non-current liabilities			41,76
			<b>41,76</b>
ii. Current liabilities	1,44,87	40,60	1,85,48
Unallocable current liabilities			8,38,37
			<b>10,23,85</b>
<b>e. Capital expenditure</b>			
<b>as on March 31, 2021</b>	<b>1,91,06</b>	<b>76,12</b>	<b>2,67,18</b>
<b>as on March 31, 2020</b>	<b>35,16</b>	<b>7,41</b>	<b>8,38,37</b>

# Notes Forming Part of Financial Statements

## 25 Leases

The Company takes on lease office space under operating leases. The lease rentals towards operating lease agreements recognised in the Statement of Profit and Loss for the year is Rs. 124.32 lakh (previous year Rs. 104.11 lakh).

The future minimum lease payments and payment profile of the non-cancellable operating leases are as follows:

(Rs. In '000)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
a. Not later than one year	49,89	1,24,31
b. Later than one year and not later than five years	-	49,89
c. Later than five years	-	-
	<b>49,89</b>	<b>1,74,20</b>

## 26 Foreign currency transactions

(Rs. In '000)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>a. Earnings in foreign currency</b>		
i. Earnings from information technology services	74,12	99,84
	<b>74,12</b>	<b>99,84</b>
<b>b. Expenditure in foreign currency</b>		
i. Foreign travelling expenses	-	1,53
ii. Subscription fees for software licenses	68,18	21,08
iii. Tender fees	3	-
	<b>68,21</b>	<b>22,61</b>

## 27 Derivative instruments

The company has NIL forward exchange contracts to buy as at March 31, 2021 (previous year value NIL).

## 28 Corporate social responsibility

(Rs. In '000)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
a. Gross amount required to be spent during the year is Rs. 19,19,779/- (previous year Rs. 25,75,744/-)		
b. Amount spent during the year:		
i. Acquisition of asset for hospital	14,00	14,40
ii. Contribution to PM CARES Funds	-	11,40
iii. Financial support (college fees) for tribal students	1,18	-
iv. Acquisition of asset (laptops) for tribal students	4,03	-
<b>Total amount paid</b>	<b>19,20</b>	<b>25,80</b>
c. There is no outstanding amount to be spend.		

# Notes Forming Part of Financial Statements

## 29 Employee benefit plans

### a. Employees provident fund

Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. In case of Company's employees enrolled with the Employees' Provident Fund Organisation (EPFO) having Universal Account Number (UAN), the Government of India had paid the full employer's contribution to both EPF and EPS in respect of new employees under the guidelines of Pradhan Mantri Rojgar Yojana (PMRPY). For the remaining employees and the entire contribution in respect of all employees is contributed to the Government administered Employee Provident and Pension Fund. The interest rate payable to the beneficiaries every year is being notified by the Government.

During the year, the Company has recognized expenses towards contributions to provident fund for Rs. 419.45 lakh, (previous year Rs. 395.29 lakh). During the year, the Company has availed the benefit of PMRPY for Rs. 11.11 lakh (previous year Rs. 16.13 lakh).

### b. Gratuity plan

The Company makes annual contribution to the Employee's Group Gratuity Assurance Scheme, administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment based on completed years of service or part thereof in excess of six months. Vesting occurs on completion of five years of continuous service.

The following table sets out the status of the gratuity plan for :

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>i. Change in defined benefit obligation</b>		
Opening defined benefit obligation	6,15,98	5,84,23
Service costs		
- Current service	1,06,02	94,50
- Past service	-	-
Actuarial losses / (gain)		
- Due to change in financial assumption	(10,98)	(85,89)
- Due to experience	(18,74)	19,41
Interest costs	42,07	45,45
Benefits paid	(37,42)	(41,73)
<b>Closing defined benefit obligation</b>	<b>6,96,93</b>	<b>6,15,98</b>
<b>ii. Change in the Fair value of assets</b>		
Opening fair value of plan assets	7,43,29	5,98,34
Expected return on plan assets	50,77	46,55
Actuarial (losses) / gain	(13,60)	(4,67)
Contribution by employer	33,50	144,80
Benefits paid	(37,42)	(41,73)
<b>Closing fair value of plan assets</b>	<b>7,76,53</b>	<b>7,43,29</b>
<b>iii. Net liability / (asset) recognised in the Balance Sheet ( i - ii )</b>	<b>(79,60)</b>	<b>(1,27,31)</b>
<b>iv. Expenses for the year</b>		
Service costs		
- Current service	1,06,02	94,50
- Past service	-	-
Interest on defined benefit obligation	42,07	45,45
Expected return on plan assets	(50,77)	(46,55)
Actuarial losses / (gain)	(16,12)	(61,81)
<b>Total Included in employment expense</b>	<b>81,21</b>	<b>31,60</b>



