



**ANNUAL REPORT
2017 - 2018**

INTELENET BUSINESS SERVICES LIMITED

Annual Report 2017-2018



Who we are:

We are the leading provider of Business Process Outsourcing Services to customers in India. We provided integrated services in voice and back office functions such as Business Process Outsourcing, Technology, Consulting etc. We employ over 4896 employees across India and we speak English and various Indian languages of India.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sachin Raje (DIN: 05187220)
Mr. Abhay Telang (DIN: 05318809)
Mr. Nitin Sahni (DIN: 00317173)
Mr. Yoginder Singh (DIN:00004725) w.e.f 4th June 2018
Mr. Kirit Amlani (DIN: 08149506) w.e.f 4th June 2018
Mrs. Madhuri Singh (DIN: 08153828) w.e.f 11th June 2018
Ms. Bina Shetty (DIN: 06634003) upto 10th June 2018

COMPANY SECRETARY

Mr. Vishal Chhabra

REGISTERED OFFICE

Intelenet Towers,
Plot CST No. 1406-A/28,
MindSPACE, Malad (W), Mumbai 400 090
CIN: U72900MH2005PLC157255
Tel: (91-22) 6677 6000
Fax: (91-22) 6677 8210
Website: www.intelenetglobal.com
EMAIL:complianceofficer@intelenetglobal.com

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East), Mumbai 400059
Tel.: 022 62638200 Fax: 022 62638299
Email : investor@bigshareonline.com

BANKERS

ICICI Bank
HDFC Bank
Citi Bank
HSBC Bank
Barclays Bank
DBS Bank

FORWARD LOOKING STATEMENT:

Statements in this Report, particularly those which relate to describing Company's objectives, plans, projections, estimates and expectations may constitute 'forward- looking statements' within the meaning of applicable laws and regulation. Actual Results may differ materially from those either expressed or implied.

CORPORATE OFFICE

Hall No.4, Gate No.3,
NESCO Compound,
Goregaon (East),
Mumbai - 400063

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NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of Intelenet Business Services Limited will be held on Friday, 28th September, 2018 at 9.30 a.m. at Intelenet Business Services Limited, Hall No.4, Gate No. 3, NESCO Compound, Goregaon (East), Mumbai – 400 063 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements comprising of the statement of Profit and Loss for the year ended March 31, 2018, the Balance Sheet as at that date and the reports of the Directors and the auditors thereon.
2. To appoint a Director in place of Mr. Nitin Sahni, (DIN 00317173) who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby approve the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Registration Number: [101248W/W-100022]), as Statutory Auditors of the Company in place of M/s. Deloitte Haskins and Sells, Baroda, Chartered Accountants (Registration Number : 117364W) , to hold office for a period of five years from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Eighteenth Annual General Meeting of the Company to be held in the year 2023 at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

4. To consider, and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:
“RESOLVED THAT Mr. Yoginder Singh (DIN 00004725) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 4th June 2018 and who holds office upto the date of the forthcoming Annual General Meeting under Section 161 of the Companies Act, 2013 (‘the Act’) and Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Yoginder Singh (DIN 00004725), a Non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from 2018 to 2023.”

5. To consider, and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:
“RESOLVED THAT Mr. Kirit Amlani (DIN 08149506) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 4th June 2018 and who holds office upto the date of the forthcoming Annual General Meeting under Section 161 of the Companies Act, 2013 (‘the Act’) and Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Kirit Amlani (DIN 08149506), a Non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from 2018 to 2023.”

6. To consider, and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:
“RESOLVED THAT Mrs. Madhuri Singh (DIN 08153828) who was appointed as an Additional Director of the

Company by the Board of Directors on 11th June 2018 and who holds office upto the date of this Annual General Meeting in accordance with the Section 161(1) of the Companies Act, 2013 ('the Act') but who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as the Director of the Company liable to retire by rotation."

7. To consider, and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:
- RESOLVED THAT** pursuant to the provisions of Section 4, 13 and any other applicable provisions of the Companies Act, 2013 ("the Act"), read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the Memorandum of Association (MOA) of the Company be and is hereby altered in the following manner:
1. The Objects clause III of the MOA be altered in the following manner:
 - (i) The Clause III (A) and III (B) of the MOA of the Company, be and are hereby renamed as under:
Clause III (A) – Main objects of the Company to be pursued by the Company on its incorporation are:
Clause III (B) – Matters which are necessary for furtherance of the objects specified in Clause III (A) are:
 - (ii) The other objects heading "(C). Other Objects" be and is hereby deleted and the sub clauses 68 to 99 will be added under matters which are necessary for furtherance of the objects specified in clause III(B).
 2. The Clause IV of the MOA be altered by substituting the existing clause IV with the following new clause IV
- IV. The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

FURTHER RESOLVED THAT any Director or Mr. Vishal Chhabra, Company Secretary of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid Resolution along with filing of necessary E-forms with the Registrar of Companies, Ministry of Corporate Affairs or other concerned regulatory authorities and to take necessary action in this regard.

8. To consider, and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution:
- RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association placed before this meeting and initialed by the Chairman for the purpose of identification be and are hereby approved and adopted as the Articles of Association of the Company in substitution for, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

FURTHER RESOLVED THAT any Director or Mr. Vishal Chhabra Company Secretary of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid Resolution along with filing of necessary E-forms with the Registrar of Companies, Ministry of Corporate Affairs or other concerned regulatory authorities and to take necessary action in this regard.

By Order of the Board

Sd/-

Vishal Chhabra

Company Secretary

Registered Office:

Intelenet Towers,
Plot CST No. 1406 - A / 28, Mindspace,
Malad (West), Mumbai-400090

Place: Mumbai

Date: 27th July 2018

NOTES:

1. The Statement setting out material facts pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto. The relevant details as required under the Secretarial Standards on General Meetings in respect of the persons seeking appointment / re-appointment as Directors are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
4. To support the 'Green Initiative' the Members who have not registered their e-mail addresses are requested to register the same with Bigshare Services Private Limited /Depositories.
5. Members may also note that the Notice of the 13th Annual General Meeting and the Annual Report for 2017-2018 will be also available on the Company's Website: www.intelenetglobal.com for download.
6. In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice), the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 21st September, 2018 being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process, through electronic voting system of Central Depository Services (India) Limited ('CDSL')
7. The facility for voting through Ballot shall also be made available at the AGM and Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.
8. The instructions for shareholders voting electronically are as under:
 - A. The remote e-voting period commences on 25th September 2018 (9:00 am) and ends on 27th September 2018 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September 2018, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - B. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st September 2018.
 - C. If a Member casts votes by remote e-voting and at the AGM through Ballot, then vote cast through remote e-voting shall prevail and vote cast through Ballot at the AGM shall be treated as invalid. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 - D. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on CDSL.

- E. The Company has appointed Mr. Mitesh Dhabliwala (Membership No. F8331, CP No. 9511) or failing him Ms. Sarvari Shah (Membership No. F9697, CP No. 11717) of M/s Parikh & Associates, Practicing Company Secretaries to act as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results shall be declared after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.intelenetglobal.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company.

Procedure and instructions for e-voting:

- i. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iii. Click on Shareholders.
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (Serial No. on the Address sticker / Postal Ballot Form / Email) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - xi. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - xvi. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
 - xvii. If a Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - xviii. Note for Non – Individual Shareholders and Custodians
 - a. Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
9. All documents referred to in the notice and explanatory statement are open for inspection at the registered office of the Company during office hours on all days except Saturdays, Sundays and public holidays; between 2.00 p.m. and 5.00 p.m. upto the date of Annual General Meeting.
10. The route map to the venue of AGM is provided in the Annual Report for easy location.
11. Members are requested to:
- a) notify any change in their address to the Registrar and Share Transfer Agent, Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059, Tel.: (91-22) 62638200 Fax : (91-22) 62638299 Website: www.bigshareonline.com; e-mail: info@bigshareonline.com.
 - b) bring the attendance slips along with the copies of the Annual Report to the Meeting.
12. Section 72 of the Companies Act, 2013, provides for nomination by the Shareholders of the Company in the prescribed form. Interested Shareholders may write to the Company / Registrar and Share Transfer Agent for the prescribed form.

ANNEXURE TO NOTICE

Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 and Secretarial Standard -I issued by the Institute of Company Secretaries of India forming part of the notice

ITEM No. 3

M/s. Deloitte Haskins and Sells, Baroda, Chartered Accountants (Registration Number: 117364W) have resigned as the Statutory Auditors of the Company with effect from close of the ensuing Annual General Meeting vide their letter dated 27th July 2018.

The Board of Directors at its meeting held on 27th July 2018, proposed and recommended the appointment of M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No: 101248W/W-100022) as the Statutory Auditors of the Company for a period of five years i.e. to hold office from the conclusion of this Annual General Meeting till the conclusion of the eighteenth Annual General Meeting of the Company to be held in the year 2023, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

M/s B S R & Co. LLP, Chartered Accountants, Mumbai (FRN No. 101248W/W-100022) have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board commends the Resolution set out at Item No. 3 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution at Item No. 3 of the Notice.

ITEM NO. 4

Mr. Yoginder Singh (DIN 00004725) was appointed as an Additional Director in the category of Independent Non-Executive Director of the Company at the Board Meeting held on 4th June 2018.

In terms of Section 161(1) of the Companies Act, 2013, he holds office only upto the date of the ensuing Annual General Meeting of the Company but is eligible for appointment as a Director.

In terms of Section 149 and other applicable provisions of the Act, Mr. Yoginder Singh, being eligible, was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years upto 2023 not being liable to retire by rotation.

The Company has received a Notice in writing from a Member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Yoginder Singh for the office of Director of the Company.

Mr. Yoginder Singh has consented to act as a Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Yoginder Singh fulfills the conditions specified in the Act and the Rules thereunder for appointment as Independent Director and he is independent of the management.

The terms and conditions of appointment of Mr. Yoginder Singh as an Independent Director are available for inspection at the Registered Office of the Company during normal business hours on all working days.

Having regard to the qualifications, experience and knowledge, his appointment as an Independent Director will be in the interest of the Company. The Board recommends the resolution as set out at Item no. 4 of the accompanying Notice for the approval by the members of the Company by way of an Ordinary Resolution.

Other than Mr. Yoginder Singh, none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in this resolution..

ITEM NO. 5

Mr. Kirit Amlani (DIN 08149506) was appointed as an Additional Director in the category of Independent Non-Executive Director of the Company at the Board Meeting held on 4th June 2018.

In terms of Section 161(1) of the Companies Act, 2013, he holds office only upto the date of the ensuing Annual General Meeting of the Company but is eligible for appointment as a Director.

In terms of Section 149 and other applicable provisions of the Act, Mr. Kirit Amlani, being eligible, is appointed as an Independent Director of the Company for a term of 5 (five) consecutive years upto 2023 not being liable to retire by rotation.

The Company has received a Notice in writing from a Member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Kirit Amlani for the office of Director of the Company.

Mr. Kirit Amlani has consented to act as a Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Kirit Amlani fulfills

the conditions specified in the Act and the Rules thereunder for appointment as Independent Director and he is independent of the management.

The terms and conditions of appointment of Mr. Kirit Amlani as an Independent Director are available for inspection at the Registered Office of the Company during normal business hours on all working days.

Having regard to the qualifications, experience and knowledge, his appointment as an Independent Director will be in the interest of the Company. The Board recommends the resolutions set out at Item no. 5 of the accompanying Notice for the approval by the members of the Company by way of an Ordinary Resolution.

Other than Mr. Kirit Amlani, none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in this resolution..

ITEM NO. 6

Mrs. Madhuri Singh (DIN 08153828) was appointed as an Additional Director of the Company at the Board Meeting held on 11th June 2018.

In terms of Section 161(1) of the Companies Act, 2013, she holds office only upto the date of the ensuing Annual General Meeting of the Company but is eligible for appointment as a Director. A notice under section 160(1) of the Companies Act, 2013 has been received from a member signifying intention to propose her appointment as a Director.

Your Directors recommend to appoint Mrs. Madhuri Singh as a Director of the Company as they feel it will be in the best interest of the Company if appointed.

Other than Mrs. Madhuri Singh, none of the Directors or key managerial person of the Company their relative are, in any way, concerned or interested in this resolution.

ITEM NO. 7

The Companies Act, 2013, has prescribed a new format of the objects clause of the Memorandum of Association (“MOA”) for public Companies. Accordingly, with a view to align the existing objects clause of the MOA of the Company with new format of MOA, it is proposed to alter the objects clause of the MOA of the Company and the liability clause of the MOA as provided in the accompanying notice.

As per the provisions of Section 13 of the Companies Act, 2013, the Consent of the shareholders by passing a Special Resolution is required in this regard. The Board therefore recommends the Special Resolution set out at item No. 7 of the Notice for approval by the members.

None of the Directors, manager, key managerial personnel and/or their relatives is in any way concerned or interested in the said resolution.

A copy of the existing Memorandum of Association and of the proposed altered Memorandum of Association will be open for inspection by Members at the Registered Office of the Company during normal working hours between 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays). The Board commends your approval of the said resolution.

ITEM NO. 8

It is proposed that Articles of Association of the Company be substituted with the amended and restated Articles of Association of the Company to give effect to the provisions of the Companies Act, 2013. As per the provisions of Section 14 of the Companies Act, 2013, the Consent of the shareholders by passing a Special Resolution is required in this regard. The Board therefore recommends the Special Resolution set out at item No. 8 of the Notice for approval by the members.

None of the Directors, manager, key managerial personnel and/or their relatives is in any way concerned or interested in the said resolution.

