

INTERACTIVE FINANCIAL SERVICES LIMITED

ANNUAL REPORT

2019-2020

INTERACTIVE FINANCIAL SERVICES LIMITED**CIN: L65910GJ1994PLC023393****Reg. Off:** A-1006, Premium House, Behind Handloom House, Ashram Road Ahmedabad – 380009Email ID: info@ifinservices.com Website: www.ifinservices.com**Directors and key managerial Personnel:**

| Name of Directors | Designation |
|--|--|
| Mr. Udayan Mandavia | Managing Director |
| Mr.Saurabh Gangadia | Independent Director |
| Mr. Kishor Vekariya | Independent Director |
| Ms. Sejalben Mandavia | Director |
| Key Managerial Personnel: | |
| Mrs.Shraddha Parikh (upto 31/12/2019) | Company Secretary and compliance officer |
| Mr. Hitesh Joshi | CFO |

Name of Stock Exchange:Bombay Stock exchange
Script Code: 539692
ISIN: INE064T01018**Registrar & Share Transfer Agent:**Satellite Corporate Services Pvt. Ltd.
B – 302, Sony Apartment,
Opp. St. Jude High School,
Off. AndheriKurla Road,
Jarimari, Sakinaka,
Mumbai – 400072

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Auditors:**Statutory Auditor:**M/s. KPND & Co
Chartered Accountants
044, Ground Floor, Shree naman
Plaza, Opp. Sankar lane, S.V.
Road, Kandivali, Mumbai-
400067.**Secretarial Auditor:**M/s. K.A. Shukla & Associates
Practicing Company Secretary
F-506, Titanium City Center, Nr.
SachinTower,100 ft Road, Anand
Nagar,Satellite, Ahmedabad-
380015**Bankers:**

| | | |
|--|--|--|
| Axis Bank Limited Nehrunagar Branch Abhishree Avenue Near Nehrunagar cross road Nehrunagar, Ambavadi Ahmedabad – 380 015 | Union Bank of India Ellis Bridge Branch Karaka Building No.1, Ellise Bridge, Asharam Road, Ahmedabad-380009 | Federal Bank Limited P B No. 4073, Ashram Road, NavarangpuraP.O, Ahmedabad-380009 |
|--|--|--|

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the members of **Interactive Financial Service Limited** will be held on Wednesday 30th September, 2020 at 04:00 P.M. at through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), to transact the following business:

ORDINARY BUSINESSES:

ITEM NO. 1:

To receive, consider and adopt the audited financial Statement of the company for the financial year ended on 31st March, 2020 and the reports of the Board of the Directors and Auditors thereon.

ITEM NO.2:

To appoint a Director in place of Ms. Sejalben Mandavia (DIN: 03468579), Director who retires by rotation and being eligible offers herself for re-appointment.

ITEM NO. 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, 142 and other applicable provisions if any of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s, KPND& Co., Chartered Accountants, Mumbai (having Firm's registration Number:133861W) be and is hereby appointed as Auditors of the company to hold office from the conclusion of this Annual General Meeting ("AGM") for his remaining tenure of 2(Two) Years subject to ratification of the appointment by the members at every intervening Annual General Meeting held after this Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the company and the Auditors."

"RESOLVED FURTHER THAT any of the Directors and / or Managing Director and / or Key Managerial Personnel of the Company, be and is hereby authorized to do all such act, deeds, matters and things as may be deemed necessary to give effect to the aforementioned resolution."

SPECIAL BUSINESS:

ITEM NO.4: CONSIDER THE REMUNERATION MR. UDAYAN MANDAVIA AS MANAGING DIRECTOR:

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 Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded to pay remuneration to Mr. Udayan Mandavia (DIN: 00740615) as determined by the Board of Directors in consultation with the Nomination & Remuneration Committee, which will be in accordance with the provisions of Section 197 of the Act read with Schedule V of the Act, up to Rs. 60,00,000 (Rupees. Sixty Lakhs) per Annum with effect from 1st April, 2020 and with further liberty to the Board of Directors of the Company to alter the terms and conditions of appointment and remuneration of Mr. Udayan Mandavia, from time to time in the best interests of the Company and as may be permissible by law."

"RESOLVED FURTHER THAT any of the Directors and / or Managing Director and / or Key Managerial Personnel of the Company, be and is hereby authorized to do all such act, deeds,

matters and things as may be deemed necessary to give effect to the aforementioned resolution.”

For, Interactive Financial Services Limited

Date:05/09/2020

Place:Ahmedabad

SD/-

**Mr. Udayan Mandavia
Managing Director
DIN:00740615**

Notes:

1. A Statement pursuant to Section 102 of the Companies Act, 2013, setting out all material facts relating to the relevant resolutions of this Notice is annexed herewith and the same should be taken as part of this Notice.
2. General instructions for accessing and participating in the 26th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting.

2.1. In view of the outbreak of the COVID-19 social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 26th AGM of the company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 26th AGM shall be A-1006, Premium House, Behind Handloom House, Ashram Road Ahmedabad - 380009

2.2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the company. However, in terms of the MCA Circulars, since the physical attendance of members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 26th AGM. Institutional/ Corporate Shareholders (i.e. other than individuals HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. (Refer Point No.5.1 below).

2.3. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

2.4. Since the AGM will be held through VC/ OAVM Facility, the Route Map is not annexed in this Notice.

2.5. National Securities Depositories Limited (“NSDL”) will be providing facility for voting through remote e-Voting, for participation in the 26th AGM through VC/OAVM Facility and e-Voting during the 26th AGM.

2.6. Members may join the 26th AGM through VC/ OAVM Facility by following the procedure as mentioned below which shall be kept open for the members from 03.45 a.m. IST i.e. 15 minutes before the time scheduled to start the 26th AGM and the company may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the 26th AGM.

2.7. The facility of participation at the 26th AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

2.8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

2.9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the company is providing facility of remote e-voting to its members holding shares in physical or dematerialized form, as on the cut-off date, being Friday, September 25th, 2020, to exercise their right to vote through electronic means from a place other than the venue of the Meeting on any or all of the businesses specified in the accompanying Notice (the "Remote e-voting").

3. The instructions and other information relating to e-voting are as under:

3.1. The remote e-voting period begins on Sunday, September 27, 2020 at 10:00 A.M. and ends on Tuesday, September 29, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

3.2. A person who is not a member as on the cutoff date should treat this Notice of 26th AGM for information purpose only.

4. The remote e-Voting process is explained herein below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

A. Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

A.1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile and on home page click on the icon "Login" which is available under 'Shareholders' section.

A.2. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

A.3. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

A.4. Your User ID details are as given below:

Manner of holding Shares

Your User ID is:

| | |
|--|--|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID. For example, if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

A.5. Your password details are given below:

| | |
|---|---|
| If you are already registered for e-Voting | Use your existing password to login and cast your vote. |
| If you are using NSDL e-Voting system for the first time, | Retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password. |

A.6. How to retrieve your 'initial password'?

- a. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- b. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

A.7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a. Click on "Forgot User Details/Password?"(If you are holding shares in your demat accountwith NSDL or CDSL) option available on www.evoting.nsdl.com.
- b. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c. If you are still unable to get the password by aforesaid two options, you can send a requestat evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.
- d. Members can also use the OTP (One Time Password) based login for casting the voteson the e-Voting system of NSDL.

- i. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- ii. Now, you will have to click on "Login" button.
- iii. After you click on the "Login" button, Home page of e-Voting will open.

B. Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

B.1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

B.2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

B.3. Select "EVEN" of company for which you wish to cast your vote.

B.4. Now you are ready for e-Voting as the Voting page opens.

B.5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

B.6. Upon confirmation, the message "Vote cast successfully" will be displayed.

B.7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

B.8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

5. General Guidelines for shareholders:

5.1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to Kajal@kasassociates.in with a copy marked to evoting@nsdl.co.in and compliance@ifinservices.com

5.2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

5.3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

6. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

6.1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (selfattested scanned copy of Aadhar Card) by email to compliance@ifinservices.com

6.2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to compliance@ifinservices.com

7. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

7.1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

7.2. Members are encouraged to join the Meeting through Laptops for better experience.

7.3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

7.4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

8. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

8.1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

8.2. Only those Members/ shareholders, who will be present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

8.3. Members who have casted their vote through Remote e-Voting will be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.

8.4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

9. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled, to Satellite Corporate Services Private Limited, Registrar and Transfer Agent ('R&T') of the company. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to compliance@ifinservices.com with subject line 'Inspection of AGM Documents'. The relevant documents will also be available for inspection by the members electronically during the 26th AGM on the website of the service provider <https://evoting.nsdl.com/>. Shareholder would be able to view documents under the EVEN of the Company after entering their login credentials. This notice and the Annual Report will also be available on the company's website www.ifinservices.com for download.
11. The Members, desiring any information relating to the accounts, are requested to write to the company at an early date, so as to enable the management to keep the information ready.
12. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.ifinservices.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, and on the website of Service Provider, <https://evoting.nsdl.com/>
13. In support of the Green Initiative, the Company hereby requests Members who have not updated their email IDs to update the same with their respective Depository Participant(s) or with, R&T of the Company for receiving communications from Company electronically. Further, Members holding shares in electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective Depository Participant(s). Members holding shares in physical mode are also requested to update their email addresses by writing to the R & T of the Company quoting their folio number(s).

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN and / or AADHAAR to the Company/RTA.
15. The Members who have exercised their right to vote through Remote e-voting may attend the AGM but shall not vote at the AGM. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date being Friday, September 25, 2020.
16. Your Company is pleased to provide the facility of live webcast of proceedings of AGM. Members who are entitled to participate in the AGM can view the proceeding of AGM by logging on the e-voting website of NSDL at <https://evoting.nsdl.com/> using their secure login credentials. Members are encouraged to use this facility of webcast.
17. The Board of Directors has appointed Mrs. Kajal Shukla, Proprietor of M/s K.A. Shukla & Associates, Company Secretaries as a Scrutinizer to scrutinize the voting process in a fair and transparent manner.
18. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
19. The Results on above resolutions shall be declared not later than 48 hours from the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
20. The Results of voting declared along with Scrutinizer's Report(s) will be displayed on the website of the Company (www.lfinservices.com) and on Service Provider's website (<https://evoting.nsdl.com>) and the same shall also be simultaneously communicated to the BSE Limited. The result of the e-voting will also be displayed at the Registered Office of the Company.
21. The Register of Members and Share Transfer Books of the Company will remain close from 24th September, 2020 (Thursday) to 30th September, 2020 (Monday) (both days inclusive).
22. Members are requested to notify immediately changes in their respective address, if any, to the Company's Registered Office quoting their Folio No.
23. Additional information pursuant to the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 in respect of the directors seeking appointment / re – appointment at the AGM is furnished and forms a part of the Notice. The directors have furnished the requisite consents / declarations for their appointment / re – appointment.

Details of Directors seeking appointment / re – appointment by the shareholder of the Company at the ensuing Annual General Meeting: {Regulation 36(3)}

Ordinary Business:

ITEM NO. 2

Details of directors retiring by rotation and seeking reappointment are as under:

| | |
|---|--|
| Name of Director | Ms. Sejalben Mandavia |
| DIN | 03468579 |
| Date of Birth | 18/08/1964 |
| Date of Change in Designation* | 01/10/2016 |
| Qualification | Profession |
| List of Companies in which Directorship is held | 1 |
| Chairman/Member of the Committee of other Companies | - |
| Inter- se Relationship | She is Sister of Mr. Udayan Mandavia a Managing Director of the Company. |

Note: Change in designation From Non-executive Independent Director to Non-executive Director w.e.f 01/10/2016.

Expertise in Specific Functional Area:

Ms.Sejal Mandavia has more than 25 years of experience of practicing as an advocate at the High Court of Gujarat. She has an outstanding contribution in the fields of Service Law, Company Law, and Customs & Excise Law to name a few prominent specializations. Additionally, she has been associated with any small and medium business organizations in advisory capacity in the matters related to Intellectual Property Rights and Trademarks.

**ITEM NO. 04:
TO PAY REMUNERATION TO MR. UDAYAN MANDAVIA:**

Based on the recommendation of the Nomination & Remuneration Committee, Mr. Udayan Mandavia was appointed as an Additional Director on the Board of the Company with effect from 01st October, 2016 to hold office upto the date of the Annual General Meeting. He was also appointed as the Managing Director of the Company with effect from 01st October, 2016, and the same has been considered by the members in the annual General meeting dated 27th July, 2017.

The remuneration and other terms and conditions to appoint Mr. Udayan K. Mandavia as Managing Director as set out in the resolution is subject to your approval.

None of the Directors / Key Managerial Personnel and their relatives is interested in this resolution except for Mr. Udayan Mandavia and Ms. Sejalben Mandavia, a Non - Executive Director of the Company.

This resolution as set out in item nos. 4 of this Notice is accordingly commended for your approval.

| | |
|--|--|
| Name of Director | Mr. Udayan K. Mandavia |
| DIN | 00740615 |
| Date of Birth | 11/12/1962 |
| Date of Appointment | 01/10/2016 |
| Occupation | Business |
| List of Companies (including non – public companies) in which Directorship is held | 1 |
| No. of Shares held in the Company | 11,75,000 |
| disclosure of relationships between directors | He is Brother of Ms. Sejalben Mandavia, a Non-executive Director of the Company. |

He is a serial entrepreneur and outstanding business leader with candid vision for evolving ground-up innovative technology products and solutions to solve complex business problems within the domains of US Healthcare, US Department of Defense & US Army, NASA Space Medicine, e-Government Solutions for the US and India, and Enterprise Resource Planning for the US and Indian Manufacturing.

Mr. Udayan K. Mandavia, served at Net vision Web Technologies Ltd. With over 16 years of experience as a practicing Management and Information Technology Consultant, in the United States and India, Mr. Mandavia is the visionary technocrat, leading a dedicated core team of competent professionals. He served as Director of VMFSoftech Ltd. until April 9, 2009. Mr. Mandavia, M.S. (Computer based Information Systems) from Eastern Michigan University, USA and M. Tech. from Indian Institute of Technology, Bombay.

Kick-started the business leadership and strategic management career by joining a prestigious Management Consulting organization and contributed to Company's consulting engagements in manufacturing, government, and not-for-profit lines of business.

PAYMENT OF REMUNERATION TO MR. UDAYAN MANDAVIA, MANAGING DIRECTOR.

Statement required pursuant to the provisions of Schedule V of the Companies Act, 2013 is given below:

GENERAL INFORMATION:

- 1. Nature of Industry :** Service Sector
- 2. Date or expected date of commencement of commercial production:**

Business commenced in 1994, since the Company is into service sector, hence there is no date of commercial production

3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not applicable
4. **Financial performance based on given indicators:**
The company earned total revenue of Rs. 76,45,853 during the financial year 2019-2020 as compared to Rs. 4,28,56,838 during the financial Year 2018-2019. Whereas the company has earned profit/(loss) of Rs. 13,21,418 during the financial year 2019-2020 as compared to Rs. 80,88,341 during the financial Year 2018-19.
5. **Foreign investments or collaborators, if any:** The Company has not made any foreign investments and neither entered into any foreign collaboration.

INFORMATION ABOUT MR. UDAYAN MANDAVIA:

1. **Background details :**
Mr. Udayan Mandavia was appointed as an Additional Director on the Board of the Company with effect from 01st October, 2016 to hold office upto the date of the Annual General Meeting. He was also appointed as the Managing Director of the Company with effect from 01st October, 2016 the same has been considered by the members in the annual General meeting dated 27th July, 2017.
2. **Past remuneration:**
Mr. UdayanMandavia is receiving remuneration from the company uptoRs. 60,00,000.
3. **Recognition or awards:**
Not applicable
4. **Job profile and his suitability:**
Mr. Udayan K. Mandavia, MS., served as the Managing Director of VMFSoftech Ltd. until April 9, 2009. Mr. Mandavia serves as President of Projects and Member of Business Leadership Council for Netvision Web Technologies Ltd. He served at Net vision Web Technologies Ltd. With over 13 years of experience as a practicing Management and Information Technology Consultant, in the United States and India, Mr. Mandavia is the visionary technocrat, leading a dedicated core team of competent professionals. He served as Director of VMFSoftech Ltd. until April 9, 2009. Mr. Mandavia, M.S. (Computer based Information Systems) from Eastern Michigan University, USA and M. Tech. from Indian Institute of Technology, Bombay.
5. **Remuneration proposed:**
Mr. Udayan K. Mandavia will be paid remuneration not exceeding rupees 60,00,000 (Rupees Sixty Lakhs) per annum w.e.f 01stApril, 2020.
6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is Commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses.
7. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any**

Does not have any pecuniary relationship with the Company except remuneration drawn as Managing Director

OTHER INFORMATION:

1. Reasons of inadequate profits:

The Revenue of the Company is Rs. 76,45,853 which is lower than the revenue earned in the previous year.

2. Steps taken or proposed to be taken for improvement:

The company has undertaken stringent cost actions and continues to curtail the expenses. Also, the management continues to explore avenues to increase revenues.

3. Expected increase in productivity and profits in measurable terms

The company is committed to build the business operations within the budget and considering the business operations on a going concern basis, it is believed that the financial position of the company will improve in the near future.

For, Interactive Financial Services Limited

Date: 05/09/2020

Place: Ahmedabad

SD/-

Mr. Udayan Mandavia

Managing Director

DIN:00740615

DIRECTOR'S REPORT

To,
The Members
Interactive Financial Service Limited
Ahmedabad

1. COMPANY SPECIFIC INFORMATION:

1.1 FINANCIAL RESULTS:

The Board of Directors hereby submits the report of the business and operations of your company along with the audited financial statements, for the financial year ended March 31, 2020.

| Particular | 2019-2020 | 2018-2019 |
|--|---------------|---------------|
| Revenue from Operation | 63,79,907 | 4,11,61,882 |
| Other Income | 12,65,947 | 16,94,956 |
| Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expenses | 18,48,404 | 1,07,12,360 |
| Less: Depreciation/ Amortisation/ Impairment | (29,820) | (29,820) |
| Profit/loss before Finance Costs, Exceptional items and Tax Expenses | 18,18,584 | 1,06,82,540 |
| Less: Finance Costs | (5608) | (1,24,180) |
| Profit/loss before Exceptional items and Tax Expenses | 18,12,976 | 10558360 |
| Add/Less: Exceptional items | - | - |
| Profit/loss before Tax Expenses | 18,12,976 | 1,05,58,360 |
| Less: Tax Expenses (Current & Deferred) | (4,91,558) | (24,69,719) |
| Profit/loss for the Year (1) | 13,21,418 | 80,88,641 |
| Total Comprehensive Income/Loss(2) | (1,40,08,066) | (1,71,66,149) |
| Total (1+2) | (1,26,86,648) | (90,77,508) |

1.2 REVIEW OF OPERATION:

The Total income from the operations is Rs. 76,45,853 and the expenditure incurred during the year is Rs. 58,32,878 which is lower than the previous year. Further Net profit of the company is Rs. 13,21,418 which has decrease for the company as in previous year company earned profit of Rs. 80,88,641

1.3 TRANSFER TO RESERVES:

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review, except for the Profit earned during the year which has been transferred to the Surpluses Head of the Reserves & Surpluses.