# Notes Forming Part of Financial Statements

## 29 Employee benefit plans (Contd..)

### a. Employees provident fund (Contd..)

(Rs. In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>v. Actual return on plan assets</b>		
Expected return on plan assets	50,77	46,55
Actuarial (losses) / gain	(13,60)	(4,67)
	<b>37,16</b>	<b>41,88</b>
<b>vi. Category of assets - Insurer managed fund</b>	<b>7,76,53</b>	<b>7,43,29</b>
Since the investments are held in the form of deposit with the LIC, these are not volatile, the market value of assets is the cost value of assets and has been accordingly considered for the above disclosures.		
<b>vii. Financial assumptions as at the valuation date</b>		
Discount rate	6.96%	6.83%
Rate of increase in compensation levels of covered employees*	5.00%	5.00%
Attrition rate	2% - 3%	2% - 3%
Expected rate of return on plan assets**	6.96%	6.83%
* The estimates of future salary increases considered in actuarial valuation takes into account the inflation, seniority, promotions and other relevant factors		
** Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC.		
<b>viii. Other details</b>		
Number of active members	1,591	1,459
Monthly salary for active members	2,92,39	2,72,65
Projected benefit obligation (PBO)	6,96,93	6,15,98
Expected contribution for next twelve months to gratuity funds	32,44	-

## 30 Related party disclosure

### a. Names of related parties

Relationship	Party
<b>i. Ultimate holding company</b>	Life Insurance Corporation of India (w.e.f. January 21, 2019)
<b>ii. Group companies of ultimate holding company</b>	LIC Housing Finance Limited
<b>iii. Holding company (control exists)</b>	IDBI Bank Limited
<b>iv. Group companies</b>	IDBI Asset Management Limited
	IDBI Capital Markets & Securities Limited
	Ageas Federal Life Insurance Company Limited
	IDBI Trusteeship Services Ltd
	IDBI MF Trustee Company Limited

# Notes Forming Part of Financial Statements

## 30 Related party disclosure (Contd..)

### a. Names of related parties (Contd..)

#### v. Key management personnel (KMP)

Name	Designation	Remarks
Surajit Subhasranjan Roy	Managing Director and CEO	w.e.f. August 8, 2019
K. R. Murali Mohan	Managing Director and CEO	on deputation from IDBI Bank upto May 31, 2019
A. Praveen Kumar	Chief Executive Officer	w.e.f. June 1, 2019 upto August 7, 2019
Samik Bandyopadhyay	Chief Financial Officer	
Ritesh Kumar Jain	Company Secretary	

### b. Details of transactions with relationship wise related parties

(Rs. In '000)

Particulars	Relationship	Year ended March 31, 2021	Year ended March 31, 2020
<b>i. Revenues from Operations</b>			
<b>a) Sale of Products</b>			
Life Insurance Corporation of India	Ultimate holding company	1,05,00	-
IDBI Bank Limited	Holding company	3,03,73	92,24
LIC Housing Finance Limited	Group company of ultimate holding company	40,00	-
IDBI Asset Management Limited	Group company	-	1,19
Ageas Federal Life Insurance Co. Ltd.	Group company	-	4,08
<b>b) Rendering information technology services</b>			
Life Insurance Corporation of India	Ultimate holding company	2,33,56	3,00
IDBI Bank Limited	Holding company	56,25,05	51,33,51
IDBI Asset Management Limited	Group company	93,09	83,49
IDBI Capital Markets & Securities Ltd.	Group company	1,91,23	1,90,00
Ageas Federal Life Insurance Co. Ltd.	Group company	4,12,07	3,34,30
<b>c) Rendering contact centre services</b>			
IDBI Bank Limited	Holding company	14,50,35	14,31,93
IDBI Capital Markets & Securities Ltd.	Group company	38,64	56,64
<b>ii. Interest income</b>			
IDBI Bank Limited	Holding company	1,75,51	2,05,62
<b>iii. Employee benefits expenses (incl. retirement benefits)</b>			
a) Short term employment benefits	Key management personnel	1,58,59	1,23,77
b) Contribution to funds	Key management personnel	9,14	770
c) Other benefits	Key management personnel	2,03	172
d) Staff welfare expenses (gift cards of IDBI Bank Ltd.)	Holding company	33,50	23,34
<b>iv. Reimbursement of expenses</b>			
IDBI Bank Limited	Holding company	69,80	62,83
IDBI Asset Management Limited	Group company	-	23
IDBI Capital Markets & Securities Ltd.	Group company	-	3,02