A copy of the existing Articles of Association and of the proposed altered Articles of Association will be open for inspection by Members at the Registered Office of the Company during normal working hours between 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays). The Board commends your approval of the said resolution.

Registered Office:

Intelenet Towers,
Plot CST No. 1406 - A / 28 Mindspace,
Malad (West), Mumbai-400090

Place: Mumbai

Date: 27th July 2018

By Order of the Board

Sd/-

Vishal Chhabra
Company Secretary

Information pursuant to the Secretarial Standards in respect of Appointment / Re-appointment of Directors:

Name of the Director	Madhuri Singh	Nitin Sahni	Yoginder Singh	Kirit Amlani
Category	Director designated as Non-Executive Director	Director designated as Non-Executive Director	Director designated as Non-Executive Independent Director	Director designated as Non-Executive Independent Director
DIN	08153828	00317173	00004725	08149506
Date of Birth	16th March 1971	30th July 1973	9th September 1970	1st February 1958
Age	47	45	47	60
Qualification	MBA in Marketing. Currently pursuing a Doctorate in Business Administration.	Chartered Accountant	LLB, CS, MBA	Chartered Accountant
Nature of Expertise/Experience	18 years of executive level experience in Customer management and the BPO Industry.	24 years of Experience in Corporate Finance and Assurance and Risk Advisory.	23 years of Experience in Law Practice	34 years of experience in the field of Finance Accounting and Tax compliances
Brief Resume	Appended at the end of this table	Appended at the end of this table	Appended at the end of this table	Appended at the end of this table
First Appointment on the Board	11th June 2018	5th March 2013	4th June 2018	4th June 2018
Terms and Conditions of Appointment / Reappointment	Appointment as an Additional Director	Director liable to retire by rotation.	Appointment as an Additional Director	Appointment as an Additional Director
Remuneration Details	-	-	Sitting fees of Rs. 50,000 for attending the meetings of the Board of Director	Sitting fees of Rs. 50,000 for attending the meetings of the Board of Director
No. of Shares held in IBSL as at March 31, 2018	-	-	-	-
Relationship with other Directors/Manager/KMP	Proposed Director is not related to any Director/Manager/KMP.	Proposed Director is not related to any Director/Manager/KMP.	Proposed Director is not related to any Director/Manager/KMP.	Proposed Director is not related to any Director/Manager/KMP.
No. of Board Meetings attended out of 10 meetings held during the year	-	1	-	-
Other Directorships	Intelenet Foundation India	-	-	-
Committee Positions	Corporate Social Responsibility Committee: Intelenet Business Services Limited (Appointed on 27th July 2018)	Audit Committee: Intelenet Business Services Limited Stakeholder Relationship Committee: Intelenet Business Services Limited Nomination and Remuneration Committee: Intelenet Business Services Limited	Audit Committee: Intelenet Business Services Limited (Appointed on 11th June 2018) Stakeholder Relationship Committee: Intelenet Business Services Limited (Appointed on 11th June 2018) Nomination and Remuneration Committee: Intelenet Business Services Limited (Appointed on 11th June 2018) Corporate Social Responsibility Committee: Intelenet Business Services Limited (Appointed on 27th July 2018)	Audit Committee: Intelenet Business Services Limited (Appointed on 11th June 2018) Stakeholder Relationship Committee: Intelenet Business Services Limited (Appointed on 11th June 2018) Nomination and Remuneration Committee: Intelenet Business Services Limited (Appointed on 11th June 2018) Corporate Social Responsibility Committee: Intelenet Business Services Limited (Appointed on 27th July 2018)

Brief Resume of the Directors proposed to be appointed / Re – Appointed:**Mrs. Madhuri Singh**

Over 18 years of executive level experience in Customer Management and the BPO industry. Delivered successfully in roles as diverse as Sales, Solutions, Transitions and Operations across Telecom, Aviation, Banking & Financial Services, Travel and Hospitality, Healthcare and Retail verticals. Prior to Intelenet, she was working with organizations like GE Capital International Services, HCL BPO and Exult BPO.

Mr. Kirit Amlani

Mr. Kirit Amlani has over 34 years of experience in the field of Finance, Accounting and Tax Compliances. Currently he is a Practicing Chartered Accountant.

Mr. Yoginder Singh

Mr. Yoginder Singh has over 23 years of experience in Law practice both in Courts and as in-house corporate lawyer. He started his career as a practicing Advocate at Supreme Court of India and then moved to trial courts practice in Delhi and states in North India. In 1995 he joined as in-house corporate lawyer with a leading Non-Banking Financial Institution engaged in financing commercial vehicles. In 1998, he joined a leading Pharma & Packaging Conglomerate venturing into then emerging sectors of Insurance, Healthcare and Information Technology. He then joined the Indian subsidiary of the Largest Direct Selling Company in the world. After over 20 years of illustrious career he ventured to set up Yogi & Partners.

Mr. Nitin Sahni

Mr. Nitin Sahni brings with him 24 years of work experience in Business Process Outsourcing, Corporate Finance and Assurance and Risk Advisory. During his career, he has served in the strategy and corporate finance functions at Cendant and General Electric and worked with Andersen where he practiced Audits and consulted on Risk Management and M& A across a wide variety of Industries.

BOARD'S REPORT

To,
The Members,

Your Directors have pleasure in presenting the **Thirteenth Annual Report** on the business and operations of the Company and the Audited Financial Statements for the Financial Year ended March 31, 2018.

1. Financial summary or highlights/Performance of the Company:

Amount in INR Million

PARTICULARS	For the year ended	For the year ended
	31.03. 2018	31.03. 2017
Revenue from Operations	1,580.27	1,347.51
Other Income	51.86	44.33
Total Income	1,632.13	1,391.84
Profit / (Loss) before Interest & Depreciation	286.67	223.5
Interest	165.91	237.44
Depreciation	57.80	83.62
Net Profit / (Loss) Before Tax	62.96	(97.56)
Provision for Tax	NIL	NIL
Profit / (Loss) After Tax	62.96	(97.56)

2. SIGNIFICANT EVENTS:

During the year, the Company issued and allotted 8% Non-Convertible Cumulative Redeemable Preference Shares to Intelenet Global Services Private Limited of different Series as follows:

Entity	Date of Investment	No of Shares	Value per Share	Share Capital
8% Non-Convertible Cumulative Redeemable Preference Shares – Series B	27th June 2017	9,000,000	10	90,000,000
8% Non-Convertible Cumulative Redeemable Preference Shares – Series B	23rd March 2018	22,000,000	10	220,000,000

Redemption of 8% Non-Convertible Cumulative Redeemable Preference Shares:-

During the year, the Company has redeemed 9,000,000 8% Non-Convertible Cumulative Redeemable Preferences Shares held by Intelenet Global Services Private Limited of face value Rs 10 each aggregating to Rs. 90,000,000 on 28th June, 2017.

The Company has also, redeemed 22,000,000 8% Non-Convertible Cumulative Redeemable Preferences Shares held by Intelenet Global Services Private Limited of face value Rs 10 each aggregating to Rs. 220,000,000 on 26th March, 2018.

Significant Event after Balance Sheet Date - Change in Control of Parent Company i.e Intelenet Global Services Private Limited –

A Binding Agreement for proposed sale and transfer of shareholding between Current Shareholder of the Company's Parent Intelenet Global Services Private Limited, Indianet Bidco Pte Limited and Proposed Shareholder - Dutch Contact Centers (DCC) B.V., Netherlands, and its affiliates has been entered into and will be consummated after necessary regulatory approvals.

3. Operations Overview:

As at the date of this Report, your Company has over 4219 seats and workforce of over 4896 dedicated resources offering services in English and various Indian languages to over 25 clients from 15 delivery centers across 11 cities (Bangalore, Chennai, Gurgaon, Hyderabad, Kolkata, Mohali, Mumbai, Thane, Pondicherry, Pune, Vadodara) in India.

Your Company has over 29 processes across various verticals including Banking, Financial Services, Insurance, Telecom, Retail, Consumer Durables and Government Departments etc.

For the year ended March 31, 2018, the Revenue from Operations of your Company has increased by 17.27 % over previous year due to ramp up by clients.

4. Human Resource:

Your Company's staff strength has increased to 4896 as against over 4623 in the previous year.

At Intelenet Business Services Limited, human resource is considered most vital for effective implementation of business plans, and your Directors take this opportunity to place on record their appreciation to all employees for their hard work, spirited efforts, dedication and loyalty to the Company.

5. Subsidiary Companies:

Your Company does not have any Subsidiaries.

6. Material changes & commitments:

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year and date of the report.

7. Number of Meetings of the Board of Directors:

During the Financial Year ended 31st March 2018, Ten Board Meetings were held.

The dates on which the Board Meetings were held are 25th April 2017, 29th May 2017, 27th June 2017, 28th June 2017, 5th July 2017, 23rd October 2017, 7th December 2017, 26th February 2018, 23rd March 2018 and 26th March 2018

Name of the Director	No. of Board Meetings attended
Mr. Sachin Raje	6
Mr. Abhay Telang	10
Mr. Nitin Sahni	1
Ms. Bina Shetty	10

8. Directors' Responsibility Statement as required under Section 134 of the Companies Act, 2013:

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed;
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March 2018 and of the Profit and Loss of the Company for that period;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) That the Directors have prepared the annual accounts for the financial year ended 31st March 2018 on a going concern basis;
- (e) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. Statement on Declaration given by Independent Directors under Sub-Section (6) of Section 149:

The Company has appointed Mr. Yoginder Singh and Mr. Kirit Amlani as an Independent Director on 4th June 2018 and receive the declaration by them. Under Sub Section (6) of Section 149.

10. Performance Evaluation of the Board, its Committees and Directors:

Your Company conducted the annual performance evaluation of the Board, its various Committees and the Directors individually. This was conducted in April, 2018 and the findings of the evaluation were presented at the meeting of the Board of Directors held on 4th June, 2018. Recommendations and suggested areas of improvement for the Board, its various committees and the individual Directors were considered by the Board.

11. Nomination and Remuneration Committee:

During the year, Nomination and Remuneration Committee consisted of the following Directors namely Mr. Abhay Telang, Mr. Sachin Raje, Mr. Nitin Sahni and Ms. Bina Shetty.

The Company has appointed Mr. Yoginder Singh and Mr. Kirit Amlani as an Independent Director on 4th June 2018 and reconstitute the Committee on 11th June 2018 with directors namely, Mr. Abhay Telang, Mr. Sachin Raje, Mr. Yoginder Singh and Mr. Kirit Amlani.

During the year, Nomination and Remuneration Committee Meeting was held on 23rd October 2017.

Name of the Director	No. of Nomination and Remuneration Committee Meeting attended
Mr. Sachin Raje	1
Mr. Abhay Telang	1
Mr. Nitin Sahni	1
Ms. Bina Shetty	-

12. Risk Management Policy:

The Company has a Risk Management Policy for dealing with different kinds of risks which it faces in the day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Company. The Company has adequate internal control systems and procedures to combat the risk. The Chief Financial Officer of the Company is responsible for the implementation of the Risk Management Policy of the Company.

13. Particulars of Loans, Guarantees or Investments under Section 186:

During the year, Intelenet Business Services Limited has not provided any Loans, Guarantees and not made any Investments.

14. Particulars of Contracts or Arrangements with Related Parties Referred to in Sub-Section (1) of Section 188:

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 is prepared in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is enclosed as Annexure – 1 to this Report.

15. Transfer to reserves:

No amount was transferred to General Reserve for the financial year ended 31st March 2018.

16. Dividend:

With a view to conserve resources for the Company's growth plans your Directors do not recommend payment of any dividend.

17. Extracts of Annual Return:

The Extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as Annexure - 2 to this Report.

18. The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 (Act) read with the Companies (Accounts) Rules, 2014:

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and the same is enclosed as Annexure - 3 to this Report.

19. Directors:

As on date of signing of this report Mr. Abhay Telang (DIN: 05318809), Mr. Sachin Raje (DIN: 05187220), Mr. Nitin Sahni (DIN: 00317173), Mr. Yoginder Singh (DIN: 00004725), Mrs. Madhuri Singh (DIN: 08153828) and Mr. Kirit Amlani (DIN: 08149506) are the Directors of the Company.

20. Details of Directors or Key Managerial Personnel who were appointed or have resigned during the Year:

During the year, No Director or Key Managerial Personnel has been appointed or has resigned.

However, Mr. Yoginder Singh and Mr. Kirit Amlani has been appointed as an Additional Director in the category of Independent Non-Executive Director of the Company with effect from 4th June 2018.

Ms. Bina Shetty resigned from Directorship of the Company with effect from 10th June 2018. The Board wish to place on record its sincere appreciation for the support and valuable guidance given by Ms. Bina Shetty during her tenure as Director of the Company.

Mrs. Madhuri Singh has been appointed as Additional Women Director of the Company with effect from 11th June 2018.

21. Particulars of Employees:

There was no employee drawing in excess of limits prescribed under Section 197 of the Companies Act, 2013 read with the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

22. Deposits:

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013.

23. Statutory Auditors:

M/s. Deloitte Haskins and Sells, Baroda, Chartered Accountants (Registration Number: 117364W) have resigned as the Statutory Auditors of the Company. The Board of Directors proposed and recommended the appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a period of five years i.e. to hold office from the conclusion of Thirteenth Annual General Meeting till the conclusion of the eighteenth Annual General Meeting of the Company to be held in the year 2023.

24. Auditors Report:

M/s. Deloitte Haskins & Sells, Baroda, Chartered Accountants (Firm Registration No: 117364W) have issued Auditors Report for the Financial Year ended 31st March 2018 and there are no qualifications in Auditors' Report.