1.4 DIVIDEND:

The Board of Directors of your Company, after considering holistically the relevant circumstances and keeping in view the company's dividend distribution policy, has decided that it would be prudent, not to recommend any Dividend for the year under review.

1.5 MAJOR EVENTS OCCURRED DURING THE YEAR

a) STATE OF THE COMPANY'S AFFAIR:

Business Overview and Outlook:

Last year of operations at Interactive Financial Services Limited have been standstill and wanting for more business that can lead towards growth and expansion. Although, revenue cycle management and software implementation for the US healthcare IT companies remain reasonably remunerative domains, competition from me-too companies and bold policies of US Government protecting jobs within the country have resulted in very minimum operational expansion. The economic slow down due to global pandemic started making its impact in the last quarter too, which further affected company's operations.

State Of affairs of the Company:

Interactive Financial Services Limited is an enterprise IT solutions provider, serving customers globally with its excellence in software engineering, cloud computing, mobile and wearable, and AI powered analytics. We enable our clients to leverage IFSL's partnership as a strategic business advantage and deliver winning products and value-added services that are innovative, disruptive, and game-changers. We enable enterprises to unlock their potential and take the digital leap.

Future Outlook:

Although, year 2019-20 was a year of diminishing growth within the domain of healthcare IT and value-added services, your company has succeeded in continuing to establish itself in this globally competitive space and looks forward to your continued support to grow its base in coming years.

b) CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year there was no change in the nature of the business of the Company

c) MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

2. GENERAL INFORMATION:

Interactive Financial Services Limited (IFSL) is an enterprise IT solutions provider, serving customers globally with its excellence in software engineering. The company is basically into providing medical related software in the United States which enables the patients to connect to the medical advisory person swiftly which help them to resolve the issue and get treatment quickly.

We prefer specializing in verticals, such as healthcare; yet have been expanding our operations through horizontal outreach as well. Our commitment to delight our customers and work through long-term partnerships has enabled us to deliver the best in-class and cost effective solutions to our client.

3. CAPITAL AND DEBT STRUCTURE:

During the year under review, the company has neither issued nor bought back shares. The Capital of the company remains same as under.

| | |
|--------------------------|--|
| Authorized Share Capital | Rs.8,00,00,000 divided into 80,00,000 shares of Rs. 10 each |
| Issued Share Capital | Rs.3,01,31,000 divided into 30,13,100 shares of Rs. 10 each |
| Paid Up share Capital | Rs. 3,01,31,000 divided into 30,13,100 shares of Rs. 10 each |

The Capital of the Company consist only Equity shares and no debenture or any other debt securities issued by the company.

4. CREDIT RATING

During the year the company has not issued any securities and not raised any loan which requires credit rating, hence credit rating provisions not applicable on company and has not obtained any credit rating during the year.

5. INVESTOR EDUCATION AND PROTECTION FUND

The Company has not declared any dividend, hence not transferred any amount to Investor education and Protection Fund.

6. MANAGEMENT:

6.1 Directors and Key Managerial Personnel:

Board Composition:

The constitution of the Board (as on 31/03/2020) and the attendance of the Directors are given below:

| Name of the Directors | Category of the Director (NE/E/ID) | Designation | No. of Directorship | No. of Meetings attended | Details of committee | | Presence in previous AGM |
|-----------------------|------------------------------------|-------------------|---------------------|--------------------------|----------------------|--------|--------------------------|
| | | | | | Chairman | Member | |
| Ms. Sejalben Mandavia | Non-Executive Director | Director | 1 | 7 | 1 | 1 | Yes |
| Mr. Udayan Mandavia | Executive Director | Managing Director | 1 | 6 | - | 2 | Yes |
| Mr. Saurabh Gangadia | Independent Director | Director | 1 | 7 | 1 | 3 | Yes |
| Mr. Kishor Vekariya | Independent Director | Director | 2 | 7 | 2 | 1 | Yes |

Directors:

1. Appointments

There was no appointment of any director in the company during the year under review.

2. Change in Designation

There was no change in designation of any director during the year under review.

3. Resignation:

There was no resignation of the director from the company during the year under review.

4. Retirement

Ms. Sejalben Mandavia (DIN: 03468579), Director who retires by rotation and being eligible offers herself for re-appointment.

5. Disclosure of relationship between directors inter se:

None of the directors are being related to each other except for Ms. Sejalben Mandavia, Director of the Company, being Sister of Mr. Udayan Mandavia who is Managing Director of the Company

Key managerial person:

1. Resignation:

Ms. Shraddha Varunkumar Parikh had tendered his resignation from the post of the Company Secretary and compliance officer as on 26/12/2019 with effect from 31/12/2019 and the board has considered his resignation in the board meeting dated 30/12/2019.

6.2 Independent Director:

Disclosure for justification of appointment of ID

There was no appointment of Independent Director during the year under review.

6.3 Independent director's declaration:

The company has received necessary declarations from each Independent Director under Section 149(6) and 149(7) of the companies Act, 2013 and regulation 16(1)(b) and regulation 25(8) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, that they meet the criteria of independence laid down thereunder.

As on 31st March, 2020, half of the Board Members consist of Independent Directors on Company's Board having rich experience in their fields and they will add value to the management of the company. An enlightened Board consciously creates a culture of Board leadership to provide a long-term vision and policy thinking in order to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests.

Independent directors of the company meet 1 (One) time in the year 2019-2020 dated Monday, 17th February, 2020 without executive directors of the company.

Familiarization Programme:

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has taken necessary steps and formed the policy on the Board's Familiarization and Remuneration Policy to get the new Directors (including Non – Executive Directors and Independent Directors), Key Managerial Personnel and Senior Management familiarize, habituated and their acquaintance with the atmosphere and working of the Company. The same can be finding at the website of www.ifinservices.com

6.4 Board Meetings:

During the period under review, 7 (Seven) Board Meeting were held by the Board of Directors to transact various business items.

During the Year 2019-2020, Seven Board Meetings were held as mention below

| Sr. No | Date and Day of the Board Meeting | Sr. No | Date and Day of the Board Meeting |
|--------|---|--------|---|
| 1 | Thursday, 30 th May, 2019 | 5 | Monday, 30 th December, 2019 |
| 2 | Wednesday, 7 th August, 2019 | 6 | Friday, 14 th February, 2020 |
| 3 | Wednesday, 14 th August, 2019 | 7 | Tuesday 17 th March, 2020 |
| 4 | Thursday, 14 th November, 2019 | | |

6.5 Committees:

1. Audit Committee:

a) Brief Description

The primary object of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levers of transparency, integrity and quality of financial reporting. The committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and notes the processes and safeguards employed by each of them.

b) Constitution and Composition of Audit Committee

The Company has in accordance with the Section 177 constituted the Audit Committee. The Audit Committee constituted and re constituted from time to time to comply with statutory requirement. The Audit Committee met 5 (Five) times during the last financial year on the following dates:

| Sr. No. | Date and Day of the Meeting | Sr. No. | Date and Day of the Meeting |
|---------|--|---------|---|
| 1. | Wednesday, 29 th May, 2019 | 4. | Thursday, 13 th February, 2020 |
| 2. | Tuesday, 13 th August, 2019 | 5. | Tuesday 17 th March, 2020 |
| 3. | Wednesday, 13 th November, 2019 | | |

The constitution of the Committee (as on 31/03/2020) and the attendance of each member of the Committee are given below:

| Name of the Member | Type of Director | Category | No. of Meetings | Attendance |
|----------------------|----------------------|----------|-----------------|------------|
| Mr. Kishor Vekariya | Independent Director | Chairman | 5 | 5 |
| Mr. Udayan Mandavia | Managing Director | Member | 5 | 4 |
| Mr. Saurabh Gangadia | Independent Director | Member | 5 | 5 |

2. Nomination & Remuneration Committee

a) Constitution & Composition of Nomination & Remuneration Committee:

The Company has in accordance with the Section 178(1) constituted the Nomination & Remuneration Committee. The main function of the Nomination & Remuneration Committee is to formulation and recommendation of the policy for the appointment, removal, performance evaluation of the directors & the consideration to be paid to them and other matters as may be determined by the committee and the prevailing provisions for formulation of criteria for evaluation of Independent Directors and Board. Further to recommend/review remuneration of Directors based on their performance and carry out functions as mandated by Board from time to time.

There was no transactions during the year under the review which needs approval from the Nomination & Remuneration Committee and hence there was no meeting conducted during the financial year.

The constitution of the Committee as on 31/03/2020 is as under:

| Name of the Member | Type of Director | Category | No. of Meetings | Attendance |
|-----------------------|--------------------------|----------|-----------------|------------|
| Mr. Kishor Vekariya | Independent Director | Chairman | - | - |
| Ms. Sejalben Mandavia | Non – Executive Director | Member | - | - |
| Mr. Saurabh Gangadia | Independent Director | Member | - | - |

3. Stakeholders Relationship Committee:

The Company has formulated the Stakeholders Relationship Committee in accordance with the Section 178(5) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as entered into by the Company. The function of the Stakeholders Relationship Committee is to look into complaints if any and redress the same expeditiously. Besides, the committee approves allotment, transfer & Transmission of shares, Debentures, issue of any new certificates on split / consolidation / renewal etc. as may be referred to it. During the relevant financial year, 5 (Five) Committee Meetings were held on following dates:

| Sr. No. | Date and Day of the Meeting | Sr. No. | Date and Day of the Meeting |
|---------|--|---------|---|
| 1. | Wednesday, 29 th May, 2019 | 4. | Thursday, 13 th February, 2020 |
| 2. | Tuesday, 13 th August, 2019 | 5. | Tuesday 17 th March, 2020 |
| 3. | Wednesday, 13 th November, 2019 | | |

The constitution of the Committee as on 31/03/2020 is as under:

| Name of the Member | Type of Director | Category | No. of Meetings | Attendance |
|-----------------------|------------------------|----------|-----------------|------------|
| Ms. Sejalben Mandavia | Non-Executive Director | Chairman | 5 | 5 |
| Mr. Udayan Mandavia | Managing Director | Member | 5 | 4 |
| Mr. Saurabh Gangadia | Independent Director | Member | 5 | 5 |

Company has not received Complain from shareholders of the Company during the year of review which is yet pending. However, the Company has taken necessary reply as and when required.

The details of the Compliance Officer and the details of complaints received / solved / unsolved during the year are as follows:

Compliance Officer:

Mrs. Shraddha Parikh (Upto 31/12/2019)

Mail id: Compliance@ifinservices.com

Contact No.: 8849445077

| Compliant received during the year* | Compliant solved during the year | Compliant pending during the year* |
|-------------------------------------|----------------------------------|------------------------------------|
| 0 | 0 | 0 |

Note: The Company had not received the investor complaint.

4. Independent Directors' Meeting:

The Independent Directors of the Company met during the year on **Wednesday, 17th February, 2020** without the attendance of non – Independent Directors and members of the Board. The Independent Directors reviewed the performance of the non-independent Directors and Board as whole. the performance of the Chairman taking into account the views of executive Directors and non-executive Directors and assessed the quality, quantity and timeline of flow of information between company management and Board.

6.6 Recommendation of Audit Committee:

There are no transactions which are recommended by the audit committee and not accepted by the board of the directors of the company.

6.7 Company's Policy on Directors appointment and remuneration:

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the board, and separate its functions of governance and management. The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013 is available at registered office for review.

There has been no change in the policy since last fiscal. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company

Code of conduct:

The Company has already implemented a Code of Conduct for all Board Members and Senior Managements of the company in compliance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (earlier Listing Agreement). But, since the operations of the Company were not much, the application of the code of conduct was limited to that extent. The code of conduct of the company can be found on the website of the company at www.ifinservices.com

6.8 Board Evaluation:

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board.

The evaluation framework for assessing the performance of Directors (including Independent Directors) comprises of the following key areas:

- Attendance and participation in the Meetings and timely inputs on the minutes of the meetings.
- Adherence to ethical standards & code of conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest.
- Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings.
- Interpersonal relations with other directors and management.
- Objective evaluation of Board's performance, rendering independent, unbiased opinion.
- Understanding of the Company and the external environment in which it operates and contribution to strategic direction.
- Safeguarding interest of whistle-blowers under vigil mechanism and Safeguard of confidential information.

The evaluation involves Self-Evaluation of the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.

1. Observations of board evaluation carried out for the year:
2. Previous year's observations and actions taken.
3. Proposed actions based on current year observations

6.9 Remuneration of Directors and Employees of Listed companies:

Pursuant to the Sub – Rule (2) of the Rule 5 of the Companies (Appointment & Remuneration or Managerial Personnel) Rules, 2014 and Amendment rules, 2016, read with Section 197 of the Act, no employees was in receipt of the remuneration in aggregate to Rs. One crore Two Lakhs per annum or Rs. Eight Lakh Fifty Thousand per month or at a rate in excess of that drawn by the Managing Director / Whole – time director of Manager and holds himself or along with his spouse & dependent children, no less than two percent of the equity shares of the Company. Further, the information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company will be provided upon request.

In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

As per the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of the ratio of the remuneration of each director to the median employee's remuneration are described in the "Annexure – I" to this report.

Further, in pursuance to the Rule 5(2) of the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014, the details of the employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year, which, in the aggregate, or as the case may be, at a rate which in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Directors or Manager and holds by himself or along with his spouse and dependent children, not less than two per cent of the equity shares of the company, is not being feasible for the company.

6.10 Remuneration received by Managing Director/ Whole time Director from holding or subsidiary company:

There is no such amount received by the Managing Director/ Whole time Director As the company does not have any holding company or subsidiary company.

6.11 Director's responsibility statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their Knowledge and ability confirm and state that –

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- II. The Directors had selected such accounting policies and applied them consistently and made judgments and Estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the company for that period;
- III. 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;
- IV. The Directors had prepared the annual accounts on a 'going concern' basis;
- V. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- VI. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6.12 Internal Financial Controls:

The Company has an adequate system of internal control procedures which is commensurate with the size and nature of business. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors. The observations and comments of the Audit Committee are also generally placed before the Board. Some key features of the company's internal controls systems have been provided in the Management discussion and Analysis Report as Annexure – V, which being annexed to this report.

6.13 Frauds reported by the Auditor:

In pursuance to the Section 134(3)(ca) of the Companies Act, 2013 ("the Act"), there has been no reported frauds being detected by the Auditor of the Company in accordance with the Section 143(12) of the Act.

7. DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

The Company does not have any Subsidiary, Associates Company or Joint Venture.

8. DETAILS OF DEPOSITS:

The Company has not invited or accepted deposit within the meaning of section 73 of the act read with rules made there under, from the public neither does have any unpaid or unclaimed deposits along with interest during the year. Further, the company has not made any default in repayment of deposits or payment of interest thereon, as no deposits have been invited or accepted by the Company during the year. Furthermore, there are no such deposits which are not in compliance with the requirements of Chapter V of the Act.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Details of loan, guarantees or investment as per section 186 of the act are provided in the notes to the financial Statement. Further the company has made following investments during the year compare to the last year.

| Particulars | 2019-2020 | 2018-2019 |
|---|--------------------|--------------------|
| Investment in Equity Instrument of Other Listed Companies | 1,98,10,763 | 3,49,46,659 |
| Investment in Mutual Funds | 45,42,692 | 61,58,633 |
| Total | 2,43,53,454 | 4,11,05,292 |

10. CONTRACT OR ARRANGEMENT WITH RELATED PARTIES:

Particulars of contracts or arrangements with related Parties referred to in Section 188(1) of the Companies, 2013 in the prescribed form AOC-2 is appended as “Annexure-II” of the Board’s report.

11. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

Your company is not falling under the criteria mention as per Section 135 (1) of the Companies Act, 2013 and the companies (Corporate Social Responsibilities) Rules, 2014. Hence, the company has not developed and implemented any corporate Social Responsibilities initiatives.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Conservation of Energy and Technology Absorption:

During the year under review, there are no manufacturing activities undertaken by the company. However, the company has made necessary endeavor to conserve the non-renewable resources and Energy and has taken utmost care to use the latest technology to conserve the energy

Foreign Exchange Earnings : 41,16,907(Previous Year:4,11,61,882 /-)

Foreign Exchange Expenditure: NIL (Previous Year: NIL/-)

13. RISK MANAGEMENT:

Considering the present condition of the company the company has formulated the risk management policy. The board is being regularly provided with information which may have potential threat of risk as and when required. The detailed policy can be find out at the website of the company www.ifinservices.com

14. DETAILS OF WHISTLE BLOWER POLICY & VIGIL MECHANISM:

The Company has established a “Whistle Blower and Vigil Mechanism Policy” for Directors and employees to report the genuine concerns as per the provisions of Section 177 (9) of the Companies Act, 2013. However the Section is not applicable to the Company but the company has formed the policy as a part of good governance.

15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORY:

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 of the company to which the financial statements relate and the date of the report.

16. AUDIT REPORTS AND AUDITORS:

Internal Auditor:

In pursuance to the provisions of Section 138 of the Companies Act, 2013, your Company has appointed Akshat S Shah, Chartered Accountants, to conduct internal audit of the Company.

Statutory Auditor:

The statutory auditor of the company M/s KPND, Chartered Accountants, Mumbai (having Firm's registration Number:133861W) who was appointed as the auditors of the Company, to hold office for a term of 5 years with effect from 1st April, 2017 to 31st March, 2022 subject to ratification of the appointment by the members at every intervening Annual General Meeting held after this Annual General Meeting.

The observations and comments, if any, marked in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

Secretarial Auditor:

Mrs. Kajal Ankit Shukla, Proprietor of M/s. K. A Shukla & Associates, Practicing Company Secretaries, has been appointed for the purpose of conducting Secretarial Audit of the Company. The Secretarial Audit Report is appended to this report as "**Annexure IV**".

