

Our intensity.
Your agility.

Become Digital First with UniServeTM NY

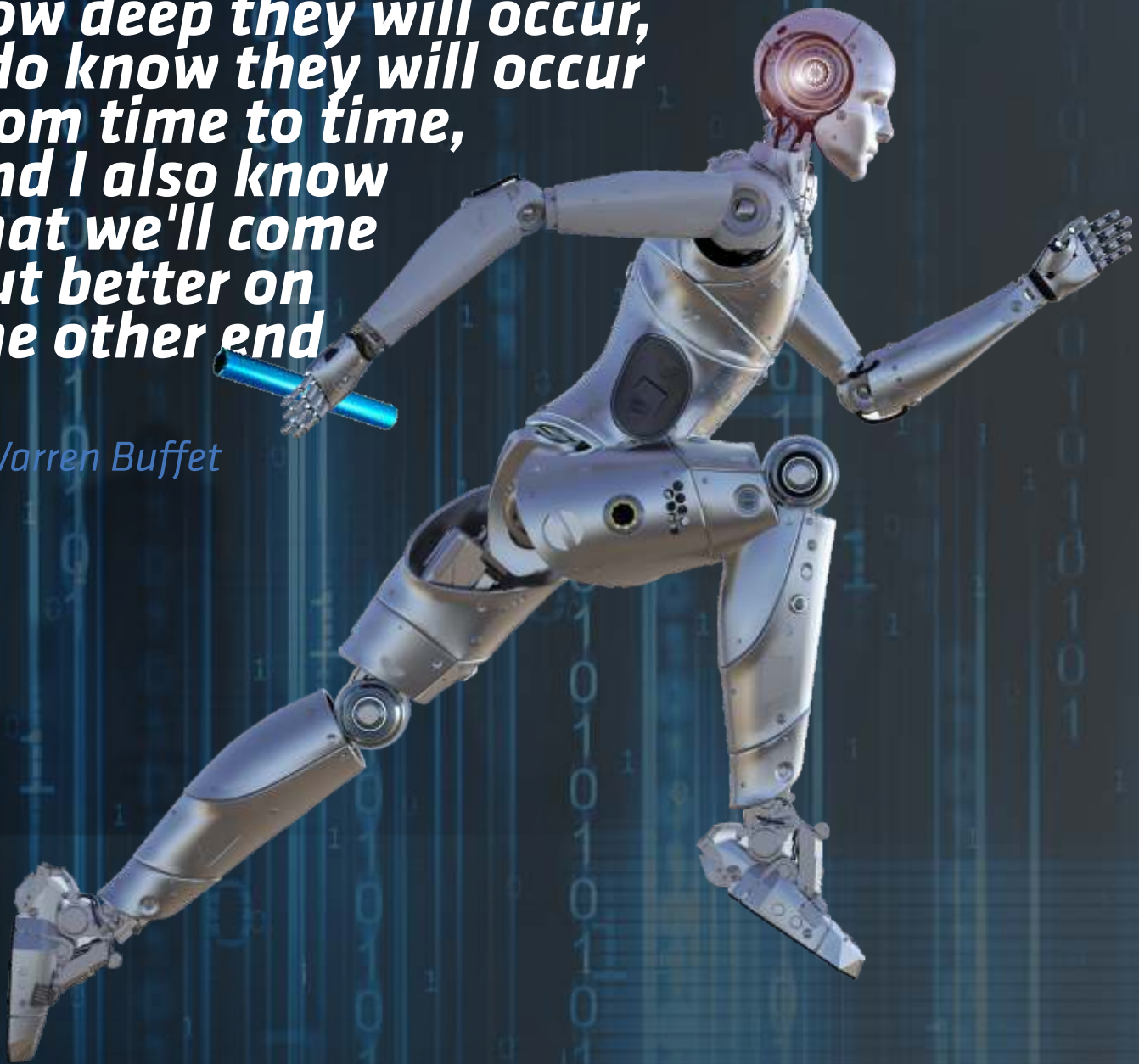
Annual Report
2019-20

Intense Technologies Limited

“

***There will be interruptions,
and I don't know when they
will occur, and I don't know
how deep they will occur,
I do know they will occur
from time to time,
and I also know
that we'll come
out better on
the other end***

- Warren Buffet



Become Digital First with UniServe™ NXT

A lot has changed in the past four months. As businesses grapple with the disruption caused by COVID-19, lessons like enabling a digital first strategy are proving useful. Resilient organizations are embracing a technology-enabled transformation to unlock agility, build value, and prepare for future growth.

But,

what will the future look like?

As more and more organizations are embracing new technologies like Automation and Artificial Intelligence, technology will continue to be the driver of business growth and central to delivering a wide range of services through strong customer experience.