25. Audit Committee:

During the year, Audit Committee consisted of the following Directors namely Mr. Abhay Telang, Mr. Sachin Raje, Mr. Nitin Sahni, and Ms. Bina Shetty.

The Company has appointed Mr. Yoginder Singh and Mr. Kirit Amlani as an independent Director on 4th June 2018 and reconstitute the Committee on 11th June 2018 with directors namely Mr. Sachin Raje, Mr. Yoginder Singh and Mr. Kirit Amlani.

There are no such incidence where Board has not accepted the recommendation of the Audit Committee during the year under review.

During the Financial year ended 31st March 2018, two Audit Committee Meeting were held.

Audit Committee Meetings were held on 25th April 2017 and 5th July 2017.

Name of the Director	No. of Audit Committee Meetings attended
Mr. Sachin Raje	2
Mr. Abhay Telang	2
Mr. Nitin Sahni	0
Ms. Bina Shetty	1

26. Stakeholders Relationship Committee:

During the year, Stakeholders Relationship Committee consisted of the following Directors namely Mr. Abhay Telang, Mr. Sachin Raje, Mr. Nitin Sahni and Ms. Bina Shetty.

The Company has appointed Mr. Yoginder Singh and Mr. Kirit Amlani as an Independent Director on 4th June 2018 and reconstitute the Committee on 11th June 2018 with directors namely Mr. Abhay Telang, Mr. Sachin Raje, Mr. Yoginder Singh and Mr. Kirit Amlani.

During the Financial year ended 31st March 2018, Stakeholders Relationship Committee Meeting was held on 23rd October 2017.

Name of the Director	No. of Stakeholders Relationship Committee Meeting attended
Mr. Sachin Raje	1
Mr. Abhay Telang	1
Mr. Nitin Sahni	1
Ms. Bina Shetty	-

27. Secretarial Auditor Report:

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have appointed Mr. Rajkumar Tiwari, Practising Company Secretary (C.P.No: 4227) as Secretarial Auditor to conduct Secretarial audit of the Company for the Financial year ended on March 31, 2018.

Secretarial Audit Report issued by Mr. Rajkumar Tiwari Practising Company Secretary in form MR-3 is enclosed as Annexure – 4 to this Annual Report.

There are Qualifications made by the Secretarial Auditor in the Report. Management replies to the Qualifications raised in the Secretarial Audit Report are as under

Qualifications	Management Reply
Appointment of Independent Directors' required under Section 177 of the Companies Act, 2013 for formation of Audit Committee.	Mr. Yoginder Singh and Mr. Kirit Amlani have been appointed as Independent Directors on 4 th June 2018. On 11 th June 2018, Board has re-constituted the Audit Committee.
Appointment of Independent Directors' required under Section 178 of the Companies Act, 2013 for formation of Nomination and Remuneration Committee.	Mr. Yoginder Singh and Mr. Kirit Amlani have been appointed as Independent Directors on 4 th June 2018. On 11 th June 2018, Board has re-constituted the Nomination and Remuneration Committee.
Appointment of Independent Directors as required under Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.	Mr. Yoginder Singh and Mr. Kirit Amlani have been appointed as an Independent Directors on 4 th June 2018.

28. Insurance:

All properties and insurable interests of the Company have been fully insured.

29. Details in respect of adequacy of internal financial controls with reference to the Financial Statements:

- a) The Board of Directors of the Company have adopted various policies and procedures for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.
- b) The Company maintains all its financial records in SAP System and the transactions and approvals are routed through SAP;
- c) The Company has appointed Mr. Suresh Kher as Internal Auditor for the Financial Year 2018-19 to test the Internal Controls and to provide assurance to the Board that business operations of the organization are in accordance with the approved policies and procedures of the Company. The Internal Auditor presented the Internal Audit Report for Financial Year 2017-2018 highlighting internal audit findings and status of Management Action Plan on the Internal Audit observations.

30. Change in the nature of business:

There is no change in the nature of business of the Company.

31. The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

32. Policy on Sexual Harassment:

The Company follows Intelenet Group's policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year, the Company did not receive any complaint of Sexual Harassment of Women at Workplace.

33. Acknowledgement:

The Directors take this opportunity to place on record their sincere thanks to the Banks, Insurance Companies, Central and State Government Departments and the shareholders for their support and co-operation extended to the Company from time to time.

The Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

**On behalf of the Board of Directors
For Intelenet Business Services Limited**

Place: Mumbai

Date: 27th July, 2018

Abhay Telang
Director
(DIN 05318809)

Sachin Raje
Director
(DIN 05187220)

Annexure-1

**Disclosure of Particulars of Contracts/Arrangements entered into by the Company
Form No. AOC-2**

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

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013.

1. There are no contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis

**On behalf of the Board of Directors
For Intelenet Business Services Limited**

**Place: Mumbai
Date: 27th July, 2018**

**Abhay Telang
Director
(DIN 05318809)**

**Sachin Raje
Director
(DIN 05187220)**

Annexure-2

Form No. MGT-9 EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i	CIN	U72900MH2005PLC157255
ii	Registration Date	10 th November, 2005
iii	Name of the Company	INTELENET BUSINESS SERVICES LIMITED
iv	Category/Sub-Category	Public Company
v	Address of the Registered Office and contact details	Intelenet Towers, Plot CST No. 1406-A/28 Mindspace, Malad (West), Mumbai 400090 Tel: (91-22) 6677 6000 Fax: (91-22) 6677 8210 Website: www.intelenetglobal.com Email: complianceofficer@intelenetglobal.com
vi	Whether listed Company	No
vii	Name, Address and Contact details of Registrar Transfer Agent, if any	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) Mumbai 400059 Board No.: 022 62638200 Tel.: 022 62638295; Fax No .. : 022 62638299 Email : investor@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products/services	NIC code of the Product/ service	% total turnover of the Company
1	Activities of call centres	82200	100%
2	Other information technology and computer service activities n.e.c	62099	
3	Other data processing, hosting and related activities	63119	

III. PARTICULARS OF HOLDING, SUBSIDIARY COMPANIES:

Sr. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable section
1)	Intelenet Global Services Private Limited	U72900MH2001PTC232120	Holding Company	98.17%	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):
i. Category Wise Shareholding:

Category of shareholders	Number of shares held on April 1, 2017				Number of shares held on March 31, 2018				% Change
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A) Shareholding of Promoter and promoter Group									
1) Indian									
a) INDIVIDUAL / HUF	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) BODIES CORPORATE	15,851,536	0	15,851,536	98.17%	15,851,536	0	15,851,536	98.17%	0.00%
d) FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) ANY OTHERS (Specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) DIRECTORS RELATIVES	0	0	0	0.00%	0	0	0	0.00%	0.00%
ii) GROUP COMPANIES	0	0	0	0.00%	0	0	0	0.00%	0.00%
iii) TRUSTS	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (A)(1) :	15,851,536	0	15,851,536	98.17%	15,851,536	0	15,851,536	98.17%	0.00%
2) Foreign									
a) INDIVIDUAL	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) BODIES CORPORATE	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) INSTITUTIONS	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) ANY OTHERS (Specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (A)(2) :	0	0	0	0.00%	0	0	0	0.00%	0.00%
Total holding for promoters									
(A)=(A)(1) + (A)(2)	15,851,536	0	15,851,536	98.17%	15,851,536	0	15,851,536	98.17%	0.00%
Total (A) :	15,851,536	0	15,851,536	98.17%	15,851,536	0	15,851,536	98.17%	0.00%
(B) Public Shareholding Institutions									
Mutual Funds/ UTI	0	0	0	0.00%	0	0	0	0.00%	0.00%
Financial Institutions/ Banks	5	0	5	0.00%	5	0	5	0.00%	0.00%
Central Government/ State Government(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
Foreign Institutional Investors	0	0	0	0.00%	0	0	0	0.00%	0.00%
Foreign Venture Capital Investors	0	0	0	0.00%	0	0	0	0.00%	0.00%

Category of shareholders	Number of shares held on April 1, 2017				Number of shares held on March 31, 2018				% Change
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Qualified Foreign Investors	0	0	0	0.00%	0	0	0	0.00%	0.00%
Any Other (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
FOREIGN PORTFOLIO INVESTOR	0	0	0	0.00%	0	0	0	0.00%	0.00%
ALTERNATE INVESTMENT FUND	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-Total (B)(1)	5	0	5	0.00%	5	0	5	0.00%	0.00%
Non - Institutions									
a) Bodies Corporate	31912	307	32219	0.20%	31552	308	31860	0.20%	(0.00) %
b) Individual	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) (CAPITAL UPTO TO Rs. 1 Lakh)	254,911	3,246	25,8157	1.60%	255,420	3245	258,665	1.60%	0.00%
c) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00%	0	0	0	0.00%	0.00%
ANY OTHERS (Specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
TRUSTS	33	0	33	0.00%	33	0	33	0.00%	0.00%
CLEARING MEMBER	49	0	49	0.00%	217	0	217	0.00%	0.00%
DIRECTORS RELATIVES	0	0	0	0.00%	0	0	0	0.00%	0.00%
EMPLOYEE	0	0	0	0.00%	0	0	0	0.00%	0.00%
NON RESIDENT INDIANS (NRI)	2086	0	2086	0.01%	1732	0	1732	0.01%	(0.00)%
NON RESIDENT INDIANS (REPAT)	2960	0	2960	0.02%	2960	0	2960	0.02%	0.00%
NON RESIDENT INDIANS (NON REPAT)	455	0	455	0.00%	492	0	492	0.00%	(0.01)%
OVERSEAS BODIES CORPORATES	0	0	0	0.00%	0	0	0	0.00%	0.00%
UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00%	0	0	0	0.00%	0.00%
IEPF	0	0	0	0.00%	0	0	0	0.00%	0.00%
Qualified Foreign Investor	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (B)(2) :	292,406	3,553	295,959	1.83%	292,406	3,553	295,959	1.83%	0.00%
Total Public Shareholding (B)=(B)(1) + (B)(2)	292,411	3,553	295,964	1.83%	292,411	3,553	295,964	1.83%	0.00%

Category of shareholders	Number of shares held on April 1, 2017				Number of shares held on March 31, 2018				% Change
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(C) Shares held by Custodians and against which Depository Receipts have been issued									
(a) SHARES HELD BY CUSTODIANS	0	0	0	0%	0	0	0	0	0.00%
(i) Promoter and Promoter Group	0	0	0	0%	0	0	0	0	0.00%
(ii) Public	0	0	0	0%	0	0	0	0	0.00%
SUB TOTAL (C)(1) :	0	0	0	0%	0	0	0	0	0.00%
(C)=(C)(1)	0	0	0	0%	0	0	0	0	0.00%
Total (A) + (B) + (C)	16,143,947	3,553	16,147,500	100%	16,143,947	3,553	16,147,500	100%	0.00%

ii. Shareholding of Promoter's:

Sr. No.	Category of shareholders	Number of shares held on April 1, 2017			Number of shares held on March 31, 2018			% Change during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	INTELENET GLOBAL SERVICES PRIVATE LIMITED	15,851,536	98.17%	0%	15,851,536	98.17%	0%	0%
	Total	15,851,536	98.17%	0%	15,851,536	98.17%	0%	0%

iii. Change in Promoter's Shareholding:

Shareholder's Name	Shareholding	
	No. of Shares	% of total Shares of the Company
At the beginning of the year, April 1, 2017	15,851,536	98.17%
Total	15,851,536	98.17%
Date wise Increase/Decrease in Promoters Shareholding	NIL	NIL
During the year specifying the reasons for increase/decrease (E.g. allotment/transfer/bonus/ sweat equity etc.)	NIL	NIL
At the end of the year, March 31, 2018	15,851,536	98.17%
Total	15,851,536	98.17%

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No	Name	No. of Shares at the beginning/ End of the year	Date	Increase/ Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the Company
1	ARCADIA SHARE & STOCK BROKERS PVT. LTD	10,436	1-Apr- 17	0		10,436	0.06%
		10,436	31-Mar- 18	0		10,436	0.06%
2	JHUMAR MAL JAIN	10,000	1-Apr- 17	0		10,000	0.06%
		10,000	31-Mar- 18	0		10,000	0.06%
3	ANAND G. PAI	9,000	1-Apr- 17	0		9,000	0.06%
		9,000	31-Mar- 18	0		9,000	0.06%
4	MAHESH VRAJLAL BABARIA	6,000	1-Apr- 17	0		6,000	0.04%
		6,000	31-Mar- 18	0		6,000	0.04%
5	ARIHANT'S SECURITIES LIMITED	3,988	1-Apr- 17	0		3,988	0.02%
		3,988	31-Mar- 18	0		3,988	0.02%
6	GOVIND PRAKASH CHANDAK	3,000	1-Apr- 17	0		3,000	0.02%
		3,000	31-Mar- 18	0		3,000	0.02%
7	RAJSHRI CHOUDHARY	2,066	1-Apr- 17	0		2,066	0.01%
		2,066	31-Mar- 18	0		2,066	0.01%
8	ALANKIT ASSIGNMENTS LTD. BARIELLY	2,001	1-Apr- 17	0		2,001	0.01%
		2,001	31-Mar- 18	0		2,001	0.01%
9	SURAJKANWARI RAMNIWAS KASAT	2,000	1-Apr- 17	0		2,000	0.01%
		2,000	31-Mar- 18	0		2,000	0.01%
10	SYNTHESIS EQUITY RESEARCH FOUNDATION PVT LTD	1,993	1-Apr- 17	0		1,993	0.01%
		1,993	31-Mar- 18	0		1,993	0.01%

V. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
Directors					
1	Mr. Abhay Telang*	NIL	NIL	NIL	NIL
2	Mr. Sachin Raje	NIL	NIL	NIL	NIL
3	Mr. Nitin Sahni	NIL	NIL	NIL	NIL
4	Ms. Bina Shetty	NIL	NIL	NIL	NIL
Key Managerial Personnel					
1	Mr. Aditya Arora (Manager)	NIL	NIL	NIL	NIL
2	Mr. Vishal Chhabra (Company Secretary)	NIL	NIL	NIL	NIL
3	Mr. Sachin Raje (CFO)	NIL	NIL	NIL	NIL

*Intelenet Global Services Private Limited holds 1 share jointly with Mr. Abhay Telang

VI. Indebtedness:

Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	Unsecured Loans	Non-Convertible Cumulative redeemable Preference Shares*	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount	NIL	NIL	1,743,621,285	NIL	1,743,621,285
ii) Interest due but not paid	NIL	291,982,686	334,130,907	NIL	626,113,593
iii) Interest accrued but not due	NIL	NIL	NIL	NIL	NIL
Total(i+ii+iii)	NIL	291,982,686	2,077,752,192	NIL	2,369,734,878
Change in Indebtedness during the financial year					
Addition	NIL	NIL	36,328,119	NIL	36,328,119
Reduction	NIL	-291,982,686	NIL	NIL	-291,982,686
Net Change	NIL	-291,982,686	36,328,119	NIL	-255,654,567
Indebtedness at the end of the Financial year					
i) Principal Amount	NIL	NIL	1,614,562,580	NIL	1,614,562,580
ii) Interest due but not paid	NIL	NIL	499,517,731	NIL	499,517,731
iii) Interest accrued but not due	NIL	NIL	NIL	NIL	NIL
Total(i+ii+iii)	NIL	NIL	2,114,080,311	NIL	2,114,080,311

**Part of Non-Convertible Cumulative redeemable Preference Shares has been considered as debt under the Indian Accounting Standard (Ind-AS), hence disclosed under Indebtedness of the Company.*

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. The Company does not have Managing Director and Whole time Directors. Details of Remuneration of Manager is mentioned below:

Sr. No.	Particulars of Remuneration	Name of Manager	Total Amount
		Mr. Aditya Arora	(Rs.)
1	Gross Salary	NIL	NIL
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	NIL	NIL
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	NIL	NIL
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	NIL	NIL
2	Stock option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission	NIL	NIL
	- as % of profit	NIL	NIL
	- Others, specify...	NIL	NIL
5	Others, Please specify	NIL	NIL
	Total (A)	NIL	NIL
	Ceiling as per the Act	NIL	NIL

B. Particulars of Key Managerial Personal other than MD/WTD:

Sr. No.	Particulars of remuneration	Key Managerial Personnel		
		Company Secretary	CFO & Director	Total (Rs.)
		Mr. Vishal Chhabra	Mr. Sachin Rajee	
1	Gross Salary	NIL	NIL	NIL
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	NIL	NIL	NIL
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	NIL	NIL	NIL
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	NIL	NIL	NIL
2	Stock option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL
	- Others, specify...	NIL	NIL	NIL
5	Others, Please specify	NIL	NIL	NIL
	Total	NIL	NIL	NIL

VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences for the year ended 31 March, 2018.

**On behalf of the Board of Directors
For Intelenet Business Services Limited**

Place: Mumbai
Date: 27th July, 2018

Abhay Telang
Director
(DIN 05318809)

Sachin Rajee
Director
(DIN 05187220)

Annexure-3

Particulars of the conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

A. CONSERVATION OF ENERGY:

- 1) The steps taken or impact on conservation of energy: -N.A.-
- 2) The steps taken by the Company for utilizing alternate sources of energy: -N.A.-
- 3) The Capital investment on energy conservation equipment's: -N.A.-

B. TECHNOLOGY ABSORPTION:

- 1) **The Efforts made towards technology absorption:** NIL
- 2) **The Benefits derived like product improvement, cost reduction, product development or import substitution:** NIL
- 3) **Details of technology imported during the past 3 years:**
No technology has been imported during the past 3 years.
 - a. The details of technology import: -NIL
 - b. The year of import: -NIL
 - c. Whether the technology has been fully absorbed: -NIL
 - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: -NIL
- 4) **The expenditure incurred on Research and Development:** -N.A.-

C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

1. **The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:**

Particulars	31st March, 2018	31st March 2017
Used	INR 6,382,401	INR 5,482,573
Earned	INR 5,238,324	INR 8,394,630

On behalf of the Board of Directors
For Intelenet Business Services Limited

Place: Mumbai
Date: 27th July, 2018

Abhay Telang
Director
(DIN 05318809)

Sachin Raje
Director
(DIN 05187220)

Annexure – 4

Form No. MR-3 SECRETARIAL AUDIT REPORT For The Financial Year Ended 31st March, 2018

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

To,
The Members,
Intelenet Business Services Limited
(Formerly known as Sparsh BPO Services Limited)
CIN: U72900MH2005PLC157255
Intelenet Towers Plot CST No. 1406 - A / 28,
Mindspace, Malad (West),
Mumbai- 400090.

1. I have conducted Secretarial Audit of the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **Intelenet Business Services Limited (Formerly known as Sparsh BPO Services Limited)** (hereinafter called as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.
2. Based on my verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the Audit Period covering the **Financial Year ended on 31st March 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2018** according to the provisions of:
 - i. The Companies Act, 2013 (the Act) including amendments thereof and the rules made there under;
 - ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under (**Not applicable to the Company as it is an Unlisted Public Limited Company**);
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**Not Applicable during the Audit Period**)
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): (**Not applicable to the Company as it is an Unlisted Public Limited Company**)
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations');

vi. Specific laws applicable as mentioned hereunder:

- a) Information Technology Act, 2000 and the rules made there under.

I have also examined compliance of the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company. (**Not applicable to the Company as it is an Unlisted Public Limited Company**)

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, *except the following*:

- 1) *Appointment of Independent Directors' required under Section 177 of the Companies Act, 2013 for formation of Audit Committee.*
- 2) *Appointment of Independent Directors' required under Section 178 of the Companies Act, 2013 for formation of Nomination and Remuneration Committee.*

I further report that the Board of Directors of the Company is comprised of only Non-Executive Directors with no **Independent Directors as required under Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014**. There was no change in the composition of the Board of Directors during the period under review.

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

All the decisions were carried out unanimously during the year under review, however, as confirmed by the management, mechanism to capture and record the dissenting members' views as a part of the minutes, exist.

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

I further report that during the audit period under review the following activities took place:

- 1) On 27th June, 2017 the company has Allotted 9,000,000 8 % Non-Convertible Cumulative Redeemable Preference shares series "B" of Face Value of Rs.10/- each (Rupees Ten only) for cash at par to Intelenet Global Services Private Limited.
- 2) On 28th June, 2018 company has redeemed 9,000,000, 8% Non-Convertible Cumulative Redeemable Preference Shares of Face Value Rs.10 each aggregating to Rs. 90,000,000 allotted on 30th June, 2010 out of the proceeds of fresh issue of 8% Non-Convertible Cumulative Redeemable Preference Shares.

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- 3) The Company has taken consent to make/ give, any loan(s) and to give, on behalf of the company/person and or acquire by way of subscription, purchase or otherwise, the securities of any other Body Corporate/Company which shall be subject to aggregate limit of Rs. 1,000,000,000 (Rupees One Hundred Crores) with the approval of Shareholders by Special Resolution passed at the Annual General Meeting on 29th September, 2017.
- 4) On 23rd March, 2018 the company has Allotted 22,000,000 8 % Non-Convertible Cumulative Redeemable Preference shares series "B" of Face Value of Rs.10/- each (Rupees Ten only) for cash at par to Intelenet Global Services Private Limited.
- 5) On 26th March, 2018 company has redeemed 22,000,000, 8% Non-Convertible Cumulative Redeemable Preference Shares of Face Value Rs.10 each aggregating to Rs. 220,000,000 allotted on 28th March, 2011 out of the proceeds of fresh issue of 8% Non-Convertible Cumulative Redeemable Preference Shares.

I further report that during the audit period, there were no instances of:

Any Public issue / Debentures issue / Sweat equity, Buy-back of securities, merger, amalgamation / reconstruction, Foreign Technical Collaboration, etc.

Place: Mumbai
Date: 27th July, 2018

Sd/-
CS Rajkumar R. Tiwari
Company Secretary in whole time practice:
C.P. No.:2400
FCS No.:4227

This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



**Annexure-A to Form No. MR-3 SECRETARIAL AUDIT REPORT
for the Financial Year ended 31st March, 2018**

To,
The Members,
Intelenet Business Services Limited
(Formerly known as Sparsh BPO Services Limited)
CIN: U72900MH2005PLC157255
Intelenet Towers,
Plot CST No. 1406 A/ 28 Mindspace,
Malad (West), Mumbai- 400090.
My report of even date is to be read along with this letter.

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

Place: Mumbai
Date: 27th July, 2018

Sd/-
CS Rajkumar R. Tiwari
Company Secretary in whole time practice:
C.P. No.:2400
FCS No.:4227

INDEPENDENT AUDITORS' REPORT

To The Members of Intelenet Business Services Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Intelenet Business Services Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements in accordance with the generally accepted accounting principles- Refer Note 32 to the Ind AS Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm’s Registration No.117364W)

Ketan Vora
Partner
(Membership No.: 100459)

Place: Mumbai
Date: 27th July 2018

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Intelenet Business Services Limited** (“the Company”) as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Deloitte Haskins & Sells

Chartered Accountants

(Firm's Registration No.117364W)

Ketan Vora

Partner

(Membership No.: 100459)

Place: Mumbai

Date: 27th July 2018

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on other legal and regulatory requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (Fixed Assets).
- (b) The Company has a programme of verification of property, plant and equipment (Fixed Assets) to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of granting of loan to body corporate. The company has not made any investments and provided guarantee and security.

The Company has not given Loans to Directors etc. as per provisions of Section 185 of the Companies Act, 2013 hence reporting under this section is not applicable to the company.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company’s business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:

The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees’ state insurance, income-tax, goods and services tax, and service tax, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, goods and services tax, service tax, value added tax, cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

There are no dues of Income-tax, Sales Tax, Service Tax, and Value Added Tax as on 31st March, 2018 on account of disputes.

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid / provided managerial remuneration and hence the provisions of section 197 read with schedule V to the Companies Act, 2013 are not applicable to the company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review.
- In respect of the above issue, we further report that:
- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence, provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Ketan Vora
Partner
Membership Number: 100459

Place: Mumbai
Date: 27th July 2018

Balance Sheet as at March 31, 2018

Amount in INR Million

Particulars	Notes	As at 31 March 2018	As at 31 March 2017
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	88.20	104.23
(b) Other intangible assets	4	5.02	6.62
(c) Financial assets			
(i) Loans	5	150.00	150.00
(ii) Others	6	-	11.58
(d) Deferred Tax Assets (Net)	7	-	-
(e) Non Current Tax Assets (Net)		142.36	178.19
Total non-current assets		385.58	450.62
Current assets			
(a) Financial assets			
(i) Investments	8	233.24	276.47
(ii) Trade receivables	9	212.16	246.23
(iii) Cash and cash equivalents	10	212.21	105.22
(iv) Bank balance other than (iii) above	10	0.10	9.38
(v) Other	6	160.80	144.46
(b) Current Tax Assets (Net)		41.82	53.23
(c) Other current assets	11	7.36	17.40
Total current assets		867.69	852.39
Total assets		1,253.27	1,303.01
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	161.48	161.48
(b) Other equity	13	(1,299.70)	(1,490.44)
Total equity		(1,138.22)	(1,328.96)
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	1,659.35	1,785.60
(b) Other Non-current Liabilities	16	1.96	13.54
Total non-current liabilities		1,661.31	1,799.14
Current liabilities			

Balance Sheet as at March 31, 2018

Particulars	Notes	Amount in INR Million	
		As at 31 March 2018	As at 31 March 2017
(a) Financial liabilities			
(i) Borrowings	14	454.73	292.15
(ii) Trade payables	17	204.89	190.65
(iii) Other financial liabilities	15	-	297.25
(b) Provisions	18	23.53	20.99
(c) Other current Liabilities	16	47.03	31.79
Total current liabilities		730.18	832.83
Total liabilities		2,391.49	2,631.97
Total equity and liabilities		1,253.27	1,303.01

See accompanying notes forming part of financial statements

1-36

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

For and on behalf of the Board of Directors

Ketan Vora

Partner

Sachin Raje

Director and Chief Financial Officer

Mumbai

Date: 27th July, 2018

Abhay Telang

Director

Mumbai

Date: 27th July, 2018

Mumbai

Date: 27th July, 2018

Vishal Chhabra

Company Secretary

Mumbai

Date: 27th July, 2018

Statement of Profit and Loss for the year ended 31 March 2018

Particulars	Notes	Amount in INR Million	
		For the year ended 31 March 2018	For the year ended 31 March 2017
I Revenue from operations	19	1,580.27	1,347.51
II Other income	20	51.86	44.33
III Total Income (I + II)		1,632.13	1,391.84
IV Expenses			
(a) Employee benefits expense	21	953.78	799.78
(b) Finance costs	22	165.91	237.44
(c) Depreciation and amortisation expense	3,4	57.80	83.62
(d) Other expenses	23	391.68	368.56
Total Expenses (IV)		1,569.17	1,489.40
V Profit/(Loss) before tax		62.96	(97.56)
VI Tax expense		-	-
Current tax	7	-	-
Deferred tax		-	-
Profit/(Loss) for the period		62.96	(97.56)
VII Profit/(Loss) for the period (V - VI)		62.96	(97.56)
VIII Other comprehensive income:			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plan		(1.28)	2.81
IX Total comprehensive income/(loss) for the year		61.68	(94.75)
Earnings per share			
Basic and diluted earnings / (loss) per share	24	3.90	(6.04)