As company have claimed exemption under the regulation 15 of SEBI Listing Obligation (Disclosure & Requirements) Regulations, 2015, for Corporate Governance the provisions of Annalsecretarialcompliance report as per circular dated 08th February, 2019 is not applicable on the Company.

Cost Audit Report:

As per section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Company is in Business related to software development, and the Companies (Cost Records and Audit) Amendment Rules, 2014 (the Rules) are applicable to the Company but company does not fall under the criteria mentioned in the Rules.

17. SECRETARIAL AUDIT REPORT:

The Secretarial Audit Report is appended to this report as "**Annexure IV**"

18. EXPLANATIONS IN RESPONSE TO AUDITORS QUALIFICATIONS:

Explanation to the observations given in the Secretarial Audit report:

1. In respect to the qualification given by the secretarial Auditor in the report with regards to point (i) the company has already given letters to all the physical shareholders through the RTA of the company to update their KYC and also requested to all the physical shareholders to dematerialized their shares.
2. In respect to the observation made by the secretarial Auditor in the report with regards to point (i) the company had already started process for change of name but due unavailability of proper name the company could not take further steps for change of name. The Management will take necessary steps as soon as possible to comply with the regulation.
3. In respect to the observation made by the secretarial Auditor in the report with regards to point (ii) the previous company secretary and compliance officer had tendered her resignation w.e.f 31/12/2019 and management is searching for the suitable candidate for the same post. As in the pandemic situation and lockdown period, it is difficult to recruit new person as already offices are running at half

capacity and work from home is going on. As soon as offices will be working smoothly, will appoint the suitable candidate.

19. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Directors state that applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively have been duly followed by the Company.

20. EXTRACT OF THE ANNUAL RETURN:

The Extract of Annual Return in Form MGT-9 as provided under Section 92 (3) of the Companies Act, 2013 is annexed herewith as "Annexure -III"

21. CORPORATE GOVERNANCE REPORT:

As per the criteria mention in the regulation 15 of SEBI Listing Obligation (Disclosure & Requirements) Regulations, 2015, company is not falling under the same and the company has claimed exemption from Stock Exchange. Hence company has not submitted corporate governance report with the stock exchange for the period under review. The company has claimed exemption under regulation 15(2) of SEBI Listing Obligation (Disclosure & Requirements) Regulations, 2015 vide letter dated 7th May, 2020 to the Bombay Stock Exchange.

22. MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The Management Discussion and Analysis Report as per the Regulation 34 of the SEBI Listing Obligation (Disclosure & Requirements) Regulations, 2015 is part of the Annual Report as "Annexure-V".

23. ANNUAL SECRETARIAL COMPLIANCE REPORT:

As per the clarification issued by the Bombay stock Exchange dated 9th May, 2019 the company need not to comply with the submission of Annual Secretarial Compliance report as does not falling under the criteria mentioned under regulation 15 of SEBI Listing Obligation (Disclosure & Requirements) Regulations, 2015. The company has claimed exemption under regulation 15(2) of SEBI Listing Obligation (Disclosure & Requirements) Regulations, 2015 vide letter dated 7th May, 2020 to the Bombay Stock Exchange.

24. EQUAL OPPORTUNITY EMPLOYER:

The Company has always provided a congenial atmosphere for work to all employees that are free from discrimination and harassment including sexual harassment. It has provided equal opportunities of employment to all without regard to their caste, religion, color, marital status and sex. The Company has also framed a Policy on "Prevention of Sexual Harassment" at the workplace. There were no cases reported under the said Policy during the year.

25. APPRECIATION:

Your Directors place on record their appreciation and gratitude for the excellent support the Company has received from its workers, employees, customers, vendors and shareholders. They also express their sincere thanks to the Bankers and various State Governments for the valuable support extended to the Company.

26. LISTING AT STOCK EXCHANGES:

The Equity shares of your company are listed on BSE (Bombay Stock Exchange). The Listing fees for the Year 2019-2020 have been paid to the Stock Exchanges.

28. DISCLOSURE OF TRANSACTIONS OF COMPANY WITH PROMOTER/ PROMOTER GROUP:

| Sr. no. | Name of Promoter | Nature of Transaction | Amount |
|---------|-------------------|-----------------------|----------|
| 1. | Mr. Udyan Mandvia | Remuneration | 1,32,900 |
| 2. | Mr. Hitesh Joshi | Salary | NIL |

27. DISCLOSURE OF DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

With the advent of the new Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entities are required to make disclosure in the Annual Report about the details of share in DematSuspence Account / Unclaimed Suspence Account. The details of the same is mentioned below:

| | |
|--|----------------|
| Aggregate number of shareholders and the outstanding shares in the Suspence Account lying at the beginning of the year | NIL |
| Number of shareholders who approached listed entity for transfer of shares from suspence account during the year | NIL |
| Number of shareholders to whom shares were transferred from suspence account during the year | Nil |
| Aggregate number of shareholders and the outstanding shares in the suspence account lying at the end of the year | Nil |
| The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares | Not Applicable |

For, Interactive Financial Services Limited

Date: 05/09/2020

Place: Ahmedabad

SD/-
Mr. Udayan Mandavia
Managing Director
DIN:00740615

SD/-
Mr. Kishor Vekariya
Director
DIN:07622663

ANNEXURE – I

INFORMATION ON THE RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEES REMUNERATION

PARTICULARS OF EMPLOYEES

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

| Name of the Directors | Category | Ratio |
|------------------------------|------------------------------------|--------------|
| Mr. Udayan Mandavia | Managing Director | 1.45 |
| Ms. Sejalben Mandavia | Non-Executive Director | NIL |
| Mr. Kishor Vekariya | Non-executive Independent Director | NIL |
| Mr. Saurabh Gangadia | Non-executive Independent Director | NIL |

None of the directors are being paid the sitting fees.

- b. The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

| Name of the Directors & KMP | % Increase |
|--|-------------------|
| Mr. Udayan Mandavia – Director & MD | -91.66 |
| Mr. Kishor Vekariya – NE- Independent Director | NIL |
| Mr. Saurabh Gangadia – NE - Independent Director | NIL |
| Mr. Sejalben Mandavia – NE-Director | NIL |
| Mr. Hitesh Joshi – CFO | -100 |
| *Mrs. ShraddhaVarunkumar Parikh– CS | -59.16 |

* Resigned on 31/12/2019 hence percentage increase/decrease calculated accordingly.

- c. The percentage increase in the median of employees in the financial year: -41.25%
- d. The number of permanent employees on the rolls of the Company:7
- e. Average percentile increase already made in the salaries of the employee other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

| Average % increase in Remuneration of Employees | % increase in the Managerial Personnel |
|--|---|
| -90.65% | -95.21% |

- f. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For, Interactive Financial Services Limited

Date: 05/09/2020

Place:Ahmedabad

SD/-
Mr. Udayan Mandavia
Managing Director
DIN:00740615

SD/-
Mr. Kishor Vekariya
Director
DIN:07622663

Form No. AOC-2

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

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

| 1. Details of contracts or arrangements or transactions not at arm's length basis: | |
|--|-----|
| a) Name(s) of the related party and nature of relationship | N.A |
| b) Nature of contracts/ Arrangements/transactions | N.A |
| c) Duration of the contracts /Arrangements / transactions | N.A |
| d) Salient terms of the contracts or arrangements or transactions including the value, if any | N.A |
| e) Justification for entering into such Contractor arrangements or Transactions | N.A |
| f) Date(s) of approval by the Board | N.A |
| g) Amount paid as advances, if any | N.A |
| h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | N.A |

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

| | | |
|---|---|--|
| a) Name(s) of the related party and nature of relationship | Information Technology Consultants- Enterprises on which having Significant influence | Medical Communication System INC- Associate Enterprise |
| b) Nature of contracts/ Arrangements/transactions | Availing and Rendering of Services | Sales |
| c) Duration of the contracts /Arrangements / transactions | N.A | N.A |
| d) Salient terms of the contracts or arrangements or transactions including the value, if any | N.A | N.A |
| e) Date(s) of approval by the Board | 14/08/2018 | 30/06/2017 |
| f) Amount paid as advances, if any | N.A | N.A |

For, Interactive Financial Services Limited

Date: 05/09/2020

Place: Ahmedabad

**SD/-
Mr. Udayan Mandavia
Managing Director
DIN:00740615**

**SD/-
Mr. Kishor Vekariya
Director
DIN:07622663**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2020
OF
INTERACTIVE FINANCIAL SERVICES LIMITED
 [Pursuant to Section 92(3) of the Companies Act, 2013 &
 Rule 12(1) of the Companies (Mgt. and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | CIN: | L65910GJ1994PLC023393 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------|---|---|--|---------|---------------------|------|----|---------------|-------|----|--------------------|--|----|-------------------------------|--|----|------|--|----|-------------------|--|----|-------------------|---|----|-------------------|--|----|------------------------------|--|-----|----------------------------------|--|-----|---------------------------------|--|
| i) | Foreign Company Registration Number/GLN | Not Applicable | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ii) | Registration Date [DD/MM/YY] | 24/10/1994 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| iii) | Name of the Company | INTERACTIVE FINANCIAL SERVICES LIMITED | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| iv) | Category of the Company [Pl. tick] | <input checked="" type="checkbox"/> Public Company <input type="checkbox"/> Private Company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Sub Category of the Company [Please tick whichever are applicable] | <table border="1"> <tr><td>1.</td><td>Government Company</td><td></td></tr> <tr><td>2.</td><td>Small Company</td><td></td></tr> <tr><td>3.</td><td>One Person Company</td><td></td></tr> <tr><td>4.</td><td>Subsidiary of Foreign Company</td><td></td></tr> <tr><td>5.</td><td>NBFC</td><td></td></tr> <tr><td>6.</td><td>Guarantee Company</td><td></td></tr> <tr><td>7.</td><td>Limited by shares</td><td style="text-align: center;">✓</td></tr> <tr><td>8.</td><td>Unlimited Company</td><td></td></tr> <tr><td>9.</td><td>Company having share capital</td><td></td></tr> <tr><td>10.</td><td>Company not having share capital</td><td></td></tr> <tr><td>11.</td><td>Company Registered under Sec. 8</td><td></td></tr> </table> | | 1. | Government Company | | 2. | Small Company | | 3. | One Person Company | | 4. | Subsidiary of Foreign Company | | 5. | NBFC | | 6. | Guarantee Company | | 7. | Limited by shares | ✓ | 8. | Unlimited Company | | 9. | Company having share capital | | 10. | Company not having share capital | | 11. | Company Registered under Sec. 8 | |
| 1. | Government Company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | Small Company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | One Person Company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Subsidiary of Foreign Company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | NBFC | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | Guarantee Company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. | Limited by shares | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. | Unlimited Company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9. | Company having share capital | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10. | Company not having share capital | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11. | Company Registered under Sec. 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| V) | NAME AND REGISTERED OFFICE ADDRESS OF COMPANY AND CONTACT DETAILS: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Address | A-1006, Premium House, Behind Handloom House, Ashram Road. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Town / City | Ahmedabad | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | State | Gujarat | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Pin Code: | 380 009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Country Name : | India | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Country Code | 91 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Telephone (With STD Area Code no) | +91-79-26581240 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Fax Number : | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Email Address | info@ifinservices.com | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Website | www.ifinservices.com | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Name of the Police Station having jurisdiction where the registered office is situated | Navrangpura Police Station | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Address for correspondence, if different from address of registered office: | N.A. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| vi) | Whether shares listed on recognized Stock Exchange(s) If yes, details of stock exchanges where shares are listed | Yes <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Stock Exchange Name</th> <th>Code</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>BSE Limited</td> <td>53969</td> </tr> </tbody> </table> | | Sr. No. | Stock Exchange Name | Code | 1. | BSE Limited | 53969 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sr. No. | Stock Exchange Name | Code | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | BSE Limited | 53969 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Vii) | Name and Address of Registrar & Transfer Agents (RTA):- Full address and contact details to be given. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | |
|---------------------------------------|--|
| Registrar & Transfer Agents (RTA):- | Satellite Corporate Services Pvt Ltd. |
| Address | Office no.106 & 107, Dattani Plaza, East West Compound, AndheriKurla Road, Sakinaka- Mumbai-400072. |
| | Jariman, Sakinaka |
| Town / City | Mumbai |
| State | Maharashtra |
| Pin Code: | 400072 |
| Telephone (With STD Area Code No.) | 022-28520461-62 |
| Fax Number : | 022-28511809 |
| Email-id | service@satellitecorporate.com |

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

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the Company |
|---------|---|---------------------------------|------------------------------------|
| 1 | Providing high end of software implementation and revenue cycle enhancement consulting services | 62099 | 100% |

III.PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| SR. NO. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY / ASSOCIATE |
|---------|---------------------------------|---------|---------------------------------|
| 1 | - | - | - |

IV.SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

i) **Category-wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year[As on 01-04-2019] | | | | No. of Shares held at the end of the year [As on 31-March-2020] | | | | % Change during the year |
|--------------------------|---|----------|----------------|-------------------|---|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter' s | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 1359050 | - | 1359050 | 45.10 | 1359050 | - | 1359050 | 45.10 | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub-total(A)(1):- | 1359050 | | 1359050 | 45.10 | 1359050 | - | 1359050 | 45.10 | - |
| (2) Foreign | | | | | | | | | |
| (a) NRIs- Individuals | - | - | - | - | - | - | - | - | - |
| (b) Other- Individuals | - | - | - | - | - | - | - | - | - |
| (c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| (d)Banks FI | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|--|----------------|---------------|------------------|--------------|----------------|---------------|----------------|--------------|---------------|
| (e) Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-total(A)(2):- | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter(A)= (A)(1)+(A)(2) | 1359050 | - | 1359050 | 45.10 | 1359050 | - | 1359050 | 45.10 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | - | - | - | - | - | - | - | - | - |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify)(Trusts) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | - | - | - | - | - | - | - | - | - |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| | 25283 | 65700 | 90983 | 3.02 | 3760 | 65,700 | 69460 | 2.31 | - 0.7 1 |
| i) Indian | | | | | | | | | |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital uptoRs. 1 Lakh | 267591 | 798010 | 1065601 | 35.37 | 214839 | 694010 | 908849 | 30.16 | - 5.2 0 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh | 469106 | 21200 | 490306 | 16.27 | 587140 | 76700 | 663840 | 22.30 | 5.7 6 |
| C) others (Specify) | | | | | | | | | |
| i) Non Resident Indians (Non - Repat) | 0 | 5000 | 5000 | 0.17 | 11500 | 0 | 11500 | 0.38 | 0.2 2 |
| ii) HUF | 501 | - | 501 | 0.02 | 401 | 0 | 401 | 0.01 | 0.0 0 |
| iii) Clearing member | 1659 | - | 1659 | 0.06 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(2):- | 764140 | 889910 | 1654050 | 54.90 | 817640 | 837640 | 1654050 | 54.90 | 0 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 764140 | 889910 | 16,54,050 | 54.90 | 817640 | 837640 | 1654050 | 54.90 | 0 |

| | | | | | | | | | |
|--|----------------|---------------|----------------|------------|----------------|---------------|----------------|------------|----------|
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 2123190 | 889910 | 3013100 | 100 | 2176690 | 836410 | 3013100 | 100 | 0 |

ii) **Shareholding of Promoter:**

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---------|---------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Mr.Kedar Mehta | 147350 | 4.89 | - | 147350 | 4.89 | - | 0 |
| 2 | Mr.Hitesh Joshi | 36700 | 1.22 | - | 36700 | 1.22 | - | 0 |
| 3 | Mr. Udayan Mandavia | 1175000 | 39.00 | - | 1175000 | 39.00 | - | 0 |

iii) Change in Promoters' Shareholding (including Promoter Group): No Change during the year

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

1. **Dimple Pandey:**

| Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------------------------|---|-------------------|---|-------------------|
| | No. of Shares | % of total shares | No. of Shares | % of total shares |
| 01/04/2019 | 3,65,350 | 12.13 | 3,65,350 | 12.13 |
| No Change During the Year | | | | |
| 31/03/2020 | 3,65,350 | 12.13 | 3,65,350 | 12.13 |

2. **Harsiddh Equity & Stock Limited:**

| Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------------------------|---|-------------------|---|-------------------|
| | No. of Shares | % of total shares | No. of Shares | % of total shares |
| 01/04/2019 | 50,000 | 1.66 | 50,000 | 1.66 |
| No Change During the Year | - | - | - | - |
| 31/03/2020 | 50,000 | 1.66 | 50,000 | 1.66 |

3. **Bosco Armando Menezes:**

| Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------------------|---|-------------------|---|-------------------|
| | No. of Shares | % of total shares | No. of Shares | % of total shares |
| 01/04/2019 | 36000 | 1.19 | 36000 | 1.19 |
| Purchase of Shares | 15000 | 0.50 | 51000 | 1.69 |
| 31/03/2020 | 51000 | 1.69 | 51000 | 1.69 |

4. Anand Mohan

| Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------------------------|---|-------------------|---|-------------------|
| | No. of Shares | % of total shares | No. of Shares | % of total shares |
| 01/04/2019 | 25356 | 0.84 | 25356 | 0.84 |
| No Change During the Year | - | - | - | - |
| 31/03/2020 | 25356 | 0.84 | 25356 | 0.84 |

5. Shripal Shah

| Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------------------------|---|-------------------|---|-------------------|
| | No. of Shares | % of total shares | No. of Shares | % of total shares |
| 01/04/2019 | 21,200 | 0.70 | 21,200 | 0.70 |
| No Change During the Year | - | - | - | - |
| 31/03/2020 | 21,200 | 0.70 | 21,200 | 0.70 |

6 .Arnaz Keki Bharucha:

| Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------------------------|---|-------------------|---|-------------------|
| | No. of Shares | % of total shares | No. of Shares | % of total shares |
| 01/04/2019 | 21,200 | 0.70 | 21,200 | 0.70 |
| No Change During the Year | - | - | - | - |
| 31/03/2020 | 21,200 | 0.70 | 21,200 | 0.70 |

7 .Vipul Patel

| Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------------------------|---|-------------------|---|-------------------|
| | No. of Shares | % of total shares | No. of Shares | % of total shares |
| 01/04/2019 | 21,200 | 0.70 | 21,200 | 21,200 |
| No Change During the Year | - | - | - | - |
| 31/03/2020 | 21,200 | 0.70 | 21,200 | 0.70 |