Enterprises world over are exploring ways:

- To Grow: New verticals and markets, new business models, digital service enablement
- Empower Employees: Technologies to ensure remote workers work efficiently
- Multiply Productivity: Automating processes to lower costs and manual dependence

Today's competitive advantage doesn't come from being big but from being quick and that should hold true in 2020. The faster enterprises embrace change and harness the power of digital forces, the more successfully they will navigate the new normal of uncertainty.

The objectives of leveraging technology effectively to operate remotely and conduct business, roadmaps for RPA and BPM, growing business through digital channels, and implementing digital transformation of legacy to multiply productivity has always been central to IN10s vision right from its inception.

UniServe™ NXT- shaping the future with digital

- Grow: Unify digital channels throughout the customer lifecycle to achieve consistent, personalized and always-on service enablement right from campaigns, onboarding, communications, and customer support – This leads to faster acquisition of customers, deeper market penetration, enhanced customer experience, and lower customer support costs.
- Empower Employees: Our expertise in handling complex data sources, modernizing legacy applications and automating enterprise-level business processes - streamlines every customer interfacing activity and provides the right insights and technologies for employees to work remotely.
- Multiply Productivity: Our platform brings in a unique blend of advanced technologies like AI, RPA, Analytics and BPM using which custom enterprise applications can be created by business engineers without having to code – This leads to easy collaboration with players in the ecosystem, and you can build enterprise applications faster and automate complex processes.

It is said that fortune favors the prepared mind. Our platform will give enterprises the digital resilience to grow their business, digital dexterity allowing for the delivery of more meaningful customer and employee experiences thus making them a Digital-first business.



Chairman's Message

C. K. Shastri

Founder & Managing Director
Intense Technologies Ltd.

Dear Stakeholder,

I am pleased to inform that your company had a good financial year 19-20. The trust of our clients and the dedication of our employees helped us achieve good results. This year consolidated revenues stood at ₹ 7,027.69 lakhs compared to ₹ 5,801.82 lakhs last year, with EBITDA of ₹ 2,322.38 lakhs compared to EBITDA of ₹ 1,272.18 lakhs last year, an increase of 82.55%. The profit after tax is ₹ 1,736.88 lakhs, an increase of 98.58 % with an EPS of ₹ 8.38. All the overseas subsidiaries of the company have contributed positively during the year under review. We have had a very productive year, with new growth and transformation initiatives that helped deploy powerful solutions, and win some noteworthy deals. I am happy to inform you that the Board of Directors recommended a dividend of 10% per equity share of face value of ₹ 2/- each for the financial year ended March 31, 2020. The dividend thus announced was for second successive year.

Amid the outbreak of novel coronavirus or COVID-19, our priority is to safeguard the health and well-being of our employees while continuing to support our customers' mission-critical activities globally. Keeping in view the health and safety of our employees we had 100% work from home, enabling them with required infrastructure, network, and complete security. We have received feedback from customers in recent weeks, appreciating and expressing gratitude for how our teams went above and beyond to help businesses cope with the new reality of the digital world.

Now more than ever, it's important that we make it possible for our customers to continue operations and respond to the unique Digital customer demands they are facing globally. Our leadership team is taking steps to ensure safety in the best interest of employees, managing operations, and working towards seizing the digital opportunities. We are making significant investments in sales and marketing to increase our market penetration and build healthy pipeline for the future.

This gives me immense pride as we continue to spearhead our innovation in solving key business problems with our platform, UniServe™ NXT. Digital-First means empowering your citizen and IT developers while enabling enterprises to focus on evolving digital business needs, changing regulatory compliances, and delivering delightful customer experience. Our digital automation platform empowers business users to develop applications with minimal coding while improving business speed and agility.

With rich user interfaces, workflows, and forms that deliver interactive applications, use of advanced AI/ML capabilities of the platform, and leveraging DevOps for continuous integration/deployment pipeline management, UniServe™ NXT enables enterprises to embark on a digital transformation journey seamlessly.

In yet another milestone development- a proud moment for us, our platform has been selected for one of the largest, mission critical e-governance project through a large System Integrator, impacting billions of dollars of revenue and being deployed at a national scale.

This is a huge validation of the capability of our platform, UniServe™ NXT, and will help us in establishing the superiority of our technology. The deal will add significantly to the top and bottom line of the company. We believe that leveraging technology to deliver mission-critical enterprise-class applications at scale is the cornerstone of the business impact we deliver.

With our innovative offerings, we have added new customers in the customer experience management domain and our customer engagement solutions are being deployed by large Governments, Banks, and Telecoms. We continue to spearhead our business by supporting our existing marquee customers across telecom, banking, government and insurance verticals.

This year we have been positioned as a 'Leader' in the 2020 Aspire Leaderboard Business Automation grid and as a 'Focused' vendor in the Overall Leaders for CCM, Communication Composition, and Omni-channel orchestration grids. We have also been named in Gartner Market Guide as one of the Representative Vendors of the Customer Communications Management. We have also been featured in The Enterprise World as one of the "The Most Trustworthy Consulting Companies" in 2019.