See accompanying notes forming part of financial statements

1-36

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Ketan Vora
Partner

Sachin Raje
Director and Chief Financial Officer
Mumbai
Date: 27th July, 2018

Abhay Telang
Director
Mumbai
Date: 27th July, 2018

Mumbai
Date: 27th July, 2018

Vishal Chhabra
Company Secretary
Mumbai
Date: 27th July, 2018

Statement of Changes in Equity for the year ended 31 March 2018

a. Equity share capital	Amount in INR Million
Particulars	Total
Balance at March 31, 2016	161.48
Changes in equity share capital during the year	-
Balance at March 31, 2017	161.48
Changes in equity share capital during the year	-
Balance at March 31, 2018	161.48

b. Other equity	Particulars	Amount in INR Million		
		8% non convertible cumulative redeemable preference shares	Retained Earnings	TOTAL
Balance as at 1 April 2016	416.36	(2,782.07)	(2,365.70)	
Equity component of redeemable preference shares	970.02	-	970.02	
Loss transferred from Statement of Profit and Loss	-	(97.56)	(97.56)	
Other comprehensive income - Remeasurement of defined benefit plan	-	2.81	2.81	
Balance as at 31 March 2017	1,386.38	(2,876.82)	(1,490.43)	
Balance as at 1 April 2017	1,386.38	(2,876.82)	(1,490.43)	
Equity component of redeemable preference shares	129.06	-	129.06	
Profit transferred from Statement of Profit and Loss	-	62.96	62.96	
Other comprehensive income - Remeasurement of defined benefit plan	-	(1.28)	(1.28)	
Balance as at 31 March 2018	1,515.44	(2,815.14)	(1,299.69)	

See accompanying notes forming part of financial statements

In terms of our report attached

For Deloitte Haskins & Sells
 Chartered Accountants

For and on behalf of the Board of Directors
Ketan Vora
 Partner

Sachin Raje
 Director and Chief Financial Officer
 Mumbai
 Date: 27th July, 2018

Abhay Telang
 Director
 Mumbai
 Date: 27th July, 2018

 Mumbai
 Date: 27th July, 2018

Vishal Chhabra
 Company Secretary
 Mumbai
 Date: 27th July, 2018

Statement of Cash Flows for the year ended 31 March 2018

Amount in INR Million

Particulars	Notes	31 March 2018	31 March 2017
Cash flow from operating activities			
Profit/(Loss) before tax		62.96	(97.56)
Adjustments for :			
Depreciation, amortisation and impairment of non-financial assets	3,4	57.80	83.62
(Profit)/Loss on sale / disposal/write-off of fixed assets	20	(1.41)	10.15
Interest income	20	(34.69)	(25.11)
Finance cost	22	165.91	237.44
Dividend Income	20	(11.92)	(10.33)
Provision for doubtful debts	9	51.17	(8.51)
Provision for compensated absences	18	0.47	1.91
Provision / (writebacks) for gratuity	18	2.07	(3.57)
Operating Profit before working capital changes		292.36	188.04
Movements in working capital:			
Changes in trade & other receivables	9	(17.10)	(70.22)
Changes in other assets	11	10.04	(13.46)
Changes in trade and other payables	17	14.24	42.86
Changes in other liabilities	16	3.66	(5.84)
Changes in other financial asset	6	(4.75)	16.81
Changes in other financial liabilities	15	(297.25)	149.53
Changes in provisions	18	(1.28)	2.81
Cash from operating activities		(0.08)	310.53
Net income tax (paid) / refunds	7	47.25	(5.91)
Net cash generated from operating activities		47.17	304.62
Cash flow from investing activities			
Purchase of fixed asset	3,4	(40.41)	(43.79)
Loan given to related party	5	-	(150.00)
Proceeds from sale of fixed assets	3,4	1.65	3.70
Dividend Received	20	11.92	10.33
Interest received	20	34.16	25.11
Fixed deposit placed (not considered as cash and cash equivalent)	10	9.27	(0.09)
Net cash generated in investing activities		16.59	(154.74)
Cash flow from financing activities			
Proceeds from borrowings	14	-	150.00
Repayment of borrowings	14	-	(150.00)

Statement of Cash Flows for the year ended 31 March 2018

Particulars	Notes	Amount in INR Million	
		31 March 2018	31 March 2017
Proceeds from issue of preference shares	14	310.00	350.00
Redemption of preference shares	14	(310.00)	(200.00)
Interest paid	22	-	(165.59)
Net cash from (used in) financing activities		-	(15.59)
Net change in cash and cash equivalents		63.76	134.29
Cash and cash equivalents, beginning of year	10	381.69	247.40
Cash and cash equivalents, end of year	10	445.45	381.69
Notes: Reco of cash and cash equivalent			
Current Investments considered as cash equivalents for the purpose of cash flow statement.		233.24	276.47
Cash and cash equivalents		212.21	105.22
Total Cash and cash equivalents		445.45	381.69

See accompanying notes forming part of financial statements

1-36

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

For and on behalf of the Board of Directors

Ketan Vora

Partner

Sachin Raje

Director and Chief Financial Officer

Mumbai

Date: 27th July, 2018

Abhay Telang

Director

Mumbai

Date: 27th July, 2018

Mumbai

Date: 27th July, 2018

Vishal Chhabra

Company Secretary

Mumbai

Date: 27th July, 2018

Notes to the Financial Statements for the year ended 31 March 2018

1.01 Corporate Information

Intelenet Business Services Limited (formerly known as Sparsh BPO Services Limited) (“the Company”) was incorporated on November 10, 2005 to carry on the business of information technology enabled services [“ITES”] including activities in areas of call centre, transaction processing, back office activities and related services. [CIN U72900MH2005PLC157255].

1.02 IndAS issued but not yet effective:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115 - ‘Revenue from Contracts with Customers’ and consequential amendments to various Ind AS standards. The amended Rules also notified amendments to Ind AS 12 - ‘Income Taxes’, Ind AS 21 - ‘The Effect of Changes in Foreign Exchange Rates’, Ind AS 28 - ‘Investments in Associates and Joint Ventures’ and Ind AS 40 - ‘Investment Property’. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB). The amendments are effective from accounting periods beginning from April 1, 2018.

Ind AS 115 – ‘Revenue from Contracts with Customers’:

This standard establishes a single comprehensive model for accounting of revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition guidance under Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The Company is currently assessing the impact of application of Ind AS 115 on Company’s financial statements.

Amendment to Ind AS 12 – ‘Income Taxes’:

The amendments clarify the requirement for recognising deferred tax assets on unrealised losses on debt instruments that are measured at fair value. The amendment also clarify certain other aspects of accounting for deferred tax assets. The changes will not have any material impact on the financial statements of the Company.

Amendment to Ind AS 21 – ‘The Effect of Changes in Foreign Exchange Rates’:

This amendment clarifies translation of advance payments denominated in foreign currency into functional currency at the spot rate on the day of payment. The guidance aims to reduce diversity in practice. The changes will not have any material impact on the financial statements of the Company.

Amendment to Ind AS 40 – ‘Investment Property’:

The amendments clarify transfers of investment property to or from the portfolio in the case of a change of use. The changes will not have any material impact on the financial statements of the Company.

2 Significant Accounting Policies

2.01 Statement of compliance

These financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendment from time to time.

The financial statements are presented in Indian Rupees (INR) which is also the functional currency of the company. All amounts are rounded off to the nearest Rupee in Millions (two decimals), unless otherwise indicated.

The financial statements were approved by the Board of Directors and authorized for issue on 27 July 2018.

Notes to the Financial Statements for the year ended 31 March 2018

2.02 Basis of preparation

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair values at the end of the each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.03 Property, Plant and Equipment (PPE) and Depreciation

PPE are carried at cost of acquisition or construction less accumulated depreciation and impairment losses if any. The cost includes purchase price and all other directly attributable costs of bringing the asset to its working condition for its intended use. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses relating to the acquisition and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation on PPE has been provided on the straight-line method over the estimated useful life of all its asset. These lives are in accordance with the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Computers and Plant and Machinery, in whose case the life of the assets has been assessed and is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

Estimated useful lives of the tangible assets are as follows:-

Notes to the Financial Statements for the year ended 31 March 2018

Asset Class	Useful Life
Furniture & fixtures	10 Years
Office equipment	5 Years
Computers & peripherals, data and voice processing equipment	5 Years
Plant & Equipment	6.68 Years
Leasehold improvements	7 to 10 years

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

Assets costing Rs. 5,000 or less individually are fully depreciated.

2.04 Intangible Assets and Amortisation

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit & loss when the asset is derecognised.

Estimated useful lives of the intangible assets are as follows:

Asset Class	Useful Life
Goodwill	10 Years
Software	5 Years

2.05 Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Notes to the Financial Statements for the year ended 31 March 2018

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

2.06 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company has taken assets on lease.

(i) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Rental Expenses from operating lease in the books of lessee are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation. Contingent rentals arising under operating leases are recognised as an expense in the period in which they incurred.

(ii) Finance Lease

Leases under which the Company being lessee assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged to statement of profit and loss. If there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term on a straight-line basis.

2.07 Revenue recognition

The company earns revenue primarily from providing business process services and other related services.

The company recognises revenue as follows:

(i) Income from rendering of the service

Revenue is recognised when services are rendered and no significant uncertainty as to its determination and realization exists.

(ii) Dividend and interest Income

Dividend Income is recognized when shareholders right to receive payment is established and provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Notes to the Financial Statements for the year ended 31 March 2018

2.08 Foreign currencies

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency, are re-translated using the exchange rates at the date when the fair value was measured. Non-monetary item which are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising out of these translations are recognized in the statement of profit and loss.

2.09 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates enacted or substantively enacted as at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/expenses and penalties, if any, related to income tax are included in current tax.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities and the corresponding tax base used for taxation purposes. Deferred tax liabilities are recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Income tax expense comprises current tax and net change in deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Notes to the Financial Statements for the year ended 31 March 2018

2.10 Employee Benefits - (Short term, Retirement and Termination)

(i) Defined benefit plan

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit & loss. Past service cost is recognised in the statement of profit & loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

(ii) Short term employee benefit

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(iii) Contributions to defined contribution plan

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss.

2.11 Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity share holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed by dividing the net profit attributable to the equity share holders of the Company by the weighted average number of equity shares considered for basic earnings per equity share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Notes to the Financial Statements for the year ended 31 March 2018

2.12 Provisions and Contingent liabilities

Provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

Contingent liabilities

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote. Contingent assets are neither recognised nor disclosed.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision is recognised or disclosure as contingent liability is made.

2.13 Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

2.14 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All financial assets are initially recognised at fair value. All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets - Debt instruments

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows: and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets: and

Notes to the Financial Statements for the year ended 31 March 2018

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to the statement of profit & loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the statement of profit & loss and is included in the "Other income" line item.

Classification of Financial Assets - Equity instruments

Investments in equity instruments are classified as fair value through profit or loss (FVTPL), unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the statement of profit and loss. The net gain or loss recognised in the statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost i.e. trade receivables, other contractual rights to receive cash and other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

The company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses since initial recognition.

If the credit risk on that financial instrument has not increased significantly.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information

Notes to the Financial Statements for the year ended 31 March 2018

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit & loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

2.15 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Compound financial instruments

The component parts of compound financial instruments (convertible debentures) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in the statement of profit and loss upon conversion or expiration of the conversion option.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL

Notes to the Financial Statements for the year ended 31 March 2018

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

2.16 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IND AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of critical judgments in applying accounting policies and key resources of estimation uncertainty that have the most significant effect on the amounts recognized in the financial statements are as below:

- a. Useful life of Property, Plant and Equipment and Intangible assets:- The management reviews the estimated useful lives of property, plant & equipment at the end of each reporting period. The useful lives are based on historical experience with similar assets as well as anticipation of future events including technical & commercial obsolescence.
- b. Impairment of financial assets- Trade Receivables and Security Deposits:- Expected credit losses are recognised for all financial assets subsequent to initial recognition for trade receivables. The estimation of expectation for credit losses for receivable are made based on past two years of imperical information. The Companies trade receivable do not contain significant financing component & loss allowance on trade receivables is measured at an amount equal to life time expected losses.
- c. Non Convertible cumulative Redeemable Preference Shares
The company has issued to its Holding company 8% Non Convertible Cumulative Redeemable Preference Shares (NCCRPS) to fund its working capital needs. The dividend on these 8% NCCRPS is payable after attaining surplus in retained earnings. The management of the company do not expect to make adequate profits to attain the surplus in retained earnings & expect to pay the dividend on these preference shares during the term of these 8% NCCRPS. Accordingly the management has discounted these NCCRPS by 8% implicit cost of equity & recognised the difference at the inception as deemed equity component in its other equity.
- d. Recoverability of loan given to fellow subsidiary of Parent
The company has given an unsecured loan to its Fellow Subsidiary of Parent. The said Fellow Subsidiary of Parent has further invested the amount in its overseas subsidiary as an equity contribution. Based on the future expected cash flows from the said subsidiary, management of the company believes that there are no indicators of impairment.