8. Bhavna N Patel:

| Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------------------------|---|-------------------|---|-------------------|
| | No. of Shares | % of total shares | No. of Shares | % of total shares |
| 01/04/2019 | 20,000 | 0.66 | 20,000 | 0.66 |
| No Change During the Year | - | - | - | - |
| 31/03/2020 | 20,000 | 0.66 | 20,000 | 0.66 |

9 .Shaikh MohdadilVahid:

| Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------------------|---|-------------------|---|-------------------|
| | No. of Shares | % of total shares | No. of Shares | % of total shares |
| 01/04/2019 | 19,300 | 0.64 | 19,300 | 0.64 |
| Sale During the Year | 19,300 | 0.64 | - | -0.64 |
| 31/03/2020 | - | - | - | - |

10. Jay Vora

| Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------------------------|---|-------------------|---|-------------------|
| | No. of Shares | % of total shares | No. of Shares | % of total shares |
| 01/04/2019 | 18,400 | 0.61 | 18,400 | 0.61 |
| No Change During the Year | - | - | - | - |
| 31/03/2020 | 18,400 | 0.61 | 18,400 | 0.61 |

v) Shareholding of Directors and Key Managerial Personnel:**1. Mr.Udayan Mandavia: Managing Director**

| Particulars | Shareholding at the at the Time of Appointment of the year | | Cumulative Shareholding during the Year | |
|----------------------------|--|-------------------|---|-------------------|
| | No. of shares | % of total Shares | No. of shares | % of total Shares |
| 01/04/2019 | 11,75,000 | 39.00 | 11,75,000 | 39.00 |
| No Changes During the Year | - | - | - | - |
| 31/03/2020 | 11,75,000 | 39.00 | 11,75,000 | 39.00 |

2. Mr.Kishor Vekariya: Independent Director

| Particulars | Shareholding at the at the Time of Appointment of the year | | Cumulative Shareholding during the Year | |
|----------------------------|--|-------------------|---|-------------------|
| | No. of shares | % of total Shares | No. of shares | % of total Shares |
| 01/04/2019 | - | - | - | - |
| No Changes During the Year | - | - | - | - |
| 31/03/2020 | - | - | - | - |

3. Mr.Hitesh Joshi: CFO

| Particulars | Shareholding at the at the Time of Appointment of the year | | Cumulative Shareholding during the Year | |
|----------------------------|--|-------------------|---|-------------------|
| | No. of shares | % of total Shares | No. of shares | % of total Shares |
| 01/04/2019 | 36,700 | 1.22 | 36,700 | 1.22 |
| No Changes During the Year | | | | |
| 31/03/2020 | 36,700 | 1.22 | 36,700 | 1.22 |

4. Mr.Saurabh Gangadia: Independent Director

| Particulars | Shareholding at the at the Time of Appointment of the year | | Cumulative Shareholding during the Year | |
|----------------------------|--|-------------------|---|-------------------|
| | No. of shares | % of total Shares | No. of shares | % of total Shares |
| 01/04/2019 | - | - | - | - |
| No Changes During the Year | - | - | - | - |
| 31/03/2020 | - | - | - | - |

5. Ms. Sejalben Mandavia: Non-ExecutiveDirector

| Particulars | Shareholding at the at the Time of Appointment of the year | | Cumulative Shareholding during the Year | |
|----------------------------|--|-------------------|---|-------------------|
| | No. of shares | % of total Shares | No. of shares | % of total Shares |
| 01/04/2019 | - | - | - | - |
| No Changes During the Year | - | - | - | - |
| 31/03/2020 | - | - | - | - |

6.:Mrs. ShraddhaVarunkumar Parikh: Company Secretary& Compliance officer (upto 31/12/2019)

| Particulars | Shareholding at the at the Time of Appointment of the year | | Cumulative Shareholding during the Year | |
|----------------------------|--|-------------------|---|-------------------|
| | No. of shares | % of total Shares | No. of shares | % of total Shares |
| 01/04/2019 | - | - | - | - |
| No Changes During the Year | - | - | - | - |
| 31/03/2020 | - | - | - | - |

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment:

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount Rs.)

| SN. | Particulars of Remuneration | UdayanMandavia-Chairman cum Managing Director | Total Amount |
|-----|---|---|--------------|
| 1 | Gross salary | 1,32,900 | 1,32,900 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission - as % of profit - others, specify... | - | - |

| | | | |
|---|------------------------|---|----------|
| 5 | Others, please specify | | |
| | Total (A) | 1,32,900 | 1,32,900 |
| | Ceiling as per the Act | As Per Schedule V of the Companies Act, 2013. | |

A. Remuneration to other directors:

| SN | Particulars of Remuneration | Mr.Kishor Vekariya | Mr.Saurabh Gangadia | Ms.Sejalben Mandavia | Total |
|----|--|--------------------|---------------------|----------------------|-------|
| 1 | Independent Directors | - | - | - | - |
| | Fee for attending board meeting | | | | |
| | committee meetings | | | | |
| | Commission | Nil | Nil | Nil | Nil |
| | Others, please specify | | | | |
| | Total (1) | | | | |
| 2 | Other Non-Executive Directors | | | | |
| | Fee for attending board committee meetings | | | | |
| | Commission | Nil | Nil | Nil | Nil |
| | Others, please specify | | | | |
| | Total (2) | Nil | Nil | Nil | Nil |
| | Total (B)=(1+2) | | | | |
| | Total Remuneration | Nil | | Nil | Nil |
| | Overall Ceiling as per the Act | | | | |

C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD:

| SN | Particulars of Remuneration | Mrs.Shraddha Parikh - CS & Compliance officer (upto 31/12/2019) | Mr. Hitesh Joshi - CFO | Total |
|----|---|---|------------------------|---------------|
| 1 | Gross salary | 99,754 | Nil | 99,754 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil | Nil |
| | (c) Profits in lieu of salary under section 17(3) 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 | | | |
| | others, (Professional Tax) | Nil | Nil | Nil |
| 5 | Others, please specify (provident Fund) | 8064 | Nil | 8064 |
| | Total | 91,690 | Nil | 91,690 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and behalf of the Board of the Director,

Date: 05/09/2020

Place: Ahmedabad

SD/-
Mr. Udayan Mandavia
Managing Director
DIN:00740615

SD/-
Mr. Kishor Vekariya
Director
DIN:07622663

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED on 31/03/2020

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

To,
The Members,
Interactive Financial Services Limited
Ahmedabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Interactive Financial Services Limited** (hereinafter referred as the “Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the **Interactive Financial Services Limited** books, papers, minute books, forms and return filed and other records maintained by the Company and also the information provided by the Company, its Officers, agents and authorized representatives during the conduct of secretarial audit, during the lockdown situation across the country due to pandemic of COVID 19, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2020 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:

I have examined the books, papers, minutes’ books, forms and returns filed and other records maintained by **Interactive Financial Services Limited** for the financial year ending on 31/03/2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **THERE ARE NO EVENTS OCCURRED DURING THE PERIOD WHICH ATTRACTS PROVISIONS OF THESE REGULATIONS,NOT APPLICABLE TO THE COMPANY DURING THE AUDIT PERIOD**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;;- **THERE ARE NO EVENTS OCCURRED DURING THE PERIOD WHICH ATTRACTS PROVISIONS OF THESE REGULATIONS,NOT APPLICABLE TO THE COMPANY DURING THE AUDIT PERIOD**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;;**THERE ARE NO EVENTS OCCURRED DURING THE PERIOD WHICH ATTRACTS PROVISIONS OF THESE REGULATIONS,NOT APPLICABLE TO THE COMPANY DURING THE AUDIT PERIOD**

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **THERE ARE NO EVENTS OCCURRED DURING THE PERIOD WHICH ATTRACTS PROVISIONS OF THESE REGULATIONS, NOT APPLICABLE TO THE COMPANY DURING THE AUDIT PERIOD**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **THERE ARE NO EVENTS OCCURRED DURING THE PERIOD WHICH ATTRACTS PROVISIONS OF THESE REGULATIONS, NOT APPLICABLE TO THE COMPANY DURING THE AUDIT PERIOD**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **THERE ARE NO EVENTS OCCURRED DURING THE PERIOD WHICH ATTRACTS PROVISIONS OF THESE REGULATIONS, NOT APPLICABLE TO THE COMPANY DURING THE AUDIT PERIOD**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **THERE ARE NO EVENTS OCCURRED DURING THE PERIOD WHICH ATTRACTS PROVISIONS OF THESE REGULATIONS, NOT APPLICABLE TO THE COMPANY DURING THE AUDIT PERIOD**

vi. Specific Laws applicable as mentioned hereunder:

- (a) The Information Technology Act, 2000

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI);
- b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. Mentioned above subject to the following compliances:

- 1) *In pursuance to the Regulation 31(2) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with the SEBI Circular CIR/CFD/CMD/13/2015 dated November 30, 2015, 50% of the non – promoter shareholding, are not being held in dematerialized form.*

Further, we want to draw attention on the following observation:

1. *As per Regulation 45 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company being listed entity yet not changed its name which reflects its business activities, within a period of six months from the change of activities in compliance of provisions as applicable to change of name prescribed under companies Act, 2013.*
2. *As per section 203 of the companies Act, 2013 and Regulation 6 (1) of SEBI (Listing Obligation and Disclosure Requirements) regulations, company does not have any company secretary and compliance officer in the company as on 31/03/2020.*

I further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by the designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors. The

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

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 on shorter notice after following the necessary compliance of Sec 173 of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

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 guideline.

Date:02/09/2020
Place: Ahmedabad

K. A Shukla and Associates
Practicing Company Secretary

SD/-
Mrs. Kajal Shukla
FCS No.: 8042
CP No.: 8267
UDIN F008042B000649705

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

Annexure-A of the Secretarial Audit Report

To,
The Members,
Interactive Financial Services Limited
Ahmedabad

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records and devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively is the responsibility of 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 basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. My audit was based on examination, in physical or electronic form, as feasible under the prevailing circumstances, of books and records maintained by the Company.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the company, as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
5. We believe that audit evidence and information obtain from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
6. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
7. Whenever required, we have obtained Management Representation about the compliance of Laws, Rules and Regulations and happening of events etc.
8. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
9. 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.

Date:02/09/2020
Place: Ahmedabad

K. A Shukla and Associates
Practicing Company Secretary

SD/-
Mrs.Kajal Shukla
FCS No.: 8042
CP No.: 8267
UDIN: F008042B000649705

Certificate under Regulation 34(3) of SEBI Listing Regulations

We have examined the relevant records and disclosures received from the Directors of **Interactive Financial Services Limited** having CIN L65910GJ1994PLC023393 and having registered office at A-1006, Premium House, Behind Handloom House, Ashram Road Ahmedabad Gujarat 380009 (hereinafter referred to as “the company”), produced before us by the company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V para-C sub clause 10(i) of Securities Exchange board of India (Listing Obligations and Disclosure Requirements) regulations, 2015.

In our opinion and to the best of our information and according to the verification (Including Director Identification Number (DIN) status at the Portal www. Mca.gov.in) as considered necessary and explanations furnished to us by the company & its officers, we hereby certify that none of the directors on the board of the company as stated below for the Financial year ending on March 31,2020 have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities Exchange board of India, Ministry of corporate affairs or any such other statutory Authority.

| Sr. No. | Name of the Director | DIN | Date of Appointment |
|---------|-----------------------|----------|---------------------|
| 1 | Mr. Udayan Mandavia | 00740615 | 01/10/2016 |
| 2 | Ms. Sejalben Mandavia | 03468579 | 30/09/2015 |
| 3 | Mr. Kishor Vekariya | 07622663 | 01/10/2016 |
| 4 | Mr. Saurabh Gangadia | 07622677 | 01/10/2016 |

Ensuring the eligibility of for the appointment/ continuity of every director on the board is the responsibility of the management of the company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Date: 02/09/2020

Place: Ahmedabad

K. A Shukla and Associates
Practicing Company Secretary

SD/-
Mrs.Kajal Shukla
FCS No.: 8042
CP No.: 8267
UDIN: F008042B000649760

MANAGEMENT DISCUSSION ANALYSIS REPORT

GLOBAL OVERVIEW:

Last year of operations at Interactive Financial Services Limited have been standstill and wanting for more business that can lead towards growth and expansion. Although, revenue cycle management and software implementation for the US healthcare IT companies remain reasonably remunerative domains, competition from me-too companies and bold policies of US Government protecting jobs within the country have resulted in very minimum operational expansion.

INDUSTRY STRUCTURE AND DEVELOPMENT:

Building up competencies in revenue cycle and medical billing still remain desired focus. The company has continued to provide small but steady execution of project assignments all through the year. Interactive Financial Services Limited has continued to maintain its competencies in healthcare domain by way of working on assignments related to what has been the focus area since last two years. Revenue cycle assignments constitute offering value-added services which ride on high tech implementations in US healthcare segment. The company has continued providing such services for pursuing value-added services for last year and more to committed clientele, which even continued in this year too.

COMPANIES OUTLOOK&PERFORMANCE OVERVIEW:

Although, year 2019-20 was a year of diminishing growth within the domain of healthcare IT and value-added services, Interactive Financial Services Limited has succeeded in continuing to establish itself in this globally competitive space and looks forward to your continued support to grow its base in coming years.

COMPANY'S STRATEGY:

The following are few of the important strategies that the company has adopted during the year.

The following are few of the important strategies that the company has adopted during the year.

REVENUE CYCLE IS NOT THE CORE COMPETENCY OF HEALTHCARE PROVIDERS

The healthcare industry has been witnessing the gradual transition from paper-heavy, labor-intensive tasks and inefficient administrative processes to the embracing of automated procedures. However, it enabled systems and processes posed challenges of technical complexities, demanding disproportionately high amount of time and resources in managing them than focusing on their core competency of providing patient care. The best alternative for the healthcare providers is to outsource what are not their core competencies, and hence, revenue cycle consulting and software implementation are some of those activities that require being outsourced.

PROGRESSIVELY LOWER MARGINS ARE BECOMING A NORM

The continued economic reforms result in decreased reimbursements to healthcare providers, while actually increasing their patient and billing volumes. This puts more burdens on revenue cycle operations. Hence, outsourcing operations has been gaining grounds, and is also supported by recent statistics from a few healthcare providers reporting a growth in revenues of over 5% with some players due to outsourcing.

COMPLICATIONS OF ICD-9 TO ICD-10 TRANSITIONING HAS LED TO GROWING DEMAND FOR SKILLED CODERS

Maintained by WHO, International Classification of Diseases (ICD) is the international standard diagnostic tool for epidemiology, health management and clinical purposes. It is designed as a healthcare classification system that provides diagnostic codes for various diseases and conditions, and is revised periodically. US healthcare providers have now transitioned from ICD-9 to the next-generation ICD-10, requiring specialized skill-sets among coders. Today, more than ever, healthcare providers are finding it more profitable to outsource rather than investing in-house to develop coders.

For all of the reasons mentioned above and many others, although encountered a temporary bump, IFSI looks forward to growing competencies in handling the revenue cycle consulting and benefitting from the bright future outlook.

SEGMENT WISE PERFORMANCE

Currently, the Segment wise report is not applicable to the company as the company has not multiple segments.

STRENGTH AND WEAKNESS:

The company has strong promoter background with rich experience in the segment. Board of Directors of the company is well qualified in the specified field. Composition of Board consists of Executive Directors and Non-executive Independent Directors adding value to the company. The Company has an extremely cost conscious culture that has resulted in multiple cost management, thus company is trying to cope up with inflationary pressure. The Company has extremely favorable organizational Culture. The Company has limited fund to meet the challenges of the markets and to overcome the weakness company has defined the strategies to meet the fund requirement.

OPPORTUNITIES AND THREATS:

In view of the expansion of healthcare industry in India as well as globally, the company has better prospect to expand its business because the company is under the business of medical software development. While, the government policies and foreign exchange fluctuation are the threats to the Company, which affect the performance of the company in its' growth.

RISK AND CONCERN:

Your Company considers that risk is an integral part of its business and therefore, it takes proper steps to manage all risks in a proactive and efficient manner. The major risks associated with the business of the companies are Global Economic Crisis, Taxation Risk, Wage Pressure, General Market Risk and Financial Risk. The Company management periodically assesses risks in the internal and external environment and incorporates suitable risk treatment processes in its strategy, and business and operating plans. There are no risks which, in the opinion of the Board, threaten the very existence of your Company.

MANAGEMENT CONTROL, INTERNAL CONTROL AND INTERNAL AUDIT SYSTEM AND THEIR ADEQUACY:

The company has put in place strong internal control system and best in class processes commensurate with its size and scale of operations.

A well-established multidisciplinary management Audit & Assurance services consists of professionally qualified accountants who carries out extensive audit throughout the year, across all functional area and submits its reports to management and audit committee about the compliance with internal controls and efficiency and effectiveness of operation and key

processes and risks.

Some key features of the company's internal control system are:

- Adequate documentation of policies & guidelines.
- Preparation & monitoring of annual budget for all functions
- Management audit department prepares risk based internal audit scope with the frequency of audit being decided by risk ratings of areas/functions. Risk based scope is mutually accepted by various functional heads/process owners.
- The company has strong compliance Management System which runs on an online monitoring system.
- Company has well defined delegation of power with authority limits for approving revenue & cape expenditure.
- Apart from having all policies, procedures and internal audit mechanism in place, company periodically engages outside experts to carry out and independent review of the effectiveness of various business processes.
- Internal audit is carried out in accordance with auditing standards to review design effectiveness of internal control system & procedures to manage risks, operation of monitoring control compliance with relevant policies & procedure and recommend improvement in processes and procedure.
- The audit committee of the board of directors regularly reviews the adequacy & effectiveness of internal audit environment and monitor implementation of internal audit recommendations including those relating to strengthen of company's risk management policies & systems.

HUMAN RESOURCE DEVELOPMENT

Human resource department is instrumental in building employees capabilities through structured talented acquisition and its development through technical and need based training. The company enjoys harmonious employee relations and hired employee during the year which have been built over the years by taking various HR initiatives to enhance the employee morale.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATION PERFORMANCE:

1. The total revenue of the Company for the year ended on 31st March, 2020 is Rs.76,45,853 which has decrease for the company as compared to the revenue of the company in previous year of Rs. 4,28,56,838
2. The Net profit (loss) of the Company during the current year was Rs. 13,21,418 which has reduced in the current year as compared to the profit of the company in previous year of Rs. 80,88,641.
3. Price earning per shares as on 31/03/2020 is INR 0.44 /- on face value of INR 10/- each.