# Notes Forming Part of Financial Statements

## 30 Related party disclosure (Contd..)

### b. Details of transactions with relationship wise related parties (Contd..)

(Rs. In '000)

Particulars	Relationship	Year ended March 31, 2021	Year ended March 31, 2020
<b>v. Finance costs</b>			
IDBI Bank Limited	Holding company	-	35
<b>vi. Other expenses</b>			
IDBI Bank Limited	Holding company	12,21	3,13

### c. Balances remain with relationship wise related parties

(Rs. In '000)

Outstanding balances	Relationship	As at March 31, 2021	As at March 31, 2020
<b>i. Trade receivables</b>			
Life Insurance Corporation of India	Ultimate holding company	-	-
IDBI Bank Limited	Holding company	2,97,65	4,97,94
LIC Housing Finance Limited	Group company of ultimate holding company	20,30	-
IDBI Asset Management Limited	Group company	9,44	2,80
IDBI Capital Markets & Securities Ltd.	Group company	-	8,44
Ageas Federal Life Insurance Co. Ltd.	Group company	-	11,07
<b>ii. Bank balances</b>			
IDBI Bank Limited	Holding company	58,12,74	35,79,25
<b>iii. Other current assets</b>			
Life Insurance Corporation of India	Ultimate holding company	1,28,97	18,35
IDBI Bank Limited	Holding company	12,98,54	8,72,43
LIC Housing Finance Limited	Group company of ultimate holding company	18,30	-
IDBI Asset Management Limited	Group company	-	6,96
IDBI Capital Markets & Securities Ltd.	Group company	3,34	7,16
Ageas Federal Life Insurance Co. Ltd.	Group company	29,18	35,92
<b>iv. Unearned revenues</b>			
IDBI Bank Limited	Holding company	20	1,06
Ageas Federal Life Insurance Co. Ltd.	Group company	4,44	4,37
<b>v. Trade payable</b>			
Life Insurance Corporation of India	Ultimate holding company	76,02	1,83,45

# Notes Forming Part of Financial Statements

## 31 Material events after Balance Sheet date

There is no significant event after reporting date which requires adjustments or disclosure to the financial statements. Balances of receivables, payables, loans and advances are taken as per books.

The Board of Directors, at its meeting held on April 23, 2021 has proposed a dividend of Rs. 2.00 per equity share (20.00%). This would result in cash outflow of Rs. 311.03 lakh.

## 32 Expenses incurred due to Covid-19 pandemic

During the year ended March 31, 2021, Rs. 2.24 crore has been incurred on account of safety measures taken in view of the Covid-19 pandemic outbreak. These expenses are included under respective heads as detailed in 'Employee benefit expenses' (Note 18) and 'Operation and other expenses' (Note 19) in the financial statement.

## 33 Comparable figures

Previous year/period figures have been regrouped / reclassified wherever necessary to correspond with the current years/period classification/disclosure.

## 34 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on April, 23, 2021.

As per our report attached.

For **Jain Tripathi & Co.**  
Chartered Accountants  
Firm registration No.: 103979W

**For and on behalf of the Board of Directors**

**Sd/-**  
**Sushma V. Tripathi**  
Partner  
Membership No.: 112135

**Sd/-**  
**Suresh Khatanhar**  
Chairman

**Sd/-**  
**Surajit S. Roy**  
Managing Director & CEO

Place: Mumbai  
Date: April 23, 2021

**Sd/-**  
**Ritesh Kumar Jain**  
Company Secretary

**Sd/-**  
**Samik Bandyopadhyay**  
Chief Financial Officer

## NOTES

[illegible]



**Registered Office:**

IDBI Intech Ltd. IDBI Bidg., Plot No. 39-41, Sec 11, CBD Belapur, Navi Mumbai 400614, Maharashtra, India.

**Development Centres:**

**Chennai** IDBI Intech Ltd. Khivraj Complex, Nandanam, Chennai, Tamilnadu, India. | **New Delhi** IDBI Intech Ltd. 51 / 3, Desh Bandhu Gupta Road, Karol Bagh, Opp. Khalsa College, New Delhi, India. | **Hyderabad** IDBI Intech Ltd. 2 floor, IIT junction, Gachibowli, Hyderabad, Telengana, India. | **Pune** IDBI Intech Ltd. 1548 / B, Saiprabha, Sadashiv Peth, Pune, Maharashtra, India.

**For enquiries on our offerings, Please get in touch with our Business Development Team:**

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