Notes to the Financial Statements for the year ended 31 March 2018

3 Property, plant and equipment

Amount in INR Million

Carrying amount of:	As at 31 March 2018	As at 31 March 2017
Leasehold improvements	8.42	13.23
Computers	55.20	46.91
Furniture and fixtures	16.55	31.56
Plant and Equipment	6.47	11.31
Office equipments	1.56	1.22
Total	88.20	104.23

Amount in INR Million

Description of Assets	Leasehold improvements	Computers	Furniture and fixtures	Plant and Equipment	Office equipments	Total
I. Gross carrying amount						
Balance as at 1 April 2017	207.37	503.79	237.35	610.59	128.45	1,687.55
Additions	3.89	30.41	0.08	2.00	0.87	37.25
Deletions	4.97	60.88	1.58	13.52	1.46	82.41
Balance as at 31 March 2018	206.29	473.32	235.85	599.07	127.86	1,642.39
II. Accumulated Depreciation						
Balance as at 1 April 2017	194.14	456.88	205.79	599.28	127.23	1,583.32
Depreciation expense for the year	8.70	21.97	15.01	6.83	0.53	53.04
Eliminated on disposal of assets	4.97	60.73	1.50	13.51	1.46	82.17
Balance as at 31 March 2018	197.87	418.12	219.30	592.60	126.30	1,554.19
III. Net carrying amount as at 31 March 2018 (I-II)	8.42	55.20	16.55	6.47	1.56	88.20
Description of Assets	Leasehold improvements	Computers	Furniture and fixtures	Plant and Equipment	Office equipments	Total
I. Gross carrying amount						
Balance as at 1 April 2016	233.92	687.88	269.37	705.27	175.56	2,072.00
Additions	0.42	38.37	0.38	1.61	0.63	41.41
Deletions	26.97	222.46	32.40	96.29	47.74	425.86
Balance as at 31 March 2017	207.37	503.79	237.35	610.59	128.45	1,687.55
II. Accumulated Depreciation						
Balance as at 1 April 2016	204.05	661.44	205.13	677.71	172.39	1,920.72
Depreciation expense for the year	16.84	17.81	20.04	17.42	2.50	74.61
Eliminated on disposal of assets	26.75	222.37	19.38	95.84	47.66	412.01
Balance as at 31 March 2017	194.14	456.88	205.79	599.28	127.23	1,583.32
III. Net carrying amount as at 31 March 2017 (I-II)	13.23	46.91	31.56	11.31	1.22	104.23

Notes to the Financial Statements for the year ended 31 March 2018

4 Other intangible assets

Amount in INR Million

Carrying amount of:	As at 31 March 2018	As at 31 March 2017
Computer Software	5.02	6.62
Total	5.02	6.62

Amount in INR Million

Description of Assets	Computer Software
I. Gross carrying amount	
Balance as at 1 April 2017	220.71
Additions	3.16
Deletions	-
Balance as at 31 March 2018	223.87
II. Accumulated amortisation and impairment	
Balance as at 1 April 2017	214.09
Amortisation Expense	4.76
Eliminated on disposal of assets	-
Balance as at 31 March 2018	218.85
III. Net carrying amount as at 31 March 2018 (I-II)	5.02

Amount in INR Million

Description of Assets	Computer Software
I. Gross carrying amount	
Balance as at 1 April 2016	218.36
Additions	2.38
Deletions	0.03
Balance as at 31 March 2017	220.71
II. Accumulated amortisation and impairment	
Balance as at 1 April 2016	205.12
Amortisation Expense	9.00
Eliminated on disposal of assets	0.03
Balance as at 31 March 2017	214.09
III. Net carrying amount as at 31 March 2017 (I-II)	6.62

5 Financial Assets - Loans

Amount in INR Million

Particulars	As at 31 March 2018 Non-Current	As at 31 March 2017 Non-Current
Loans to related party (Refer Note 31)		
Unsecured, considered good	150.00	150.00
Total	150.00	150.00

Notes to the Financial Statements for the year ended 31 March 2018

6 Financial Assets - Others

Amount in INR Million

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	Non-Current	Current	Non-Current
Security Deposits				
-Unsecured, considered good	35.96	-	23.85	11.58
-Unsecured, considered doubtful	19.65		20.30	-
Less: Allowance for Credit Losses	(19.65)		(20.30)	-
Interest accrued on bank deposits	0.11		0.24	-
Interest accrued on loan to related parties	21.24	-	10.44	-
Unbilled Receivable	103.49		109.93	-
Total	160.80	-	144.46	11.58

7 Current Tax and Deferred Tax

(a) Tax recognised in profit or loss

Amount in INR Million

Particulars	As at 31 March 2018	As at 31 March 2017
Current Tax:		
In respect of current year	-	-
In respect of prior years		-
Deferred Tax:	-	-
Total income tax expense recognized in current year	-	-

(b) Tax recognised in other Comprehensive income

Amount in INR Million

Particulars	As at 31 March 2018	As at 31 March 2017
Current Tax	-	-
<i>Deferred tax related to items recognised in other comprehensive income during the year:</i>	-	-
Total	-	-

Notes to the Financial Statements for the year ended 31 March 2018
(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:
Amount in INR Million

Particulars	As at 31 March 2018	As at 31 March 2017
Profit / (loss) before tax from continuing operations	62.96	(25.71)
Income tax expense calculated at 28.84% (2017: 34.608%)	18.16	-
Effect of income that is exempt from taxation	(3.44)	-
Effect of expenses that is non-deductible in determining taxable profit	62.69	-
Effect of tax incentives and concessions (research and development and other allowances)	(3.52)	-
Effect of recognition of tax effect of previously unrecognised tax losses now recognised as deferred tax assets *	(62.47)	-
Changes in recognised deductible temporary differences	(11.41)	-
	-	-
Income tax expense recognised In profit or loss from continuing operations	-	-

* The movement due to change in substantively enacted tax rate during the period ends unrecognised INR 100.78 mn

(d) Current Tax and Deferred Tax
Amount in INR Million

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred tax assets	-	-
Deferred tax liabilities	-	-
Total	-	-

(e) Movement in deferred tax balances
Amount in INR Million

Particulars	For the Year ended 31 March 2018			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Depreciation on Property, Plant and Equipment	167.84	(38.23)	-	129.61
Provision for doubtful debts	90.46	(0.35)	-	90.11
Provision for Doubtful Loans & Advances	7.03	(1.36)	-	5.67
Provision for Compensated absences / Gratuity	3.67	(0.48)	-	3.19
Provision for Lease equilisation	6.69	(2.48)	-	4.21
Deferred tax on Business Losses/Unabsorbed Depreciation	580.88	(163.71)	-	417.17
Net Tax Asset (Liabilities)*	856.57	(206.61)	-	649.96

Notes to the Financial Statements for the year ended 31 March 2018

Amount in INR Million

Particulars	For the Year ended 31 March 2017			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Depreciation on Property, Plant and Equipment	172.15	(4.31)	-	167.84
Provision for doubtful debts	93.39	(2.93)	-	90.46
Provision for Doubtful Loans & Advances	9.87	(2.84)	-	7.03
Provision for Compensated absences / Gratuity	3.01	0.66	-	3.67
Provision for Lease equilisation	8.41	(1.72)	-	6.69
Deferred tax on Business Losses/Unabsorbed Depreciation	555.18	25.70	-	580.88
Net Tax Asset (Liabilities)*	842.01	14.56	-	856.57

Deferred tax assets have not been recognised in respect of above items, as it is not probable that future taxable profit will be available against which the Company will be able to utilise the unused tax losses.

8 Investments

Amount in INR Million

Particulars	NAV	As at 31 March 2018		As at 31 March 2017	
		Nos	Current	Nos	Current
Investment in mutual funds - Unquoted					
Liquid mutual fund units					
-Kotak Liquid Direct Plan Daily Dividend	1,222.81	91,950.77	112.44	163,750.28	200.24
-HDFC Liquid Fund Direct Plan Daily Dividend	1,019.82	118,449.74	120.80	74,753.10	76.23
Total		210,400.51	233.24	238,503.38	276.47

9 Trade receivables

Amount in INR Million

Particulars	As at 31 March 2018 Current	As at 31 March 2017 Current
Secured, considered good	-	-
Unsecured, considered good	212.16	246.23
Doubtful	312.51	261.33
Less: Allowance for doubtful trade receivables	(312.51)	(261.33)
Total	212.16	246.23

The average credit period on sales of services is 60 days. Further no interest is charged on trade receivables in case of outstanding amount exceeding the period of 60 days from the date of the invoice.

Refer Note 26 for outstanding ageing and provision thereon.

Refer Note 31 for amounts receivable from related parties.

Notes to the Financial Statements for the year ended 31 March 2018
10 Cash and cash equivalents

Amount in INR Million

Particulars	As at 31 March 2018	As at 31 March 2017
	Current	Current
Cash and cash equivalents		
(a) Balances with banks		
(i) In current accounts	4.08	3.19
(ii) In Fixed deposit accounts - original maturity of 3 months or less	208.13	102.03
Total Cash and cash equivalent	212.21	105.22
Other bank balances		
In other deposit accounts - original maturity more than 3 months	0.10	9.38
Total Other bank balances	212.31	114.60

11 Other Current assets

Amount in INR Million

Particulars	As at 31 March 2018	As at 31 March 2017
	Current	Current
Prepayments	1.44	9.22
Security Deposit	4.90	4.90
Advance to vendors	1.02	3.28
Total	7.36	17.40

12 Equity Share capital

Amount in INR Million

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Authorised Share Capital				
Equity Shares of face value of Rs.10/- per share	25,000,000	250.00	25,000,000	250.00
Preference Shares of face value of Rs.10/- per share	413,000,000	4,130.00	413,000,000	4,130.00
Total authorised share capital as at 31 March 2018	438,000,000	4,380.00	438,000,000	4,380.00
Issued, subscribed and fully paid up				

Notes to the Financial Statements for the year ended 31 March 2018

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of face value of Rs.10/- per share	16,147,500	161.48	16,147,500	161.48
	16,147,500	161.48	16,147,500	161.48

(i) Rights, Preferences & restrictions attached to shares

The Company has one class of equity shares having a par value of Rs 10 each entitled to dividend. Each shareholder is eligible for one vote per share held. In the event of repayment of capital of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

(ii) Shares held by holding company

Name of the shareholder	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Intelenet Global Services Private Limited (Holding company)	15,851,596	158.52	15,851,596	158.52

(iii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% holding	Number of shares	% holding
Intelenet Global Services Private Limited (Holding company)	15,851,596	98.17	15,851,596	98.17

13 Other Equity

Particulars	As at 31 March 2018		As at 31 March 2017	
	8% non convertible cumulative redeemable preference shares	Retained Earnings	8% non convertible cumulative redeemable preference shares	Retained Earnings
Opening balance	1,386.38	(2,876.82)	416.36	(2,782.07)
Profit / (Loss) for the year	-	62.96	-	(97.56)
Equity component of redeemable preference shares	129.06	-	970.02	-
Remeasurement of Defined Benefit Plan	-	(1.28)	-	2.81
Closing balance	1,515.44	(2,815.14)	1,386.38	(2,876.82)

Notes to the Financial Statements for the year ended 31 March 2018
14 Borrowings

Amount in INR Million

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	Non-Current	Current	Non-Current
Unsecured Borrowings				
Borrowing from related parties				
8% non convertible cumulative redeemable preference shares of Rs. 10 each - Series 1*	454.73	(0.00)	292.15	421.00
8% non convertible cumulative redeemable preference shares of Rs. 10 each - Series A*	-	1,348.35	-	1,247.45
8% non convertible cumulative redeemable preference shares of Rs. 10 each - Series B*	-	311.00	-	117.15
Total	454.73	1,659.35	292.15	1,785.60

Details of Preference shares

Particulars	Date of allotment	Date of Redemption	No. of Preference Shares 2018	No. of Preference Shares 2017
8% non convertible cumulative redeemable preference shares of Rs. 10 each				
Series 1*	23-Mar-10	23-Mar-17	-	20,000,000
Series 1*		20-Mar-17	-	(20,000,000)
Series 1*	30-Jun-10	30-Jun-17	9,000,000	9,000,000
Series 1*		28-Jun-17	(9,000,000)	-
Series 1*	28-Mar-11	28-Mar-18	22,000,000	22,000,000
Series 1*		26-Mar-18	(22,000,000)	-
Series 1*	22-Mar-12	22-Mar-19	49,000,000	49,000,000
Series A*	15-Mar-17	15-Mar-25	100,000,000	100,000,000
Series A*	16-Mar-17	16-Mar-25	113,000,000	113,000,000
Series B*	15-Mar-17	15-Mar-25	20,000,000	20,000,000
Series B*	27-Jun-17	27-Jun-25	9,000,000	-
Series B*	23-Mar-18	23-Mar-25	22,000,000	-
Total			313,000,000	313,000,000

The Preference Shares shall be redeemable at par at the end of seven years from the date of allotment but may be redeemed at any time after three years from the date of allotment at the option of the holders thereof.

Notes to the Financial Statements for the year ended 31 March 2018

15 Other financial liabilities

Amount in INR Million

Particulars	As at 31 March 2018	As at 31 March 2017
	Current	Current
Amount payable to related parties		
Interest payable on loan	-	291.98
Commission payable on corporate guarantee	-	1.00
Security Deposit Payable	-	4.27
Total	-	297.25

16 Other liabilities

Amount in INR Million

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	Non- Current	Current	Non- Current
Lease Rent Equalisation account	12.64	1.96	5.73	13.54
Statutory remittances (PF, ESIC, PT etc.)	34.39	-	26.06	-
Total	47.03	1.96	31.79	13.54

17 Trade payables

Amount in INR Million

Particulars	As at 31 March 2018	As at 31 March 2017
	Current	Current
Micro & small enterprises (Refer note below)		-
Trade payables	204.89	190.65
Total	204.89	190.65

Note:- There are no outstanding amounts due to micro & small enterprises. Hence, no other disclosure as required under Micro, Small and Medium enterprises development Act, 2006 has been given.