DETAILS OF SIGNIFICANT CHANGES:

| PARTICULARS | FY ENDED 31ST MARCH, 2020 | FY ENDED 31ST MARCH, 2019 | CHANGES BETWEEN CURRENT FY & PREVIOUS FY | EXPLANATION |
|--------------------------------|---|---|---|---|
| Debtors Turnover ratio | 2.8313 | 6.1021 | -53.60% | Decrease in Debtor ratio is due to decrease in credit sales. |
| Interest coverage ration | 749.2361 | 102.0882 | 633.91% | There is significant fluctuation in the revenue and Interest expenditure of the company during the year which is the key factor which affect the Interest coverage ratio. |
| Current Ratio | 11.2552 | 2.9830 | 277.31% | The Assets of the company remains same but due to decrease in Liability there is change in Current ratio. |
| Debt Equity Ratio | 0.0218 | 0.0602 | -63.82% | Due to decrease in Liability, there was change in Debt Equity ratio. |

ACCOUNTING TREATMENT:

The company has not made any changes in the Accounting treatments during the year. Further as per the Information provided by the company in the previous Annual report, the company has adopted Ind-As with effect from 01/04/2017.

INTERNAL CONTROLS

Your Company has a well-established internal control system, which is commensurate with the size and nature of its business. The Company strives to maintain a dynamic system of internal controls and procedures including internal control over financial reporting designed to ensure reliable financial record keeping, transparent financial reporting and disclosures. The management duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and the independent Audit Committee of the Board of Directors.

ESTABLISHMENT OF INTERNAL MANAGEMENT INFORMATION SYSTEMS:

Any problems requiring policy decisions are being intimated to Audit Committee for redressed or amendments in the policy and procedure. The progress reports are being regularly on monthly basis intimated to the Audit committee through the Financial Officers of the company who in turn put the same to Audit Committee.

INFORMATION SYSTEM BETWEEN COMMITTEE AND THE BOARD:

Both Audit committee and Stakeholder Relationship Committees receive periodical regular information from the concerned function heads, and after resolution of all the problems re-communicate the same to functional heads for further communications and implementation of any suggestions. The progress report and minutes of all meetings held of both the committees are being placed before the Board for information and taking the same on records.

INFORMATION SYSTEM BETWEEN THE COMPANY AND INVESTORS:

The Company is taking on record the unaudited financial results on quarterly basis as per requirements Regulation 33 of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, and the same are published in English and Gujarati Newspapers in time. The Audited Financial Balance Sheet is being dispatched to every shareholder in time at their registered addresses in Compliance with the Companies Act, 2013.

CAUTIONARY STATEMENT:

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulations. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

For and behalf of the Board of the Director,

Date: 05/09/2020

Place: Ahmedabad

SD/-
Mr. Udayan Mandavia
Managing Director
DIN:00740615

SD/-
Mr. Kishor Vekariya
Director
DIN:07622663

KPND & Co.

CHARTERED ACCOUNTANTS

44, Ground Floor, Shree Naman Plaza, S. V road, Kandivali (W), Mumbai - 400067.

Phones : (022) 28056291 • E-Mail: tokpnandco@gmail.com

INDEPENDENT AUDITORS' REPORT

To The Members,

Interactive Financial Services Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Interactive Financial Services Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in equity, the Cashflow Statement for the year then ended, and notes to the financial statements, including a summary of Significant Accounting policies and other explanatory information. (hereinafter referred to as the financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance report and shareholder's information but does not include the financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Financial Statements

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these 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 from time to time, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) in our opinion, the Company has kept proper books of account as required by law, so far as appears from our examination of the books.
 - (c) the balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account.
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) on the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
 - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us :-
 - (a) The company does not have any pending litigations which would impact its financial position.
 - (b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, KPND & Co.
Chartered Accountants
Firm Registration No.133861W

SD/-

Ketan Poojara
Partner

Membership No. 143643
UDIN :20143643AAAAS2481

Place : Ahmedabad
Date : 30th June, 2020

Interactive Financial Services Limited
ANNEXURE A INDEPENDENT TO AUDITORS' REPORT

Referred to in paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that.

- (i)
 - a. The Company has maintained proper records showing full particulars including quantitative details and location of the fixed assets.
 - b. As explained to us, the management during the year has physically verified all the fixed assets. According to the information and explanations given to us, there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. Based on the information and explanations given to us and according to the records of the Company, the title deed of the immovable property is held in the name of the company.
- (ii) The company's nature of operation (Service provider) does not require it to hold inventories. Therefore, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- (iii) As the company has not granted any loans secured or unsecured, to companies, Firms or other parties covered in the register maintained u/s.189 of the Companies Act, 2013, paragraphs (iii), (a) and (b) of the order are not applicable.
- (iv) The Company has not granted any loans or given any guarantee or provided any security in connection with such loan or made any investment to the persons covered under section 185 and 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder. Therefore, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) As per the information and explanations given to us, the provisions of maintenance of cost records specified by the Central Government under section 148(1) of the Companies Act, 2013 are not applicable to the company during the year under reference. Therefore, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)
 - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income Tax, Service tax, Goods and Services Tax, employees' state insurance , providend fund and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, VAT , cess, duty of excise and duty of customs.
 - b. According to information and explanation given to us, there are no dues of income tax, sales tax, service tax, customs duty, excise duty, GST and value added tax which have not been deposited on account of any dispute.

- (viii) According to information and explanations given to us and on overall examination of the Balance Sheet, the Company has not borrowed funds from Banks, Financial Institution, Government or Debenture holders. Therefore the provisions of clause 3(viii) of the Order are not applicable to the Company.
- (ix) According to information provided to us and on overall examination of the Balance Sheet, the Company has not raised any money by way of initial public offer or further public offer (Including Debt Instruments) and term loans during the year. Therefore the provisions of clause 3(ix) of the Order are not applicable to the Company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations provided by the management, we report that no fraud by the company or on the company by its officers or employees have been noticed or reported during the year nor we have been informed of such case by the management.
- (xi) According to information and explanation provided by the management, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to information and explanation provided by the management, the transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and details have been disclosed in the financial statements as required by the applicable accounting standard.
- (xiv) According to information and explanations provided by the management and on overall examination of the Balance Sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to information and explanations provided by the management, the company has not entered into any non-cash transactions with directors or persons connected with him as specified under Section 192 of the Act.
- (xvi) According to information and explanation provided by the management, the company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

**For, KPND & Co.
Chartered Accountants
Firm Registration No.133861W**

SD/-

**Ketan Poojara
Partner
Membership No. 143643
UDIN :20143643AAAAAS2481**

Ahmedabad, 30th June, 2020

**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF INTERACTIVE FINANCIAL SERVICES LIMITED.**

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

Opinion

We have audited the internal financial controls over financial reporting of Interactive Financial Services Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

**For, KPND & Co.
Chartered Accountants
Firm Registration No.133861W**

SD/-

**Ketan Poojara
Partner**

**Membership No. 143643
UDIN :20143643AAAAAS2481**

**Place : Ahmedabad
Date : 30th June, 2020**

INTERACTIVE FINANCIAL SERVICES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2020

| Particulars | Note No | As at 31st March 2020 | As at 31st March 2019 |
|---|---------|-----------------------|-----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 2 | 2,17,531 | 2,47,351 |
| (b) Financial assets | | | |
| i. Investments | 3 | 2,43,53,454 | 4,11,05,292 |
| ii. Loans | 4 | 25,85,767 | 24,05,365 |
| (c) Deferred tax assets (Net) | 15 | 36,46,136 | 19,93,540 |
| (d) Other non-current assets | 5 | 15,41,205 | 20,47,181 |
| Total non-current assets | | 3,23,44,094 | 4,77,98,729 |
| Current assets | | | |
| (a) Financial assets | | | |
| i. Trade receivables | 6 | 3,34,080 | 34,03,228 |
| ii. Cash and cash equivalents | 7 | 34,94,215 | 7,80,749 |
| iii. Bank balances other than (ii) above | 7 | 21,97,478 | 20,66,964 |
| iv. Loans | 4 | 32,83,062 | 29,28,355 |
| (b) Current tax Assets (Net) | 8 | 2,43,539 | 2,06,313 |
| (c) Other current assets | 9 | 1,17,900 | 2,31,684 |
| Total current assets | | 96,70,274 | 96,17,293 |
| Total assets | | 4,20,14,368 | 5,74,16,022 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 10 | 3,01,31,000 | 3,01,31,000 |
| (b) Other equity | 11 | 1,09,87,646 | 2,40,24,462 |
| Total equity | | 4,11,18,646 | 5,41,55,462 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (b) Provisions | 12 | 36,539 | 36,539 |
| Total non-current liabilities | | 36,539 | 36,539 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| i. Trade payables | 13 | 2,52,772 | 8,86,034 |
| (b) Other current liabilities | 14 | 6,06,411 | 23,37,988 |
| Total current liabilities | | 8,59,183 | 32,24,022 |
| Total liabilities | | 8,95,722 | 32,60,561 |
| Total equity and liabilities | | 4,20,14,368 | 5,74,16,022 |
| Significant accounting policies and notes forming part of Financial Statement | 1 to 36 | - | - |

As per our report of even date

For, KPND & Co.

Chartered Accountants

Firm Registration No.133861W

SD/-

Ketan Poojara

Partner

Membership No. 143643

UDIN :20143643AAAAAS2481

Ahmedabad, 30th June, 2020

For and on Behalf of the Board of Directors

SD/-

Udayan Mandavia

Managing Director

DIN : 00740615

SD/-

Hitesh Joshi

Chief Financial Officer

SD/-

Sejalben Mandavia

Director

DIN : 03468579

Ahmedabad, 30th June, 2020

INTERACTIVE FINANCIAL SERVICES LIMITED
Statement of Profit and Loss for the year ended 31st March 2020

| Particulars | | Note No | 2019-2020 Amount Rs. | 2018-2019 Amount Rs. |
|-------------|--|-------------------------|-------------------------|-------------------------|
| | Income from Operation | | | |
| I. | Revenue from operations | 16 | 63,79,907 | 4,11,61,882 |
| II. | Other Income | 17 | 12,65,947 | 16,94,956 |
| III. | Total Revenue | | 76,45,853 | 4,28,56,838 |
| IV. | Expenses: | | | |
| | Employee benefit expense | 18 | 12,31,412 | 2,74,76,304 |
| | Financial costs | 19 | 5,608 | 1,24,180 |
| | Depreciation and amortization expense | 2 | 29,820 | 29,820 |
| | Other expenses | 20 | 45,66,038 | 46,68,174 |
| | Total Expenses | | 58,32,878 | 3,22,98,478 |
| V. | Profit before tax (III - IV) | | 18,12,976 | 1,05,58,360 |
| VI. | Tax expense: | 15 | | |
| | (1) Current tax | | 6,66,223 | 27,61,652 |
| | (2) Deferred tax | | (3,76,828) | (62,424) |
| | (3) Short/(Excess) Provision of Tax of earlier years | | 2,02,163 | (2,29,510) |
| | Net Tax Expense / (Benefit) | | 4,91,558 | 24,69,719 |
| VIII. | Profit/(Loss) for the period (XI - XII) | | 13,21,418 | 80,88,641 |
| IX. | Other Comprehensive Income | 21 | | |
| | Items that will not be reclassified to profit or loss | | | |
| | (a) Remeasurements of the defined benefit plans | | - | (67,189) |
| | (b) Equity Instruments designated through other comprehensive income | | (1,56,34,002) | (1,91,03,156) |
| | (c) Income Tax on above | | 16,25,936 | 20,04,196 |
| | Items that will be reclassified to profit or loss | | | |
| | Other comprehensive income for the year, net of tax | | (1,40,08,066) | (1,71,66,149) |
| X. | Total Comprehensive Income for the year (VIII+IX) | | (1,26,86,648) | (90,77,508) |
| XI. | Earning per equity share: | | | |
| | (1) Basic | | 0.44 | 2.68 |
| | (2) Diluted | | 0.44 | 2.68 |
| | Significant Accounting Policies and Notes on Financial Statements | 1 to 36 | | |

As per our report of even date

For. KPND & Co.

Chartered Accountants

Firm Registration No.133861W

SD/-

Ketan Poojara

Partner

Membership No. 143643

UDIN :20143643AAAAAS2481

Ahmedabad, 30th June, 2020

For and on Behalf of the Board of Directors

SD/-

Udayan Mandavia

Managing Director

DIN : 00740615

SD/-

Sejalben Mandavia

Director

DIN : 03468579

SD/-

Hitesh Joshi

Chief Financial Officer

Ahmedabad, 30th June, 2020

INTERACTIVE FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2020

[Amount in Rupees]

| Particulars | 2019-2020 | 2018-2019 |
|--|-------------------|--------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before taxation and extraordinary items | 18,12,976 | 1,05,58,360 |
| Adjustment for :- | | |
| Depreciation and Amortization | 29,820 | 29,820 |
| Short Term Capital Loss | - | 1,60,069 |
| Loss on fair valuation of MF - Ind AS | 16,15,941 | - |
| Foreign Exchange Rate Fluctuation | - | 5,10,536 |
| Finance Costs | 5,608 | 1,24,180 |
| sub-total | 16,51,369 | 8,24,604 |
| Short Term Capital Gain | 1,431 | - |
| Long Term Capital Gain | 5,12,145 | - |
| Dividend Income | - | 98,196 |
| Foreign Exchange Rate Fluctuation | 16,055 | - |
| Interest income | 7,36,316 | 6,33,107 |
| | 3,85,423 | 93,301 |
| Operating Profit before working capital changes | 21,98,398 | 1,06,51,661 |
| Change in working Capital : | | |
| Adjustment for Decrease (Increase) in operating assets | | |
| Trade receivables | 30,69,148 | (34,03,228) |
| Other Current Assets | - | (2,31,684) |
| Other Non-current Assets | 4,72,893 | (3,86,216) |
| Other current Assets | 1,13,785 | (2,31,684) |
| Fixed Deposits Having Maturity of More than Three Months | (1,30,514) | (20,66,964) |
| Adjustment for (Decrease) Increase in operating liabilities | | |
| Trade payables | (6,33,262) | 7,82,534 |
| Other current liabilities | (17,31,577) | 2,72,495 |
| Non current provision | - | (1,43,294) |
| Cash Generated from Operations | 33,58,871 | 52,43,620 |
| Direct tax Paid | (10,61,712) | (28,11,865) |
| Income tax refund received | 1,89,183 | - |
| Cash Flow before extraordinary items | 24,86,342 | 24,31,755 |
| Extraordinary Items/Prior Period Items | - | - |
| Net cash from Operating Activities | 24,86,342 | 24,31,755 |
| B. NET CASH FLOW FROM INVESTMENT ACTIVITIES | | |
| (Increase) / Decrease in Non-Current Investments | (4,98,106) | (70,40,651) |
| (Increase) / Decrease in Current - financial loans | (3,54,707) | 14,51,323 |
| Short Term Capital Loss | - | (1,60,069) |
| Short Term Capital Gain | 1,431 | - |
| Long Term Capital Gain | 5,12,145 | - |
| Dividend Income | - | 98,196 |
| Interest income | 7,36,316 | 6,33,107 |
| Net Cash from Investment Activities | 3,97,079 | (50,18,094) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Finance Cost Expense | (5,608) | (1,24,180) |
| Foreign Exchange Rate Fluctuation | 16,055 | (5,10,536) |
| Non Current - financial loans | (1,80,402) | (1,67,813) |
| Repayment of current financial borrowing | - | (20,14,052) |
| Net Cash from financial activities | (1,69,956) | (28,16,581) |
| NET INCREASE /(-) DECREASE IN CASH AND CASH EQUIVALENTS | 27,13,466 | (54,02,919) |
| OPENING BALANCE IN CASH AND CASH EQUIVALENTS | 7,80,749 | 61,83,668 |
| CLOSING BALANCE IN CASH AND CASH EQUIVALENTS | 34,94,215 | 7,80,749 |

As per our report of even date attached.

For, KPND & Co.

Chartered Accountants

Firm Registration No.133861W

SD/-

Ketan Poojara

Partner

Membership No. 143643

UDIN :20143643AAAAAS2481

Ahmedabad, 30th June, 2020

For and on behalf of Board of directors

SD/-

Udayan Mandavia

Managing Director

DIN : 00740615

SD/-

Sejalben Mandavia

Director

DIN : 03468579

SD/-

Hitesh Joshi

Chief Financial Officer

Ahmedabad, 30th June, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

| (a) Equity Share Capital | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|------------------------|--------------------|------------------------|--------------------|
| | Number | Amount Rs. | Number | Amount Rs. |
| Balance at the beginning of the reporting period | 30,13,100 | 3,01,31,000 | 30,13,100 | 3,01,31,000 |
| Changes in Equity Share capital during the year | - | - | - | - |
| Balance at the end of the reporting period | 30,13,100 | 3,01,31,000 | 30,13,100 | 3,01,31,000 |

(b) Other Equity

| Particulars | Reserve for equity instruments through OCI | Retained Earning | Total |
|--|--|--------------------|----------------------|
| Balance at 1st April, 2018 | 2,84,75,352 | 46,91,015 | 3,31,66,367 |
| Profit for the year | - | 80,88,641 | 80,88,641 |
| Other Comprehensive Income for the year | (1,70,98,960) | (67,189) | (1,71,66,149) |
| Equity Portion of pre-matured Unsecured Loan (Net) | - | (64,397) | (64,397) |
| Total Comprehensive Income for the year | (1,70,98,960) | 79,57,055 | (91,41,905) |
| Balance at 31st March, 2019 | 1,13,76,392 | 1,26,48,070 | 2,40,24,462 |
| Profit for the year | - | 13,21,418 | 13,21,418 |
| Other Comprehensive Income for the year | (1,40,08,066) | - | (1,40,08,066) |
| Reclassification of loss on Equity Instruments classified through OCI to Retained earning on event of actual sales | 33,67,001 | (33,67,001) | - |
| Reversal of DTA on above reclassification | (3,50,168) | | (3,50,168) |
| Total Comprehensive Income for the year | (1,09,91,233) | (20,45,583) | (1,30,36,816) |
| Balance at 31st March, 2020 | 3,85,159 | 1,06,02,487 | 1,09,87,646 |

As per our report of even date
For, KPND & Co.

Chartered Accountants
Firm Registration No.133861W

SD/-
Ketan Poojara
Partner

Membership No. 143643
UDIN :20143643AAAAAS2481

Ahmedabad, 30th June, 2020

For and on Behalf of the Board of Directors

SD/-
Udayan Mandavia
Managing Director
DIN : 00740615

SD/-
Hitesh Joshi
Chief Financial Officer

SD/-
Sejalben Mandav
Director
DIN : 03468579

Ahmedabad, 30th June, 2020

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

BACKGROUND

Interactive Financial Services Limited ('the Company') is a Public Limited Company engaged primarily in providing high end of software implementation and revenue cycle enhancement consulting services within the healthcare domain globally. The Company is listed on the Bombay Stock Exchange Limited (BSE). The Company's registered office is at A-1006, Premium House, Behind Handloom House, Ashram Road Ahmedabad GJ 380009.

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF ACCOUNTS

a) Statement of compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financials.

b) Functional and presentation currency

These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

c) Basis of Measurement

These financial statements have been prepared on a historical cost convention basis, except for the following:

(i) Certain financial assets and liabilities that are measured at fair value.

(ii) Assets held for sale- Measured at the lower of (a) carrying amount and (b) Fair Value less cost to sell.

(iii) Net defined benefit plans- Plan assets measured at Fair Value less present value of defined benefit obligation.

(iv) Determining the Fair Value

While measuring the Fair Value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a Fair Value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the Fair Value of an asset or a liability fall into different levels of the Fair Value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the Fair Value hierarchy as the lowest level input that is significant to the entire measurement.

d) Use of Estimates and Judgement

The preparation of financial statements in accordance with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are known or materialised. The most significant estimates and assumptions are described below:

(i) Judgements

Information about judgments made in applying accounting policies that have the significant effect on amounts recognised in the financial statement are as below:

- Leases identification- Whether an agreement contains a lease.
- Classification of lease - Whether Operating or Finance

(ii) Assumptions and Estimations

Information about assumption and estimation uncertainties that have significant risk of resulting in a material adjustment are as below:

1. Impairment test of non-financial assets

For the purpose of assessing recoverability of non-financial assets, assets are grouped at the lower levels for which there are individually identifiable cash flows (Cash Generating Units).

2. Allowance for bad debts

The Management makes estimates related to the recoverability of receivables, whose book values are adjusted through an allowance for Expected losses. Management specifically analyzes accounts receivable, customers 'creditworthiness, current economic trends and changes in customer's collection terms when assessing the adequate allowance for expected losses, which are estimated over the lifetime of the debts.

3. Recognition and measurement of Provisions and Contingencies

The Company's Management estimates key assumptions about the likelihood and magnitude of an outflow of resources based on available information and the assumptions and methods deemed appropriate. Wherever required, these estimates are prepared with the assistance of legal counsel. As and when additional information becomes available to the Company, estimates are revised and adjusted periodically.

4. Recognition of Deferred Tax Assets

The Management makes estimates as regards to availability of future taxable profits against which unabsorbed depreciation/ tax losses carried forward can be used.

5. Measurements of Defined benefit obligations

The measurements are based on key actuarial assumptions.

6. Impact of COVID 19

The Company has considered the possible impact that may arise from COVID-19, a global pandemic, on the carrying amount of its assets including inventory and receivables. In developing the assumptions relating to the impact of possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

e) Application of New Accounting Pronouncements

The company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2019. The effect is described below:

1. Effective April 01, 2019, the Company has adopted modified retrospective approach as per para C8(C)(ii) of Ind AS 116 -Leases to its leases, using cumulative effect method. There is no impact on adoption of the standard on these financial results.

f) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III

g) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee as per the requirement of Schedule III, unless otherwise stated.

1.2 SIGNIFICANT ACCOUNTING POLICIES

a) Property, Plant and Equipment

(i) Recognition and measurement

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS. Hence regarded thereafter as historical cost.

Property, Plant and Equipment are measured at cost (which includes capitalised borrowing costs) less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of Property, Plant and Equipment comprises:

- a) its purchase price, including import duties and nonrefundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of Property, Plant and Equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and Equipment and depreciated accordingly. Any gain or loss on disposal of an item of Property, Plant and Equipment is recognised in Statement of profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation, Estimated useful life and estimated residual value

Depreciation is calculated using the Straight Line Method, pro rata to the period of use, taking into account useful lives and residual value of the assets. The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act and management believe that useful life of assets are same as those prescribed in Schedule II to the Act. Depreciation is computed with reference to cost or revalued value as per previous GAPP as the case may be. The assets residual value and useful life are reviewed and adjusted, if appropriate, at the end of each reporting period. Gains and losses on disposal are determined by comparing proceeds with carrying amounts. These are included in the statement of Profit and Loss.

b) Intangible Assets

(i) Recognition and measurement

Computer softwares have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses. The same are tested for impairment, if any, at the end of each accounting period.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, when incurred is recognised in statement of profit or loss.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in statement of profit or loss. Computer software are amortised over their estimated useful life or 5 years, whichever is lower. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if required.

b) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options.

(i) Financial Assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options.

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at Fair Value Through Other Comprehensive Income-[FVTOCI], or Fair Value Through Profit and Loss-[FVTPL] and
- those measured at Amortised Cost.[AC]. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

In case of investments

i) In Equity instruments

- For subsidiaries, associates and Joint ventures - Investments are measured at cost and tested for impairment periodically. Impairment (if any) is charged to the Statement of Profit and Loss.

- For Other than subsidiaries, associates and Joint venture - Investments are measured at FVTOCI.

ii) In Mutual fund

Measured at FVTPL.

iii) In Debt instruments

The Company measures the debts instruments at Amortised Cost. Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest [SPPI] are measured at amortised cost. Gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of the hedging relationship, is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the Effective interest rate method.

c) Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from financial asset, or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset and has transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained the control of the financial asset. Where the Company retains the control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

d) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) Model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.
- For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. ECL is used to provide for impairment loss.

(ii) Financial Liabilities

a) Classification

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at FVTPL and
- those measured at Amortised Cost (AC)

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

b) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL or AC.

All financial liabilities are recognised initially at Fair Value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

c) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities designated upon initial recognition as at Fair Value Through Profit or Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, Fair Value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to statement of profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

d) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. AC is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to interest-bearing loans and borrowings.

e) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

f) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

g) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts to hedge its foreign currency risks, interest rate risks and commodity price risks respectively. Such derivative financial instruments are initially recognised at Fair Value on the date on which a derivative contract is entered into and are subsequently re-measured at Fair Value. Derivatives are carried as financial assets when the Fair Value is positive and as financial liabilities when the Fair Value is negative.

c) Trade Receivable

Trade receivable are recognised initially at Fair Value and subsequently measured at AC using the effective interest method less provision for impairment. As per Ind AS 109 the Company has applied ECL for recognising the allowance for doubtful debts. Where Company has offered extended credit period [ECP] to the debtors, the said amount is recorded at present value, with corresponding credit in the statement of profit and loss over the tenure of the extended credit period

d) Cash and Cash Equivalent

For the purpose of presentation in the statement of the cash flows, cash and cash equivalent includes the cash on hand, deposits held at call with financial institutions other short term, highly liquid investments with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

e) Contributed Equity

Equity shares are classified as equity. Incidental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

I) Dividends

Provision is made for the amount of any dividend declared, in the year in which it is approved by shareholders.

II) Earnings per share

(i) Basic earnings per share

Basic earnings per shares is calculated by dividing Profit/(Loss) attributable to equity holders (adjusted for amounts directly charged to Reserves) before/after Exceptional Items (net of tax) by Weighted average number of Equity shares, (excluding treasury shares).

(ii) Diluted earnings per share

Diluted earnings per shares is calculated by dividing Profit/(Loss) attributable to equity holders (adjusted for amounts directly charged to Reserves) before/after Exceptional Items (net of tax) by Weighted average number of Equity shares (excluding treasury shares) considered for basic earning per shares including dilutive potential Equity shares.

f) Borrowing

Borrowings are initially recognised at Fair Value, net of transaction costs incurred. Borrowings are subsequently measured at AC. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective interest method. Processing/Upfront fee are treated as prepaid asset and netted off from borrowings. The same is amortised over the period of the facility to which it relates. Preference shares are classified as liabilities. The dividends on these preference shares, if approved, by shareholders in the forthcoming Annual General Meeting, are recognised in profit or loss as finance costs, in the year when approved. Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liability assumed, is recognised in Statement of profit or loss as other gains or (losses). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of liabilities for at least twelve months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the same is classified as current unless the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as a consequence of the breach.

g) Trade and Other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid at the period end. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their Fair Value and subsequently measured at amortised cost using the effective interest method.

h) Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currencies of the Company at the exchange rate prevailing at the date of the transactions. Monetary assets (other than investments in companies registered outside India) and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Investments in companies registered outside India are converted at rate prevailing at the date of acquisition. Non-monetary assets and liabilities that are measured at Fair Value in a foreign currency are translated into the functional currency at the exchange rate when the Fair Value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated. Difference on account of changes in foreign currency are generally charged to the statement of profit & loss.

i) Revenue Recognition

The Company derives revenues primarily from I T Services comprising of high end of software implementation and revenue cycle enhancement consulting services within the healthcare domain.

Revenue is recognized upon transfer of control of promised products or services to the customer in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue from contracts priced on time and material basis is recognised when services are rendered and the related costs are incurred.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance. Revenue from services performed on fixed-price basis is recognized using the input method as defined in Ind AS-115. The Company uses efforts or cost expended to measure progress towards completion as there is a direct relationship between input and productivity. If the company does not have a sufficient basis to measure the progress of completion or to estimate total contract revenues and costs, revenue is recognised only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenue in arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. Contract modifications involving services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively as a separate contract.

'Unbilled revenues' (contract asset) represent revenue earned in excess of billings as at the end of the reporting period. Where right to consideration is unconditional upon passage of time is classified as a financial asset however, for fixed price development contracts, where milestone is not due as per contract terms as on date of reporting, the same is classified as non-financial asset.

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Other Income

- a) Dividend income is recognised when right to receive dividend is established.
- b) Interest and other income are recognised on accrual basis on time proportion basis and measured at effective interest rate.

j) Government Grants

(i) Grants from the Government are recognised at their Fair Value where there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

(ii) Government grant relating to purchase of Property, Plant and Equipment are included in "Other current/ non-current liabilities" as Government Grant - Deferred Income and are credited to Profit or loss on a straight line basis over the expected life of the related asset and presented within "Other Operating revenue".

k) Employee Benefits

(i) During Employment benefits

(a) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Post-Employment benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which Company pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay future amounts. The Company makes specified monthly contributions towards government administered Provident Fund scheme. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(b) Defined benefit plans

The Company pays gratuity to the employees who have completed five years of service with the company at the time when employee leaves the Company. The gratuity is paid as per the provisions of Payment of Gratuity Act, 1972. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the periods during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment are charged to Other Comprehensive Income.

(c) Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. In case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of reporting period are discounted to the present value.

l) Income Tax

Income tax expense comprises current and deferred tax. Tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In such cases, the tax is also recognised in the other comprehensive income or in equity.

(a) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or subsequently enacted at the Balance sheet date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and

liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have enacted or subsequently enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period. Deferred tax is recognised to the extent that it is probable that future taxable profit will be available against which they can be used.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable Company.

m) Borrowing Costs

General and specific Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation. All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

n) Leases

Effective 1st April, 2019, the company adopted IND AS 116 - Leases. IFSL applied IND AS 116 using modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April 2019. The comparative information presented is not restated. It is presented as previously reported under IND AS 17

Accounting policy applicable before 1st April 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangements.

Lessee:

Leases of assets where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight line basis over the term of the relevant lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Accounting policy applicable from 1st April 2019

At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, company assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.

If the supplier has a substantive substitution right, then the asset is not identified.

Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use.

Company has the right to direct the use of the asset.

In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when the company has the right to use the asset or the company designed the asset in a way that predetermines how and for what purpose it will be used.

Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use

- 1 Company has the right to direct the use of the asset.
- 2 In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when the company has the right to use the asset or the company designed the asset in a way that predetermines how and for what purpose it will be used.

At the commencement or modification of a contract, that contains a lease component, company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices. For leases of property, it is elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a Lessee:

Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset (ROU):

The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

After the commencement date, a lessee shall measure the right-of-use asset applying cost model, which is Cost less any accumulated depreciation and any accumulated impairment losses and also adjusted for certain re-measurements of the lease liability.

Right-of-use asset is depreciated using straight-line method from the commencement date to the end of the lease term. If the lease transfers the ownership of the underlying asset to the company at the end of the lease term or the cost of the right-of-use asset reflects company will exercise the purchase option, ROU will be depreciated over the useful life of the underlying asset, which is determined based on the same basis as property, plant and equipment.

Lease liability:

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at the commencement date, amount expected to be payable under a residual value guarantee, the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

When the lease liability is re-measured corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero it will be recorded in statement of profit and loss.

Right-of-use asset is presented as a separate category under "Non-current assets" and lease liabilities are presented under "Financial liabilities" in the balance sheet.

Company has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Lessor

At the commencement or modification of a contract, that contains a lease component, company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices.

At the inception of the lease, it is determined whether it is a finance lease or an operating lease. If the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, then it is a financial lease, otherwise it is an operating lease.

If the lease arrangement contains lease and non-lease components, then the consideration in the contract is allocated using the principles of IND AS 115. The company tests for the impairment losses at the year end. Payment received under operating lease is recognised as income on straight line basis, over the lease term.

The accounting policies applicable to the company as a lessor, in the comparative period, were not different from IND AS 116.

o) Non- Current assets held for sale

Non-Current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at lower of their (a.) carrying amount and (b.) Fair Value less cost to sell. Non-current assets are not depreciated or amortised when they are classified as held for sale.

p) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

1.3 Recent accounting pronouncements Ind AS 116:

Ministry of Corporate affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Interactive Financial Services Limited
Notes forming part of the Financial Statements as at 31st March 2020

2 [Property, Plant and Equipment](#)

As at 31st March, 2020

| Particulars | Gross Block | | | Depreciation Fund | | | Net Block | | |
|-------------------------------|--------------------|--------------------------------|---------------------------------|--------------------------|--------------------|--------------------------------|--|--------------------------|--------------------------|
| | As On 01-Apr-19 | Addition during the year | Deduction during the year | Total As on 31-Mar-20 | Up To 31-Mar-19 | Provided during the year | Deduction/A djustment during the year | Total As on 31-Mar-20 | Total As on 31-Mar-19 |
| Property, Plant and Equipment | | | | | | | | | |
| Office Building | 2,84,294 | - | - | 2,84,294 | 89,460 | 29,820 | - | 1,65,014 | 1,94,834 |
| Furniture & Fixtures | 52,517 | - | - | 52,517 | - | - | - | 52,517 | 52,517 |
| Total Rs. | 3,36,811 | - | - | 3,36,811 | 89,460 | 29,820 | - | 2,17,531 | 2,47,351 |

As at 31st March, 2019

| Particulars | Gross Block | | | Depreciation Fund | | | Net Block | | |
|-------------------------------|------------------------|--------------------------------|---------------------------------|--------------------------|--------------------|--------------------------------|--|--------------------------|--------------------------|
| | As On 01 April 2018 | Addition during the year | Deduction during the year | Total As on 31-Mar-19 | Up To 31-Mar-18 | Provided during the year | Deduction/A djustment during the year | Total As on 31-Mar-19 | Total As on 31-Mar-18 |
| Property, Plant and Equipment | | | | | | | | | |
| Office Building | 2,84,294 | - | - | 2,84,294 | 59,640 | 29,820 | - | 1,94,834 | 2,24,654 |
| Furniture & Fixtures | 52,517 | - | - | 52,517 | - | - | - | 52,517 | 52,517 |
| Total Rs. | 3,36,811 | - | - | 3,36,811 | 59,640 | 29,820 | - | 89,460 | 2,77,171 |

Interactive Financial Services Limited
Notes forming part of the Financial Statements as at 31st March 2020

| Particulars | As at 31st March 2020 Amount Rs. | As at 31st March 2019 Amount Rs. |
|---|-------------------------------------|-------------------------------------|
| 3 Non-Current Investment | | |
| (a) Investments designated through OCI | | |
| Investment in Equity Instrument - Quoted | 1,98,10,763 | 3,49,46,659 |
| (b) Investments designated through P&L | | |
| Investment in Mutual Funds | 45,42,692 | 61,58,633 |
| Total | 2,43,53,454 | 4,11,05,292 |

Details of Current Investment

| (a) Investments designated through OCI | | As at 31st March 2020 | | As at 31st March 2019 | |
|---|------------------------------------|-----------------------|--------------------|-----------------------|--------------------|
| | | No. of Shares | Amount | No. of Shares | Amount |
| Investment in Equity Instrument - Quoted | | | | | |
| 1 | Gala Global Products Ltd. | 21,000 | 9,55,067 | 21,000 | 13,71,085 |
| 2 | Kids Medical Systems Ltd. | 1,28,000 | 10,14,289 | 1,28,000 | 15,25,247 |
| 3 | Prabhat Telecoms Ltd. | 12,600 | 38,84,914 | 12,600 | 49,37,157 |
| 4 | Radhika Jeweltech Ltd. | - | - | 97,600 | 16,96,044 |
| 5 | Raw Edge Industrial Solutions Ltd. | 14,400 | 9,43,747 | - | - |
| 6 | Zeal Aqua Ltd. | 2,61,000 | 1,30,12,745 | 2,46,000 | 2,54,17,126 |
| Total | | 4,37,000 | 1,98,10,763 | 5,05,200 | 3,49,46,659 |
| (b) Investments designated through P&L | | As at 31st March 2020 | | As at 31st March 2019 | |
| | | No. of Units | Amount | No. of Units | Amount |
| Investment in Mutul Fund | | | | | |
| 1 | Aditya Birla SL-Eq Hybrid 95 Fund | 1,335 | 7,64,770 | 1,335 | 10,14,840 |
| 2 | Aditya Birla SL-Mid Cap | 1,757 | 3,41,965 | 1,757 | 5,15,266 |
| 3 | Axis Mid Cap Fund | 13,963 | 4,54,622 | 13,963 | 5,08,517 |
| 4 | HDFC Hybrid Eq Fund | 19,419 | 8,24,375 | 19,419 | 10,57,247 |
| 5 | HDFC Mid Cap Fund | 9,340 | 3,64,446 | 9,340 | 5,25,704 |
| 6 | ICICI Pru-Eq & Debt Fund | 7,653 | 8,10,898 | 7,653 | 10,28,851 |
| 7 | ICICI Pru Mid Cap Fund | 5,344 | 3,44,752 | 5,344 | 5,15,872 |
| 8 | Reliance Eq Hybrid Fund | 18,006 | 6,36,865 | 18,006 | 9,92,335 |
| Total | | 76,816 | 45,42,692 | 76,816 | 61,58,633 |
| Total (a+b) | | | 2,43,53,454 | | 4,11,05,292 |

| | | |
|---|------------------|------------------|
| 4 Loans | | |
| Non-current | | |
| a. Loans to Other | | |
| - Secured, considered good | | |
| - Unsecured, considered good | 25,85,767 | 24,05,365 |
| - Doubtful | - | - |
| | 25,85,767 | 24,05,365 |
| Less : Allowance for bad and doubtful loans | - | - |
| | 25,85,767 | 24,05,365 |
| Current | | |
| a. Loans to Other | | |
| - Secured, considered good | | |
| - Unsecured, considered good | 32,83,062 | 29,28,355 |
| - Doubtful | - | - |
| | 32,83,062 | 29,28,355 |
| Less : Allowance for bad and doubtful loans | - | - |
| | 32,83,062 | 29,28,355 |
| Total | 58,68,829 | 53,33,720 |