18 Provisions

Amount in INR Million

Particulars	As at 31 March 2018	As at 31 March 2017
	Current	Current
Provision for gratuity (Refer Note 30)	12.45	10.38
Provision for compensated absences	11.08	10.61
Total	23.53	20.99

Notes to the Financial Statements for the year ended 31 March 2018

19 Revenue from operations

Particulars	Amount in INR Million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale from rendering of services (Revenue from BPO Services)	1,580.27	1,347.51
Total	1,580.27	1,347.51

20 Other income

Particulars	Amount in INR Million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest Income		
- loan to related parties - at amortised cost	12.00	11.60
- Banks deposits - at amortised cost	1.87	2.21
- income tax refund	19.82	10.01
- Others	1.00	1.29
Dividend Income on mutual funds	11.92	10.33
Lease rent income	3.84	8.89
Gain on sale / disposal of fixed assets	1.41	-
Total	51.86	44.33

21 Employee benefit expense

Particulars	Amount in INR Million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries & wages including bonus	866.42	726.82
Contribution to provident and other funds (Refer Note 30)	41.09	37.25
Staff welfare expenses	46.27	35.71
Total	953.78	799.78

22 Finance costs

Particulars	Amount in INR Million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest on loans from related parties	-	165.59
Deemed Interest on redeemable preference shares (Debt at amortised cost)	165.91	71.85
Total	165.91	237.44

Notes to the Financial Statements for the year ended 31 March 2018

23 Other expenses

Particulars	Amount in INR Million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Repairs and maintenance - plant and machinery	26.32	30.84
Repairs and maintenance - others	16.96	28.94
Facility maintenance expenses	56.65	52.04
Recruitment expenses	6.98	8.70
Transportation expenses (net of recovery)	24.53	26.14
Telephone and communication charges	46.50	48.42
Water and electricity charges	55.09	54.97
Rent Rates and taxes	78.06	64.35
Legal and professional fees	7.62	10.25
Travel and conveyance	5.42	3.73
Insurance	2.21	2.22
Printing and stationery	1.83	2.85
Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	1.30	1.30
(ii) For Taxation matters	0.20	0.20
(iii) For Other services	0.34	-
(iv) For reimbursement of expenses	0.01	0.01
Provision for doubtful debts	50.52	-
Bad & Other Debts written off	7.98	-
Advertisement expenses	0.11	0.15
Sales and business promotion	0.01	0.30
Registration & filing fees	0.48	21.05
Loss on sale / disposal/write-off of fixed assets	-	10.15
Miscellaneous expenses	2.56	1.95
Total	391.68	368.56

24 Earnings per share

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit/(Loss) as per Statement of Profit and Loss	62.96	(97.56)
Total Dividend with Corporate Dividend Tax for the year	-	-
Total Profit/(Loss) if Dividend Distribution Tax Paid	62.96	(97.56)
Weighted average number of equity shares	16,147,500	16,147,500
Earning per share - Basic and Diluted	3.90	(6.04)

* Total Dividend on Non Convertible Cumulative redeemable Preference Shares is not reduced from the profit / added to the loss for the calculation of Basic earnings per share as its effect as deemed interest on preference shares has already been considered.

Notes to the Financial Statements for the year ended 31 March 2018

25 Financial Instruments

25.1 Capital management

The company's capital management objectives are to ensure that the company is able to continue as a going concern and to provide an adequate return to shareholders by pricing services commensurately with the level of risk.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

25.2 Categories of financial assets and financial liabilities

Amount in INR Million

Particulars	As at 31 March 2018	As at 31 March 2017
Financial assets		
Measured at fair value through profit & loss (FVTPL)		
(a) Investment in mutual funds	233.24	276.47
Measured at amortized cost		
(a) Loans	150.00	150.00
(b) Security deposits	35.96	35.43
(c) Interest accrued on loans	10.44	10.44
(d) Interest accrued on bank deposits	0.11	0.24
(e) Unbilled revenue	103.49	109.93
(f) Trade receivables	212.16	246.23
(g) Cash and bank balances	212.31	114.60
	957.71	943.34
Financial liabilities		
Measured at amortized cost		
(a) Borrowings	2,114.07	2,077.75
(b) Trade Payables	204.89	190.65
(c) Interest payable on loan	-	291.98
(d) Other Financial liabilities	-	5.27
	2,318.96	2,565.65

25.3 Financial Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

25.3.1 CREDIT RISK

Credit risk management Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults.

Notes to the Financial Statements for the year ended 31 March 2018

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The Company applies the simplified approach in providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable.

The loss allowance provision is as follows:

Ageing	Amount in INR Million			
	As at 31 March 2018		As at 31 March 2017	
	Expected credit loss (%)	Expected credit loss (Rs. In INR)	Expected credit loss (%)	Expected credit loss (Rs. In INR)
Within the credit period	3.17%	5.52	0.00%	-
0-3 month past due	33.31%	21.68	0.00%	-
3-6 month past due	100.00%	23.44	20.14%	3.49
6 -12 month past due	100.00%	9.72	100.00%	0.40
>1 year	100.00%	252.14	100.00%	257.45
Total		312.50		261.34

Age of Receivables	Amount in INR Million	
	As at 31 March 2018	As at 31 March 2017
Within the credit period	174.27	137.23
0-3 month past due	65.10	95.18
3-6 month past due	23.44	17.32
6 -12 month past due	9.72	0.40
>1 year	252.14	257.45
Total	524.67	507.58

Reconciliation of loss allowance provision for Trade Receivables

Particulars	Amount in INR Million	
	As at 31 March 2018	As at 31 March 2017
Balance as at beginning of the year	261.33	269.84
Impairment losses recognised in the year based on lifetime expected credit losses	58.50	-
Amounts written off during the year as uncollectible	(7.33)	(8.51)
Balance at end of the year	312.50	261.33

Notes to the Financial Statements for the year ended 31 March 2018

25.3.2 LIQUIDITY RISK

(i) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The company has liability mainly towards the trade creditors, lease payables and fully non-convertible cumulative redeemable preference shares. The maturity profile is as below:

Amount in INR Million

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
Non-derivative financial liabilities				
31-Mar-18				
Non-interest bearing	204.89	-	-	-
Fixed interest rate instruments	454.73	-	-	1,659.36
Total	659.62	-	-	1,659.36
31-Mar-17				
Non-interest bearing	487.91	-	-	-
Fixed interest rate instruments	292.15	421.00	-	1,364.60
Total	780.06	421.00	-	1,364.60

The Company has asset mainly investments, receivables, cash and cash equivalents and other financial assets which would realised in current period to manage short term liability obligations. The holding company “Intelenet Global Services Private Limited” (IGSPL) has provided a letter of support for any short fall in liability obligations.

25.3.3 MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. Considering the operations, management does not anticipate any material exposure due to currency, interest rate, and other price risk.

The foreign currency exposure for balance sheet assets and liabilities across currencies is as follow:

Amount in INR Million

Particulars	Currency	As at	As at
		31 March 2018	31 March 2017
Trade Payables	AED	-	0.30
Trade Receivable	USD	0.02	0.02

Notes to the Financial Statements for the year ended 31 March 2018

26 Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

- (a) The management consider that the carrying amounts of financial assets and financial liabilities that are not measured at fair value, recognised in the financials statement approximate their fair values.

Amount in INR Million

(b) Financial assets/ financial liabilities measured at Fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31-Mar-18	31-Mar-17		
Financial Assets - FVTPL				
Mutual fund investments	233.24	276.47	Level 1	Net asset value provided by Asset Management Company

27 Leases

Amount in INR Million

Note	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	Details of leasing arrangements as lessee		
	Operating Lease		
	The Company has taken various office premises under leave and license agreements. These agreements are cancellable and for a period of upto 10 years and are renewable by mutual consent on mutually agreeable terms.		
	Future Non-Cancellable minimum lease commitments		
	not later than one year	-	-
	later than one year and not later than five years	-	-
	later than five years	-	-
	Expenses recognised in the Statement of Profit and Loss		
	Minimum Lease Payments	77.21	64.27

28 Segment information

The Company operates in a single business segment viz. "Information Technology Enabled Services" in India. The information reported to the Chief Operating Decision Maker (CODM) [Aditya Arora] for assessment of performance of business and allocation of resources is under this segment.

Accordingly, the Company has identified a single segment under Ind AS 108 "Operating Segments".

The company gets all its revenue from single service i.e. BPO Operations and all its customers are located in India. All non-current assets of the company are located in India.

Included in revenues arising from revenue from BPO Operations of Rs. 1,580.27mn (P.Y. 1,347.51mn) are revenues from three customers amounting to Rs. 692.40mn (P.Y. Rs. 506.92mn) which contributes 10% or more of the companies revenue.

Notes to the Financial Statements for the year ended 31 March 2018

29 Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 41.09 mn (2017 : Rs.37.25mn) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy Risk

The majority of the plan's obligations are to provide benefits for the life of the member, The P.V. of the debt is calculated by reference to the best estimate of the mortality of employers. so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

(i) Financial Assumptions

Particulars	Valuation as at	
	31-Mar-18	31-Mar-17
Discount rate(s)	6.63%	6.35%
Expected rate(s) of salary increase	5.00%	4.32%

(ii) Demographic Assumptions

Particulars	31-Mar-18	31-Mar-17
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
<u>Attrition Rate :-</u>		
For Service 4 years and below	73.00% p.a.	73.00% p.a.
For Service between 5 and 10 years	15.00% p.a.	
For Service 11 years and above	5.00% p.a.	

Notes to the Financial Statements for the year ended 31 March 2018

Defined benefit plans – as per actuarial valuation on 31st March, 2018

Particulars	Amount in INR Million	
	Gratuity	
	2018	2017
Amounts recognised in statement of Profit and Loss in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	0.63	0.73
Net interest expense	0.66	1.02
Components of defined benefit costs reconised in profit or loss	1.29	1.75
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	0.01	(0.04)
Actuarial gains and loss arising from changes in demographic assumptions	(1.96)	-
Actuarial gains and loss arising from changes in financial assumptions	0.37	0.04
Actuarial gains and loss arising from experience adjustments	2.86	(2.81)
Components of defined benefit costs recognised in other comprehensive income	1.28	(2.81)
Total	2.57	(1.06)
I. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	12.70	10.96
2. Fair value of plan assets	(0.25)	(0.58)
3. Surplus/(Deficit)	12.45	10.38
4. Current portion of the above	12.45	10.38
II. Change in the obligatison during the year		
1. Present value of defined benefit obligation at the beginning of the year	10.96	14.26
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	0.63	0.73
- Interest Expense	0.70	1.04
3. Recognised in Other Comprehensive Income		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	(1.96)	-
ii. Financial Assumptions	0.37	0.04
iii. Experience Adjustments	2.86	(2.81)
4. Benefit payments	(0.85)	(2.30)
5. Present value of defined benefit obligation at the end of the year	12.71	10.96
III. Change in fair value of plan assets during the year		
1. Fair value of plan assets at the beginning of the year	0.58	0.31
2. Income Recognised in Profit and Loss Account		
- Expected return on plan assets	0.04	0.02
3. Recognised in Other Comprehensive Income		
Return on plan assets	(0.01)	0.04
4. Contributions by employer	0.50	2.50
5. Benefit payments	(0.85)	(2.30)
6. Fair value of plan assets at the end of the year	0.26	0.57
IV. The Major categories of plan assets		
- Insurance Fund (Life Insurance Corporation of India)	0.26	0.57

Notes to the Financial Statements for the year ended 31 March 2018

The sensitivity of the defined benefit obligation to changes in the principal assumptions:

Principal assumption - 2018	Changes in assumption	Amount in INR Million			
		Impact on defined benefit obligation 2018		Impact on defined benefit obligation 2017	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	(0.86)	1.00	(0.05)	0.05
Salary growth rate	1.00%	1.00	(0.88)	0.05	(0.05)
Employee turnover rate	1.00%	0.10	(0.12)	(0.04)	0.04

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The Company expects to contribute Rs. 1.5 Mn during the next financial year of 2018-19 (FY 2017-18- Rs. 0.5 Mn).

Maturity profile of defined benefit obligation:

Year ended	Amount in INR Million	
	2018	2017
Within 1 year	1.66	7.40
1 - 2 year	1.50	2.63
2 - 3 year	1.33	0.84
3 - 4 year	1.15	0.28
4 - 5 year	1.31	0.10
5 - 10 years	3.27	0.04

Plan Assets

The fair value of Company's plan asset by category are as follows:

Particulars	2018	2017
Asset category:		
Deposits with Insurance companies	100%	100%

30 Related party transactions

During the year ended 31 March 2018, majority of the company's shares were held by Intelenet Global Services Private Limited, parent company.

List of Related Parties

(a) Parent

Intelenet Global Services Private Limited

(b) Fellow Subsidiaries of Parent

Intelenet BPO Holdings Private Limited

(c) Ultimate Parent

Indianet Bidco Pte. Limited

(d) Fellow subsidiary

Intelenet Global Services FZ-LLC

Notes to the Financial Statements for the year ended 31 March 2018

Transactions with related parties

Amount in INR Million

Nature of transaction	Parent	Fellow Subsidiaries of Parent	Fellow Subsidiaries
<u>Loan given</u>			
Current Year	-	-	-
Previous Year	-	150.00	-
<u>Loan taken</u>			
Current Year	-	-	-
Previous Year	150.00	-	-
<u>Loan repaid</u>			
Current Year	-	-	-
Previous Year	2,130.00	-	-
<u>Interest earned</u>			
Current Year	-	12.00	-
Previous Year	-	11.61	-
<u>Interest expensed</u>			
Current Year	-	-	-
Previous Year	165.59	-	-
<u>Lease rental income</u>			
Current Year	-	3.84	-
Previous Year	-	3.84	-
<u>Reimbursement of expenses</u>			
Current Year	89.87	-	6.38
Previous Year	-	-	5.48

Balance with related parties

Amount in INR Million

Nature of transaction	Parent	Fellow Subsidiaries of Parent	Fellow Subsidiaries
<u>Loan receivable</u>			
Current Year	-	150.00	-
Previous Year	-	150.00	-
<u>Interest receivable</u>			
Current Year	-	21.24	-
Previous Year	-	10.44	-
<u>Interest payable</u>			
Current Year	-	-	-
Previous Year	291.98	-	-
<u>Other receivables</u>			
Current Year	-	-	-
Previous Year	-	0.73	-
<u>Other payables</u>			
Current Year	54.56	-	-
Previous Year	-	-	5.48
<u>Corporate Guarantee issued on behalf of Company</u>			
Current Year	100.00	-	-
Previous Year	100.00	-	-

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

Notes to the Financial Statements for the year ended 31 March 2018
31 Contingent liabilities

	Amount in INR Million	
	As at 31 March 2018	As at 31 March 2017
Contingent liabilities (to the extent not provided for)		
Contingent liabilities		
(a) Guarantees given by banks on behalf of the Company	0.10	0.10

- (b) In absence of profit for appropriation, the Company has not provided for the dividend on 8% non-convertible cumulative redeemable preference shares issued to Intelenet Global Services Private Limited for the year ending March 31, 2018 amounting Rs.250.40 mn (31st March 2017– Rs.250.40 mn) and Corporate Dividend Tax Rs.52.20 mn (31st March 2017 –Rs.52.20 mn). The cumulative unpaid dividend including Corporate Dividend Tax as on March 31, 2018 amounts to Rs. 1,157.22 mn (31st March 2016 – Rs. 854.62 mn).

32 Details of loans, guarantee or investments made by the Company under Section 186 of the Companies Act, 2013

The Company has given loans to fellow subsidiary of Holding company in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

Name of Entity	Rate of Interest	Currency	Amount in INR Million
			Outstanding
Intelenet BPO Holdings Private Limited	8%	INR	150.00

33 Investor Education and Protection Fund

As at the year-end there are no amounts due and outstanding to be credited to Investor Education and Protection Fund (Previous Year Rs. 0.09 mn).

- 34 During an earlier year, the company had initiated arbitration proceedings against Bharat Sanchar Nigam Limited (BSNL) for recovery of dues in respect of services provided amounting to Rupees 298.39 mn including interest and compensation for cost suffered. BSNL in turn filed counter-claims for losses suffered due to closure of mobile connections / loss of reputation etc. amounting to Rupees 3,877.59 mn. The company is of the opinion that these counter claims are completely misconceived, baseless, unsupported by any documentary or other evidences, and are untenable and are likely to be rejected by the Panel of Arbitrators.

35 Going Concern

The Company has accumulated losses of Rs. 2,815.14 mn as at 31 March 2018 which have completely eroded its Shareholder's Funds and the Company's total liabilities have exceeded the total assets by Rs.1,138.22 mn as on that date. The accounts of the Company have been prepared on a going concern basis taking into account the operating cash flow and availability of continuing finance and required required support from its holding company.

36 Events after the reporting period

No material events occurred after the balance sheet date but before the approval of financial statements by board of directors.

In terms of our report attached
For Deloitte Haskins & Sells
 Chartered Accountants

For and on behalf of the Board of Directors

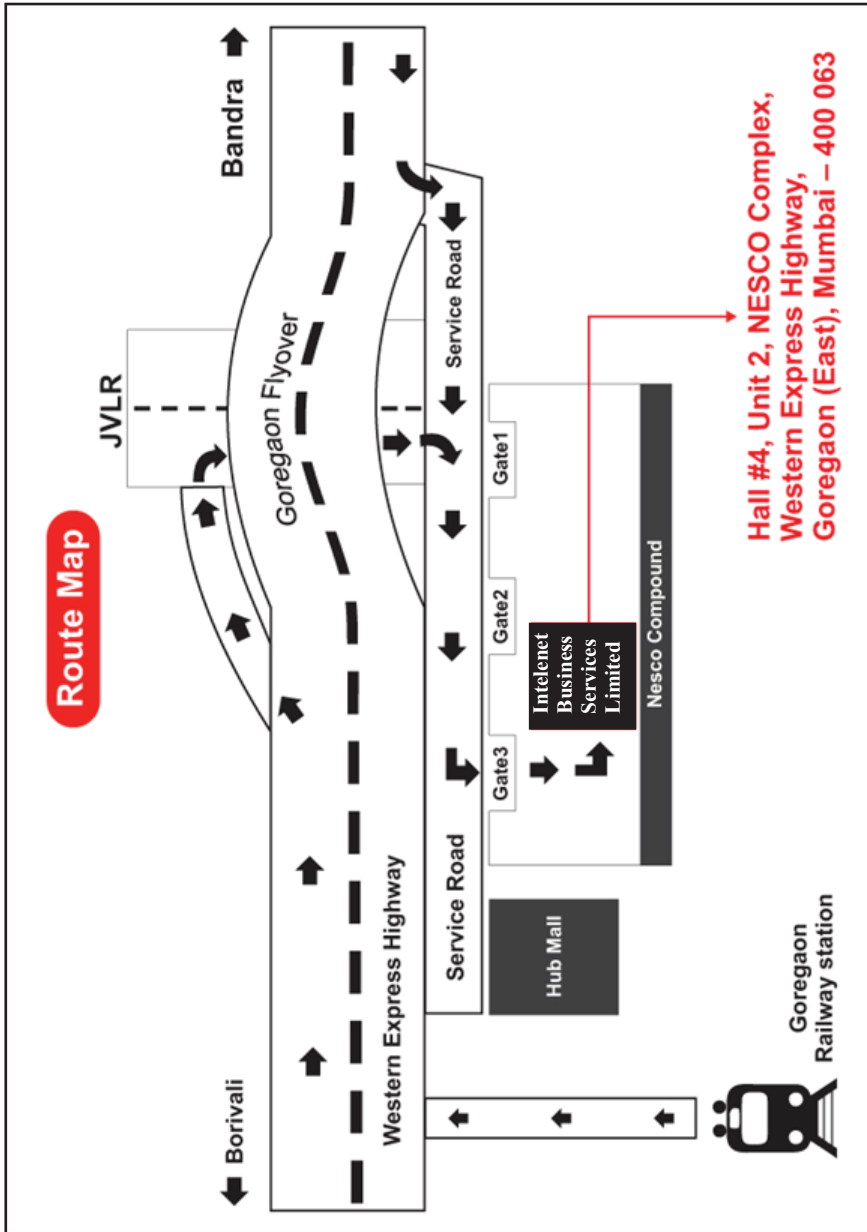
Ketan Vora
 Partner

Sachin Raje
 Director and Chief Financial Officer
 Mumbai
 Date: 27th July, 2018

Abhay Telang
 Director
 Mumbai
 Date: 27th July, 2018

Mumbai
 Date: 27th July, 2018

Vishal Chhabra
 Company Secretary
 Mumbai
 Date: 27th July, 2018



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FORM NO. MGT-11 PROXY FORM

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

CIN: U72900MH2005PLC157255

Name of the Company: Intelenet Business Services Limited

Registered Office: Intelenet Towers, Plot CST No. 1406 - A / 28, Mindspace, Malad (West), Mumbai - 400 090, India

Name of the Member(s):

Registered address:

E-mail ID:

Folio No. /Client ID: DP ID:

I/We, being the member(s) ofshares of the above named Company, hereby appoint

1	Name :	
	Address:	
	E-mail Id:	
	Signature:	
2	Name:	
	Address:	
	E-mail Id:	
	Signature:	
3	Name	
	Address:	
	E-mail Id:	
	Signature:	

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of the Company, to be held on Friday, the 28th September 2018 at 9.30 a.m. at Hall No.4, Gate No.3, NESCO Compound, Goregaon (East), Mumbai – 400 063 and at any adjournment thereof in respect of such resolutions as are indicated below

Resolution No.	Particulars
Ordinary Business	
1.	To receive, consider and adopt the audited Financial Statements comprising of the statement of Profit and Loss for the year ended March 31, 2018, the Balance Sheet as at that date and the reports of the Directors and the auditors thereon.
2.	To appoint a Director in place of Mr. Nitin Sahni, (DIN 00317173) who retires by rotation and being eligible offers himself for re-appointment.
3.	To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution: “RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby approve the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Registration Number: 101248W/W-100022), as Statutory Auditors of the Company in place of M/s. Deloitte Haskins and Sells, Baroda, Chartered Accountants (Registration Number : 117364W) , to hold office for a period of five years from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Eighteenth Annual General Meeting of the Company to be held in the year 2023 at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”
Special Business	
4.	To consider, and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution: “RESOLVED THAT Mr. Yoginder Singh (DIN 00004725) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 4th June 2018 and who holds office upto the date of the forthcoming Annual General Meeting under Section 161 of the Companies Act, 2013 (‘the Act’) and Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

	<p>RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Yoginder Singh (DIN 00004725), a Non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from 2018 to 2023.”</p>
5.	<p>To consider, and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution: “RESOLVED THAT Mr. Kirit Amlani (DIN 08149506) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 4th June 2018 and who holds office upto the date of the forthcoming Annual General Meeting under Section 161 of the Companies Act, 2013 (‘the Act’) and Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company. RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Kirit Amlani (DIN 08149506), a Non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from 2018 to 2023.”</p>
6.	<p>To consider, and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution: “RESOLVED THAT Mrs. Madhuri Singh (DIN 08153828) who was appointed as an Additional Director of the Company by the Board of Directors on 11th June 2018 and who holds office upto the date of this Annual General Meeting in accordance with the Section 161(1) of the Companies Act, 2013 (‘the Act’) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as the Director of the Company liable to retire by rotation.”</p>
7.	<p>To consider, and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution: “RESOLVED THAT pursuant to the provisions of Section 4, 13 and any other applicable provisions of the Companies Act, 2013 (‘the Act’), read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the Memorandum of Association (MOA) of the Company be and is hereby altered in the following manner: 1. The Objects clause III of the MOA be altered in the following manner: (i) The Clause III (A) and III (B) of the MOA of the Company, be and are hereby renamed as under: Clause III (A) – Main objects of the Company to be pursued by the Company on its incorporation are: Clause III (B) – Matters which are necessary for furtherance of the objects specified in Clause III (A) are: (ii) The other objects heading “(C). Other Objects” be and is hereby deleted and the sub clauses 68 to 99 will be added under matters which are necessary for furtherance of the objects specified in clause III(B). The Clause IV of the MOA be altered by substituting the existing clause IV with the following new clause IV. IV. The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them. FURTHER RESOLVED THAT any Director or Mr. Vishal Chhabra, Company Secretary of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid Resolution along with filing of necessary E-forms with the Registrar of Companies, Ministry of Corporate Affairs or other concerned regulatory authorities and to take necessary action in this regard.”</p>
8.	<p>To consider, and if thought fit to pass, with or without modifications, the following resolution as a Special Resolution: “RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 (‘the Act’) read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association placed before this meeting and initiated by the Chairman for the purpose of identification be and are hereby approved and adopted as the Articles of Association of the Company in substitution for, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company. FURTHER RESOLVED THAT any Director or Mr. Vishal Chhabra Company Secretary of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid Resolution along with filing of necessary E-forms with the Registrar of Companies, Ministry of Corporate Affairs or other concerned regulatory authorities and to take necessary action in this regard.”</p>

Signed this..... day of..... 2018

Signature of shareholder

Signature of Proxy holder(s)

<p>Please Affix Re.1/- Revenue Stamp and sign across</p>
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Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

ATTENDANCE SLIP

CIN: U72900MH2005PLC157255

Name of the Company: Intelenet Business Services Limited

Registered Office: Intelenet Towers, Plot CST No. 1406 - A / 28, Mindspace, Malad (West), Mumbai - 400090, India

Name:

Folio No./DP/Client ID: Shares:

EVEN (E-Voting Event Number)	USER ID	PASSWORD

I hereby record my presence at the Thirteenth Annual General Meeting of the Company at 9.30 a.m. on Friday, 28th September, 2018 at Hall No.4, Gate No.3, NESCO Compound, Goregaon (East), Mumbai – 400063.

(PROXY's FULL NAME IN BLOCK CAPITALS)

Member's/Proxy's Signature

Notes:

1. The Member/Proxy must bring the Attendance Slip to the Meeting duly completed and signed and hand over the same at the Counter near the Ground Floor Entrance to the Meeting Hall.
2. Please bring your copy of the enclosed Annual Report.
3. No Attendance Slip will be issued on the day of the Annual General Meeting.
4. Photocopied/torn Attendance Slip will not be accepted.
5. This Attendance Slip is valid only if Equity Shares are held on the date of the Meeting.

REGISTERED - POST

To,

If undelivered, please return to:



INTELENET BUSINESS SERVICES LIMITED

**Intelnet Towers, Plot CST No. 1406-A/28, Mindspace Malad (West),
Mumbai 400 090 Tel.: (91-22) 6677 6000; Fax: (91-22) 6677 8210;
Website: www.intelenetglobal.com**