Interactive Financial Services Limited
Notes forming part of the Financial Statements as at 31st March 2020

Note :

Disclosures as per schedule V of SEBI (LODR) Regulation, 2015:

- i Loans & Advances includes Rs. Nil as at 31st March 2020 (Previous Year as at 31st March 2019 Rs. Nil) due from a company in which one of director is director / member.
- ii Company has not given any loans and advances to any associates, firm/companies in which directors are interested during the current financial year.
- iii None of the loanees have made investment in share of the company.

| | | | |
|----------|--|------------------|------------------|
| 5 | <u>Other non-current assets</u> | | |
| | Deposits | 3,76,606 | 5,59,775 |
| | Balance with Government Authorities | 11,64,599 | 14,87,406 |
| | Total | 15,41,205 | 20,47,181 |
| 6 | <u>Trade Receivable</u> | | |
| | Secured and considered good | - | - |
| | Unsecured and considered good | 3,34,080 | 34,03,228 |
| | Total | 3,34,080 | 34,03,228 |

Note:

- i Trade Receivables Others Includes Rs. Nil/- as at 31st March 2020 (Previous Year as at 31st March 2019 Rs. 34,03,228/-) due from Associates party.
- ii Refer Note No - 31 for information about Credit Risk and Market Risk of Trade Receivables.

| | | | |
|----------|---|------------------|------------------|
| 7 | <u>Cash and Bank Balances</u> | | |
| | <u>a. Cash and Cash Equivalents</u> | | |
| | Cash | | |
| | Cash on hand | 20,433 | 39,537 |
| | Balances with banks | | |
| | - in current accounts | 34,73,782 | 7,41,212 |
| | | 34,94,215 | 7,80,749 |
| | <u>b. Other Bank Balances</u> | | |
| | Fixed Deposit (Having Maturity More Than Three Months)* | 21,97,478 | 20,66,964 |
| | | 21,97,478 | 20,66,964 |
| | Total | 56,91,693 | 28,47,713 |

| | | | |
|----------|---|-----------------|-----------------|
| 8 | <u>Current tax Asset (Net)</u> | | |
| | Advance Tax / TDS Receivable / MAT Credit | 9,09,762 | 29,67,965 |
| | Less: | | |
| | Provision for Income Tax/MAT | (6,66,223) | (27,61,652) |
| | Total | 2,43,539 | 2,06,313 |

| | | | |
|----------|------------------------------------|-----------------|-----------------|
| 9 | <u>Other current Assets</u> | | |
| | Other Receivables | 1,17,900 | 2,31,684 |
| | Total | 1,17,900 | 2,31,684 |

| | | | |
|-----------|--|--------------------|--------------------|
| 10 | <u>Share Capital</u> | | |
| | Equity Share Capital | | |
| | Authorised Share capital : | | |
| | 8,000,000 (Previous year 8,000,000) Equity Shares of Rs.10/-each | 8,00,00,000 | 8,00,00,000 |
| | Issued, subscribed & paid up: | | |
| | 3,013,100 (Previous year 3,013,100) Equity Shares of Rs.10/-each | 3,01,31,000 | 3,01,31,000 |
| | Total | 3,01,31,000 | 3,01,31,000 |

Notes:

- i All the equity shares carry equal rights and obligation including for dividend and with respect to voting.

Interactive Financial Services Limited
Notes forming part of the Financial Statements as at 31st March 2020

ii The Reconciliation of the number of shares and amount outstanding as at the year end is set as below:

| Particular | As at 31st March 2020 | | As at 31st March 2019 | |
|--|-----------------------|--------------------|-----------------------|--------------------|
| | Number of shares | Amount Rs. | Number of shares | Amount Rs. |
| Equity shares at the beginning of the year | 30,13,100 | 3,01,31,000 | 30,13,100 | 3,01,31,000 |
| Add: Equity Shares issued during the year | - | - | - | - |
| Equity shares at the end of the year | 30,13,100 | 3,01,31,000 | 30,13,100 | 3,01,31,000 |

iii The details of shareholders holding more than 5% of the equity shares of the Company as at year end is as below :

| Particulars | As at 31st March 2020 | | As at 31st March 2019 | |
|-----------------|-----------------------|--------|-----------------------|--------|
| Udayan Mandavia | 11,75,000 | 39.00% | 11,75,000 | 39.00% |
| Dimple Pandey | 3,65,350 | 12.13% | 3,65,350 | 12.13% |

iv The company is neither Holding Company nor a subsidiary of any other company.

v During preceding 5 years, neither any shares have been allotted for consideration other than cash, bonus shares nor any shares have been bought back.

| 11 Other Equity | Reserve for equity instruments through other comprehensive income | Retained earnings | Total |
|--|---|--------------------|--------------------|
| Reserves and Surplus | | | |
| Balances as on 1st April, 2018 | 2,84,75,352 | 46,91,015 | 3,31,66,367 |
| Add / (Less) : Net fair value gain on investments in equity instruments at FVTOCI | (1,91,03,156) | - | (1,91,03,156) |
| Less : Income tax on net fair value | 20,04,196 | - | 20,04,196 |
| Add : net profit / (loss) after tax from continuing operations | - | 80,88,641 | 80,88,641 |
| Add / (Less): Equity Portion of pre-matured Unsecured Loan (Net) | | (64,397) | (64,397) |
| Add / (Less): Remeasurements of the defined benefit plans - OCI | | (67,189) | (67,189) |
| Balances as on 31st March, 2019 | 1,13,76,392 | 1,26,48,070 | 2,40,24,462 |
| Add / (Less) : Net fair value gain on investments in equity instruments at FVTOCI | (1,56,34,002) | - | (1,56,34,002) |
| Less : Income tax on net fair value gain on investments in equity instruments at FVTOCI | 16,25,936 | - | 16,25,936 |
| Add / (Less) : Reclassification of loss on Equity shares classified through OCI to Retained earning on event of actual sales | 33,67,001 | (33,67,001) | - |
| Add / (Less) : Reversal of DTA on actual Equity instruments sold | (3,50,168) | - | (3,50,168) |
| Add : net profit / (loss) after tax from continuing operations | - | 13,21,418 | 13,21,418 |
| Balances as on 31st March, 2020 | 3,85,159 | 1,06,02,487 | 1,09,87,646 |

Interactive Financial Services Limited
Notes forming part of the Financial Statements as at 31st March 2020

Nature and Purpose of Reserve:

Reserve for equity instruments through other comprehensive income

This reserve represents the cumulative gains and losses on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.

Retained earnings

The same is created out of profits over the years and shall be utilised as per the provisions of the Act.

| | | | |
|-----------|--------------------------------------|---------------|---------------|
| 12 | <u>Non-current Provisions</u> | | |
| | Provision for Gratuity | 36,539 | 36,539 |
| | Total | 36,539 | 36,539 |

| | | | |
|-----------|--|-----------------|-----------------|
| 13 | <u>Trade Payable</u> | | |
| | Due To Micro, Small And Medium Enterprises | - | |
| | Due to Others | 2,52,772 | 8,86,034 |
| | Total | 2,52,772 | 8,86,034 |

On the bases of the information available with the Company and intimations received from suppliers (Trade Payable and Other Payables), there are no dues payable as on 31st March, 2020 (31st March, 2019 : Nil) to Suppliers / Service providers covered under Micro, Small, Medium Enterprises Development Act, 2006. In view of this information required to be disclosed u/s. 22 of the said Act is not given.

| | | | |
|-----------|---|-----------------|------------------|
| 14 | <u>Other current liabilities</u> | | |
| | Outstanding Liabilities | 5,24,818 | 22,34,565 |
| | Statutory Liabilities | 81,593 | 1,03,423 |
| | Total | 6,06,411 | 23,37,988 |

Note:

- i Outstanding Liabilities Includes Rs. 25,200/- as at 31st March 2020 (Previous Year as at 31st March 2019 Rs. 1,32,700/-) due to Directors for Unpaid Directors remuneration.

15 Tax Expenses

(a) Amounts recognised in Statement of Profit and Loss

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|--|--|--|
| Current Income Tax | 6,66,223 | 27,61,652 |
| Excess provision of Income Tax in respect of Earlier years | 2,02,163 | (2,29,510) |
| Deferred Income Tax Liability / (Asset), net | | |
| Origination and reversal of temporary differences | (2,151) | (18,855) |
| On Fair valuation of Financial Instruments | (20,00,613) | 41,245 |
| Origination and reversal of Borrowing | - | (25,930) |
| Change in recognised deductible temporary differences | - | (58,884) |
| Deferred Tax Expense | (20,02,765) | (62,424) |
| Tax Expense for the year | (11,34,379) | 24,69,719 |

Interactive Financial Services Limited
Notes forming part of the Financial Statements as at 31st March 2020

(b) Amounts recognised in Other Comprehensive Income

| Particulars | For the year ended 31st March, 2020 | | | For the year ended 31st March, 2019 | | |
|--|--|--------------------------|---------------|--|--------------------------|---------------|
| | Before tax | Tax (expense) benefit | Net of tax | Before tax | Tax (expense) benefit | Net of tax |
| Items that will not be reclassified to profit or loss | | | | | | |
| Remeasurements of the defined benefit plans | - | - | - | (67,189) | 17,469 | (49,720) |
| Equity Instruments designated through other comprehensive income | (1,56,34,002) | 16,25,936 | (1,40,08,066) | (1,91,03,156) | 19,86,727 | (1,71,16,429) |
| Items that will be reclassified to P&I | - | - | - | - | - | - |
| Total | (1,56,34,002) | 16,25,936 | (1,40,08,066) | (1,91,70,345) | 20,04,196 | (1,71,66,149) |

(c) Reconciliation of Effective Tax Rate

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---|--|--|
| Profit Before Tax | 18,12,976 | 1,05,58,360 |
| Tax using the Company's domestic tax rate (Current year 22.88% and Previous Year 26%) | 4,71,374 | 27,45,174 |
| Non-Deductible Tax Expenses | | |
| Depreciation | 7,753 | 7,753 |
| Interest on TDS | 630 | 982 |
| Short term Capital Loss | - | 41,618 |
| Provision for Gratuity | - | 12,127 |
| Long Term Capital Loss | - | - |
| Interest on Debt portion of Usec Loan | - | 26,183 |
| Exps Disallowed under Section 43B | 624 | 624 |
| Allowable Tax Expenses | | |
| Depreciation | (3,767) | (1,896) |
| Short term Capital Gain | (372) | - |
| Gain on Fair Valuation on Mutual Fund (FVTPL) | - | (41,245) |
| Tax effect of Non Taxable Income | | |
| Dividend Income | - | (25,531) |
| Items subject to differential tax rate | | |
| Short term Capital Loss | - | - |
| Short term Capital Gain | 221 | - |
| Others | | |
| Other | - | (4,136) |
| Adjustment for Tax of Prior Periods | 2,02,163 | (2,29,510) |
| Deferred Tax Liability / (Assets) :- | | |
| Unwinding of Interest | - | (25,930) |
| Fair value of financial Instrument | (3,74,677) | 41,245 |
| Retirement Benefits | - | (58,884) |
| Difference in carrying value of PPE | (2,151) | (18,855) |
| Total | 3,01,798 | 24,69,719 |
| Effective Tax Rate | 16.65 | 23.39 |

Interactive Financial Services Limited

Notes forming part of the Financial Statements as at 31st March 2020

(d) Movement in Deferred Tax Balances

| | | | | | Net Balance 31st March, 2020 | | |
|---|--------------------------------|---|------------------------------|----------------------|------------------------------|-----------------------|---|
| Particulars | Net Balance 1st April, 2019 | Recognised / Reversal Retained Earning | Recognised Profit or Loss | Recognised in OCI | Deferred Tax Liability | Deferred Tax Asset | Net Deferred Tax Liability / (Assets) |
| Deferred Tax (Asset)/Liability | | | | | | | |
| Property, Plant and Equipment | 28,295 | - | (2,151) | - | 28,295 | (2,151) | 26,144 |
| Investments | (19,45,482) | 3,50,168 | (3,74,677) | (16,25,936) | 3,50,168 | (39,46,095) | (35,95,927) |
| Borrowings | - | - | - | - | - | - | - |
| Provision | (76,353) | - | - | - | - | (76,353) | (76,353) |
| Net Deferred Tax (Asset) / Liability | (19,93,540) | 3,50,168 | (3,76,828) | (16,25,936) | 3,78,463 | (40,24,600) | (36,46,136) |
| | | | | | Net Balance 31st March, 2019 | | |
| Particulars | Net Balance 1st April, 2018 | Recognised / Reversal Retained Earning | Recognised Profit or Loss | Recognised in OCI | Deferred Tax Liability | Deferred Tax Asset | Net Deferred Tax Liability |
| Deferred Tax (Asset)/Liability | | | | | | | |
| Property, Plant and Equipment | 47,150 | - | (18,855) | - | 47,150 | (18,855) | 28,295 |
| Investments | - | - | 41,245 | (19,86,727) | 41,245 | (19,86,727) | (19,45,482) |
| Borrowings | 62,234 | (36,304) | (25,930) | - | 62,234 | (62,234) | - |
| Provision | - | - | (58,884) | (17,469) | (58,884) | (17,469) | (76,353) |
| Net Deferred Tax (Asset) / Liability | 1,09,384 | (36,304) | (62,424) | (20,04,196) | 91,745 | (20,85,285) | (19,93,540) |

INTERACTIVE FINANCIAL SERVICES LIMITED

Notes forming part of Statement of Financial Statements for the year ended on 31st March 2020

| Note No | Particulars | 2019-2020 Amount Rs. | 2018-2019 Amount Rs. |
|----------------|---------------------------------------|---------------------------------|---------------------------------|
| 16 | <u>Revenue from Operations</u> | | |
| | Software Service (Export) | 41,16,907 | 4,11,61,882 |
| | Software Service (Domestic) | 22,63,000 | - |
| | Total | 63,79,907 | 4,11,61,882 |

Revenue from Operation based on geographical area

| Particulars | 2019-2020 Amount Rs. | 2018-2019 Amount Rs. |
|---------------------|---------------------------------|---------------------------------|
| Within India | 22,63,000 | - |
| Outside India - USA | 41,16,907 | 4,11,61,882 |
| Total | 63,79,907 | 4,11,61,882 |

Information about major customers

The company has a single customer based in USA to whom all Export sales are made and a single customer based in India to whom all Domestic sales are made.

| | | | |
|-----------|---|------------------|------------------|
| 17 | <u>Othe Income</u> | | |
| | Interest Income | 7,36,316 | 6,33,107 |
| | Premium on Forward Contract - Export | - | 3,11,484 |
| | Foreign Exchange Fluctuation Gain | 16,055 | 4,93,535 |
| | Gain on Fair Valuation on Mutual Fund (FVTPL) | - | 1,58,633 |
| | Dividend Income | - | 98,196 |
| | Short Term Capital Gain on MF | 1,431 | - |
| | Long Term Capital Gain | 5,12,145 | - |
| | Other Income | - | - |
| | Total | 12,65,947 | 16,94,956 |

| | | | |
|-----------|--|------------------|--------------------|
| 18 | <u>Employee Benefits Expenses</u> | | |
| | Salary, Bonus & Exgratia | 10,91,568 | 2,43,87,545 |
| | Leave Encashment Expenses | - | 58,618 |
| | Gratuity Expenses | - | 46,643 |
| | Contribution to PF and Other Funds | 98,358 | 10,68,147 |
| | Directors Remuneration | - | 15,94,800 |
| | Other Allowances | 38,736 | 1,73,025 |
| | Employee Welfare Expenses | 2,750 | 98,191 |
| | Recruitment Expenses | - | 49,335 |
| | Total | 12,31,412 | 2,74,76,304 |

| | | | |
|-----------|-----------------------------|--------------|-----------------|
| 19 | <u>Finance Costs</u> | | |
| | Interest Expenses | 2,423 | 1,04,477 |
| | Bank Charges | 3,185 | 19,703 |
| | Total | 5,608 | 1,24,180 |

INTERACTIVE FINANCIAL SERVICES LIMITED

Notes forming part of Statement of Financial Statements for the year ended on 31st March 2020

| Note No | Particulars | 2019-2020 Amount Rs. | 2018-2019 Amount Rs. |
|----------------|---|---------------------------------|---------------------------------|
| 20 | <u>Other Expenses</u> | | |
| | Advertisement | 41,678 | 32,377 |
| | Auditors Remuneration | 50,000 | 50,000 |
| | Electricity Expenses | 1,12,550 | 1,09,230 |
| | Foreign Exchange Fluctuation Loss | - | 5,10,536 |
| | Rent for Office (Refer Note No. 30) | 3,33,600 | 15,64,800 |
| | Rent for Computer | - | 8,40,000 |
| | Internet Exp. | - | 97,503 |
| | Listing Fees | 3,00,000 | 2,50,000 |
| | Legal & Professional Fees | 15,84,712 | 6,28,065 |
| | Short Term Capital Loss | - | 1,60,069 |
| | Loss on Fair Valuation on Mutual Fund (FVTPL) | 16,15,941 | - |
| | Postage & Courier Expense | - | 46,270 |
| | ROC Filing Fees | 11,400 | 19,350 |
| | Stationary, Stamping & Printing Exps. | 1,28,000 | 1,41,110 |
| | PF Administrative Charges | 2,860 | 45,851 |
| | Travelling Expenses | 33,055 | 1,30,506 |
| | Contractual work Expenses | 3,12,000 | - |
| | Administrative & General Expenses | 40,241 | 42,507 |
| | Total | 45,66,038 | 46,68,174 |

Note :

i. Payment to Auditors : (exclusive of GST)

| Particulars | 2019-2020 | 2018-2019 |
|--------------------|------------------|------------------|
| i) For Audit Fees | 50,000 | 50,000 |
| Total Rs: | 50,000 | 50,000 |

| | | | |
|-----------|--|----------------------|----------------------|
| 21 | <u>Other Comprehensive Income</u> | | |
| | Items that will not be reclassified to profit or loss | | |
| | Remeasurements of the defined benefit plans | - | (67,189) |
| | Equity Instruments designated through OCI | (1,56,34,002) | (1,91,03,156) |
| | Total | (1,56,34,002) | (1,91,70,345) |

INTERACTIVE FINANCIAL SERVICES LIMITED

: General Notes forming the parts of Accounts:

22 Corresponding figures for previous year presented have been regrouped, where necessary, to confirm to the current period's classification.

23 Figures have been rounded off to nearest of rupee.

24 Contingent Liabilities and Commitments

A Not provided for in the accounts

| Particulars | 2019-2020 | 2018-2019 | 2015-2016 |
|---|-----------|-----------|-----------|
| Counter Guarantee Given to Banks | NIL | NIL | NIL |
| Claims not acknowledged as debt | NIL | NIL | NIL |
| Disputed demand of custom duty, GST, income tax and Service Tax | NIL | NIL | NIL |

B Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances) of Rs. Nil (Previous year: as at 31st March, 2019 Rs. Nil).

C The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organization and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organization and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges

D On 30th March 2019, MCA has issued an amendment regarding the income tax uncertainty over Income tax treatments. As per the Company's assessment, there are no material income tax uncertainties over income tax treatments as at 31 March 2020.

25 Disclosures pursuant to Indian Accounting Standard -19 " Employee Benefits":

A Defined Contribution Plan:

The company has recognised as an expense in the profit and loss account in respect of defined contribution plan – Provident Fund of Rs.71,362/- (Previous year Rs.8,54,283/-) administered by the Government.

B Defined benefit plan and long term employment benefit

General Description:

- Gratuity (Defined Benefit Plan):

The provision of gratuity payable under the payment of gratuity Act is not applicable to the company during the year under review.

- Leave Wages:

The leave wages are payable to all eligible employees at the rate of daily salary/wages for each day of accumulated leave and are paid during the financial year itself. Therefore no liability is accrued at the end of the financial year for leave benefits as per practice followed by the company year to year.

Details of the gratuity plan (non-funded) as per the report of Actuary are as under:

| Particulars | Year ended on 31st March 2020 | Year ended on 31st March 2019 |
|---|--------------------------------------|----------------------------------|
| | Gratuity(Non-Funded) (Amount in Rs.) | |
| A. (Income)/ Expenses recognized in the Profit & Loss Account statement: | | |
| (i) Current service cost | - | 32,903 |
| Reversal of Past service cost | (36,539) | - |
| Interest on obligation | - | 13,740 |
| Expected return on plan assets | - | - |
| Amount recognised in Other Comprehensive Income | - | 67,189 |
| Net actuarial (gain)/ loss recognized during the year | - | - |
| Total amount included in employee's benefit expenses' | (36,539) | 1,13,832 |

| | | |
|--|------------|----------|
| (ii) Net Asset / (liability) recognized in the Balance Sheet | | |
| Present value of funded obligations | - | - |
| Fair value of the plan assets | - | - |
| Present value of unfunded obligation | - | 2,93,665 |
| Net asset / (liabilities) recognized in the Balance Sheet | - | 2,93,665 |
| (iii) Change in the defined benefit obligation | | |
| Opening defined benefit obligation | 2,93,665 | 1,79,833 |
| Current service cost | - | 32,903 |
| Reversal of Past service cost | (36,539) | - |
| Interest cost | - | 13,740 |
| Component of Other Comprehensive Income | - | 67,189 |
| Actuarial losses / (gain) | - | - |
| Benefits paid | (2,57,126) | - |
| Closing defined benefit obligation | - | 2,93,665 |
| (iv) Change in the fair value of plan asset | | |
| Opening fair value of plan assets | Nil | Nil |
| Expected return on plan assets | Nil | Nil |
| Actuarial gains/ (losses) | Nil | Nil |
| Contributions by employer | Nil | Nil |
| Benefits paid | Nil | Nil |
| Closing fair value of plan assets | Nil | Nil |
| (v) Movement in the liability recognized in the Balance Sheet | | |
| Opening net liability | 2,93,665 | 1,79,833 |
| Expenses as above (P & L) charges | (36,539) | 46,643 |
| Expenses as above (OCI) charges | - | 67,189 |
| Contribution paid | (2,57,126) | - |
| Asset / (liability) recognized In the Balance Sheet | - | 2,93,665 |
| B. Principal actuarial assumptions: | | |
| Discount rate (p.a.) | 0.00% | 6.95% |
| Expected return on Plan Assets | 0.00% | 0.00% |
| Annual Increase in salary costs (p.a.) | 0.00% | 7.00% |

C. Gratuity - Sensitivity Analysis

| Particulars | Amount in Rs. | | | |
|------------------------------------|-----------------------|----------|-----------------------|----------|
| | As at 31st March 2020 | | As at 31st March 2019 | |
| | Increase | Decrease | Increase | Decrease |
| Salary Growth Rate (0.5% Movement) | - | - | 37,229 | (35,860) |
| Discount Rate (0.5% Movement) | - | - | (35,862) | 37,234 |
| Withdrawal Rate (10% Movement) | - | - | 36,309 | (36,769) |

26 Earnings in Foreign currency

| Particulars | 2019-2020 | 2018-2019 |
|----------------------|-----------|-------------|
| Exports at FOB value | 41,16,907 | 4,11,61,882 |

27 Related party Disclosure. :-

Disclosures as required by Indian Accounting Standard 24 “Related Party Disclosures” are given below.

A Key Management Personnel (KMP)

| | | | |
|---|--------------------------|---|--------------------------------------|
| 1 | Mr. Udayan K. Mandavia | - | Managing Director & Chairman |
| 2 | Ms. Sejalben K. Mandavia | - | Director |
| 3 | Mr.Hitesh Rasiklal Joshi | - | Chief Financial Officer |
| 4 | Mr.Anant Bhatt | - | Company Secretary (up to 31.12.2018) |
| 5 | Mrs. Shraddha Parikh | - | Company Secretary (up to 31.12.2019) |

B Related Parties

| | |
|---|------------------------------------|
| 1 | Medical Communication System, INC |
| 2 | Information Technology Consultants |
| 3 | Ipatientcare Pvt. Ltd. |

C Transactions with related parties :

Amount Rs. in lakhs

| SN | Nature of Transaction | 2019-2020 | | 2018-2019 | |
|----------|-------------------------------|-----------------|------|-----------------|-------|
| | | Related Parties | KMP | Related Parties | KMP |
| 1 | Sale | 41.17 | - | 411.62 | - |
| 2 | Interest Expenses | - | - | - | 1.83 |
| 3 | Rent Expenses | 3.34 | - | - | - |
| 4 | Remuneration Paid | - | 2.40 | - | 27.92 |
| 5 | Reimburshmet of Expenses | 0.63 | - | 1.29 | - |
| 6 | Balance Outstanding | | | | |
| a. | Short Term Borrowings | - | - | - | - |
| b. | Sundry Debtors | - | - | 34.03 | - |
| c. | Sundry Creditors for Expences | - | - | 8.86 | - |
| d. | Other Current Liabilities | - | 0.25 | - | 1.33 |

D Material Transactions with related parties :

Amount Rs. in lakhs

| SN | Name of Related Party/ KMP | Nature of Transaction | 2019-2020 | 2018-2019 |
|----|------------------------------------|-----------------------|-----------|-----------|
| 1 | Medical Communication System, INC | Sale | 41.17 | 411.62 |
| 2 | Mr. Udayan K. Mandavia | Interest | - | 1.01 |
| 3 | Information Technology Consultants | Office Rent paid | 3.34 | 3.34 |
| 4 | Ipatientcare Pvt. Ltd. | Office Rent paid | - | 12.31 |
| 5 | Ipatientcare Pvt. Ltd. | Computer Rent paid | - | 8.40 |
| 6 | Mr. Udayan K. Mandavia | Remuneration | 1.33 | 15.95 |
| 7 | Mr.Hitesh Rasiklal Joshi | Remuneration | - | 9.47 |
| 8 | Mr.Anant Bhatt | Remuneration | - | 2.38 |
| 9 | Mrs. Shraddha Parikh | Remuneration | 1.07 | 0.24 |

28 Segment Reporting:

Disclosures as required by Indian Accounting Standard 108 “Operating Segments” are given below.

As per the Management Chief Operating Decision Maker (CODM) for purpose of resource allocation and assessment and the segment performance focus on only one major operating division - "High end of software implementation and revenue cycle enhancement consulting services within the healthcare domain globally". This division is the basis on which the Company reports its primary segment information.

The revenue from operation based on geographical areas are as below :

| Geographical area | Amount in Rs. 2019-2020 | Amount in Rs. 2018-2019 |
|--------------------------|------------------------------------|------------------------------------|
| Within India | 22,63,000 | - |
| Outside India - USA | 41,16,907 | 4,11,61,882 |
| Total | 63,79,907 | 4,11,61,882 |

The company has a single customer based in USA to whom all Export sales are made and a single customer based in India to whom all Domestic sales are made.

29 Particulars of Earnings Per Share:

Earning per share computed in accordance with Indian Accounting Standard 33 as given below:

| Particulars | 2019-2020 | 2018-2019 |
|--|------------------|------------------|
| Net Profit attributable to Share Holders | 13,21,418 | 80,88,641 |
| Number of Equity shares/Weighted Equity Shares | 30,13,100 | 30,13,100 |
| Nominal value of share | 10.00 | 10.00 |
| Earning per share | 0.44 | 2.68 |

The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and dilutive earning per share of the Company remain the same.

30 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Leases in which the company is a Lessee

Office premises

12. The Company has leasing arrangements for its registered office. Non-cancellable period for this leasing arrangements is less than 12 months and the Company elected to apply the recognition exemption for short term leases to this lease. The lease amount is charged as rent. The Total lease payments accounted for the year ended March 31, 2020 is Rs. 3.34 lakhs (previous year Rs15.65 lakhs).

31 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and Fair Values

The following table shows the carrying amounts and Fair Values of Financial Assets and Financial Liabilities, including their levels in the Fair Value hierarchy. It does not include Fair Value information for Financial Assets and Financial Liabilities not measured at Fair Value if the carrying amount is a reasonable approximation of Fair Value.

(Amount in Rs.)

| March 31, 2020 | Carrying Amount | | | | Fair Value | |
|--|------------------------|------------------------|-----------------|--------------------|-------------|-----------|
| | Fair Value through P&L | Fair Value through OCI | Amortised Cost | Total | Level 1 | Level 2 |
| Financial Assets measured at amortised Cost :- | | | | | | |
| Current Investments | 45,42,692 | 1,98,10,763 | - | 2,43,53,454 | 2,43,53,454 | - |
| Trade Receivables | | | | 3,34,080 | - | - |
| Loans :- | | | | | | |
| Non-current | | | | 25,85,767 | - | 25,85,767 |
| current | | | | 32,83,062 | - | 32,83,062 |
| Cash and cash equivalents | | | | 34,94,215 | - | - |
| Total Financial Assets | 45,42,692 | 1,98,10,763 | - | 3,40,50,578 | | |
| Financial Liabilities measured at amortised Cost :- | | | | | | |
| Borrowings - current | | | - | - | - | - |
| Trade payables - current | | | 2,52,772 | 2,52,772 | - | - |
| Total Financial Liabilities | - | - | 2,52,772 | 2,52,772 | | |

| March 31, 2019 | Carrying Amount | | | | Fair Value | |
|--|------------------------|------------------------|-----------------|--------------------|-------------|-----------|
| | Fair Value through P&L | Fair Value through OCI | Amortised Cost | Total | Level 1 | Level 2 |
| Financial Assets measured at amortised Cost :- | | | | | | |
| Current Investments | 61,58,633 | 3,49,46,659 | | 4,11,05,292 | 4,11,05,292 | - |
| Loans :- | | | | | | |
| Non-current | | | | 24,05,365 | - | 24,05,365 |
| current | | | | 29,28,355 | - | 29,28,355 |
| Trade and Other Receivables | | | | 34,03,228 | - | - |
| Cash and cash equivalents | | | | 7,80,749 | - | - |
| Total Financial Assets | 61,58,633 | 3,49,46,659 | - | 5,06,22,989 | | |
| Financial Liabilities measured at amortised Cost :- | | | | | | |
| Borrowings - current | | | | - | - | - |
| Trade payables - current | | | 8,86,034 | 8,86,034 | - | - |
| Total Financial Liabilities | - | - | 8,86,034 | 8,86,034 | | |

“(1) Fair Value of financial Assets and Liabilities are measured at Amortized cost is not materially different from the Amortized cost. Further, impact of time value of money is not significant for the financial instrument classified as current. Accordingly, fair value has not been disclosed separately.”

Types of inputs are as under:

Input Level I : (Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an Equity Security on Security Exchanges

Input Level II : (Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses etc.

Input Level III : (Unobservable) which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type Valuation technique

Currency fluctuation Based on rates of Reserve Bank of India.

Equity Valuation Based on exchange rates listed on NSE/BSE stock exchange

B. Financial Risk Management:-

The Company has exposure to the following risks arising from financial instruments:

- Credit Risk ;
- Liquidity Risk ; and
- Market Risk
 - Currency Risk
 - Interest Rate Risk
 - Equity Risk

Risk Management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's Risk Management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's Risk Management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investments in debt securities and loans.

Credit Risk also arises from cash held with banks, credit exposure to clients, loans and advances given. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The company assesses the credit quality of counter parties taking into account their financial position, past experience and other factors.

Other Financial Assets

The Company maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows:

| Particulars | 31st March, 2020 | 31st March, 2019 |
|---------------------|------------------|------------------|
| Domestic | 3,34,080 | - |
| Outside India - USA | - | 34,03,228 |
| Total | 3,34,080 | 34,03,228 |

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

| Particulars | 31st March, 2020 | 31st March, 2019 |
|--------------------------|------------------|------------------|
| Neither Due nor impaired | 3,34,080 | 34,03,228 |
| Past Due 1 - 90 Days | - | - |
| Past Due 91 - 180 Days | - | - |
| More than 180 Days | - | - |
| Total | 3,34,080 | 34,03,228 |

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, as per management perceptions, there is no loss on collection of receivable on reporting date and hence no provision considered.

ii Liquidity Risk

Liquidity Risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

| Non-Derivative Financial Liabilities | Contractual Cash Flows | |
|--------------------------------------|---------------------------------|---------------------------------|
| | Carring Amount 31st March, 2020 | Carring Amount 31st March, 2019 |
| Unsecured Loans | - | - |
| Trade and Other Payables | 2,52,772 | 8,86,034 |

iii Market Risk

Market Risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, Investments and short term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

a) Currency Risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues in U.S. dollars. A significant portion of the Company's revenues is in this foreign currency, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to this foreign currency, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and U.S. Dollars has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Management keeps watch on the currency markets on a periodic basis to foresee foreign currency risk. Consequently, the Company would use derivative financial instruments such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and trade receivables. As on reporting date company did not had outstanding foreign exchange forward contracts nor any outstanding receivable in foreign currency.

b) Interest Rate Risk

Interest Rate Risk is the risk that the fair value or future Cash Flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to Interest Rate Risk

The Company has no exposure to the risk of changes in market interest rates as Company does not have any interest bearing debt obligations. The loans granted by the company is with fixed interest rate.

c) Equity Risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The fair value of some of the Company's investments in Fair value through Other Comprehensive Income & FVTPL securities exposes the Company to equity price risks. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of equity securities as of March 31, 2020, was Rs. 2,43,53,454 [FY 2018-2019 Rs.4,11,05,292]. A Sensex standard deviation of 5% [FY 2018-2019 5%] would result in change in equity prices of securities held as of March 31, 2020 by Rs. 12,17,672 [FY 2018-2019 Rs.20,55,265].

32 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

| Particulars | 31st March, 2020 | 31st March, 2019 |
|--|------------------|------------------|
| Total Interest bearing liabilities | - | - |
| Less: Cash and Cash equivalents | 34,94,215 | 7,80,749 |
| Adjusted Net Debt | (34,94,215) | (7,80,749) |
| Total Equity | 4,11,18,646 | 5,41,55,462 |
| Adjusted equity | 4,11,18,646 | 5,41,55,462 |
| Adjusted net debt to adjusted equity ratio | (0.08) | (0.01) |

33 Details of Loan given, Investment made and Guarantee given covered u/s 186(4) of the Companies Act.

The Company has not given any loan, has not made any investment or not given any guarantee which covered under section 186(4) of the Companies Act.

34 The Company elected to exercise the option permitted under Section 115BAA of the Income -tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income tax for the year ended 31 March 2020 and re-measured its Deferred Tax Assets basis the rate prescribed in the said Section.

35 Impact of COVID 19

The Company has considered the possible impact that may arise from COVID-19, a global pandemic, on the carrying amount of its assets including inventory and receivables. In developing the assumptions relating to the impact of possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

36 Approval of the Financial Statements

The Financial Statements of the Company has been approved in the board meeting held on 30th June, 2020.

For, KPND & Co.
Chartered Accountants
Firm Registration No.133861W
SD/-
Ketan Poojara
Partner
Membership No. 143643
UDIN :20143643AAAAAS2481

Ahmedabad, 30th June, 2020

For and on behalf of the Board of Directors

SD/-
Udayan Mandavia
Managing Director
DIN : 00740615

SD/-
Sejalben Mandavia
Director
DIN : 03468579

SD/-
Hitesh Joshi
Chief Financial Officer

Ahmedabad, 30th June, 2020