The disruptions caused by COVID-19 have reinforced the importance of the Digital-First, shifting the focus on our expertise and capabilities that we deliver. Today, enterprises are discovering that investing in Low-code, AI and automation is the best business continuity plan. Consequently, we expect many customers to accelerate their core transformation initiatives, and adoption of digital self-service channels, in the future.

Our platform's core strengths lie in advanced technologies such as Artificial Intelligence, Low-code, Robotic Process Automation, and Microservices. These empower enterprises with abilities to cut IT budgets by more than 50%, improve time to market, build their own enterprise applications and reengineer their processes; a value proposition that will help enterprises in their transformation journey. UniServe™ NXT provides a customer success platform that allows organizations to connect with their customers in a whole new way in the New-age.

As we navigate these uncertain times, we look forward to your continued support. We thank all the stakeholders – customers, partners, employees, shareholders, financial institutions, and banks for their immense faith in the company.



At the heart of our transformation journey is taking care of our customers and our people who are delivering every day for our customers.

C. K. Shastri
Chairman & Managing Director

IT, Business and the power of collaboration

Not long ago, every time business users needed a specific change in a software application, their go-to squad would be the already overworked programmers from IT department.

Today, building applications is not limited to IT professionals alone. The shift is a happy one, from queuing up tasks for IT to doing it yourself thus improving intra-organizational collaboration. Indeed, the lines between technology and business are blurring. Technology is becoming ubiquitous thanks to a host of user-friendly technology platforms and it's time organizations leverage this.

The new-age, tech-savvy employees come with a strong understanding of what technology can do for them. Today, when every business is digital, enterprises must make the most of their tech-fluent business employees to service end customer requirements independently.

Low-code platforms assist beautifully in this transition; they abstract the complexity of coding and every aspect of the Software Development Lifecycle to enable new-age Business Engineers to build complex enterprise applications with ease. Every feature right from designing the UX, to data modelling, defining business processes, and integrating with other systems can be done visually without the skills of a coder.

This is indicative of how roles within an organization are transforming big time. Skilled developers can focus on mission-critical projects, software architecture, governance, security, and other strategic IT initiatives while business users can respond to immediate end-customer requirements quickly.

What's the win-win?

The competitive digital world is all about the speed that drives business success. As enterprises open up development process beyond IT, this business-technology partnership will add enormous value to the organization. Think of low-code platforms as a perfect environment for business users and IT to collaborate, drive innovation, and work together towards digital transformation and superior customer experience.

Digital business is not only accelerating change but also blurring traditional boundaries. Going forward, the leadership roles of a CIO, COO, CMO, and the likes will truly be a cross-functional effort towards delivering exceptional CX. Everyone knows that Digital transformation is not just technology change, it starts with people, and is a healthy mix of cultural change, connected experiences, and technology innovations.

The key to a healthy, thriving enterprise is creating a culture that is inclusive, collaborative, and empowering for all stakeholders, business and IT alike!




Anisha Shastri
Director
Intense Technologies Ltd.



***Alone we can do so little,
together we can do so much.***

Rewards & Recognition

- Positioned as 'Leader' in the 2020 Aspire Leaderboard Business Automation grid and as a 'Focused' vendor in the Overall Leaders for CCM, Communication Composition and Omni-channel orchestration grids.
- Named in Gartner Market Guide as one of the Representative Vendors of Customer Communications Management market.
- Featured in The Enterprise World as one of “The Most Trustworthy Consulting Companies” in 2019



Revolutionizing citizen services for the revenue department of a large country with our platform UniServe™ NXT-Case Study

The revenue department of a large country had an ambitious plan to

- Increase taxpayer base in two years
- Improve voluntary compliance
- Expedite the processing of refunds with a centralized system
- Improve service delivery to citizens



Here's what the citizens wanted

- Transparent process
- Easy Accessibility
- Omni-channel & consistent experience
- Complete Security & integrity



Here's what the System Integrator wanted

- Innovative technology partner
- Timely and cost effective implementation of the project
- Faster change management
- Partners that understand the scale and work cohesively

UniServe™ NXT at work

In partnership with a large System Integrator, UniServe™ NXT, our digital Platform helped the Revenue Department to digitalize the complex process, ensuring faster and accurate outcomes for the citizen, enhanced user experience at all stages via continuous engagement. The following are the highlights

- The project is being delivered in the fastest possible time, as domain experts can configure the application with ease
- The application is wizard based thus empowering citizens with pre-filled data and validations
- The PWA application make the Forms multi-device compatible
- Server-less architecture reduced the need for huge infra expenditure, making forms available even when offline
- Improved user experience with AI based chat-bots included to assist tax payers
- The applications supports validations, computations and business rules at scale

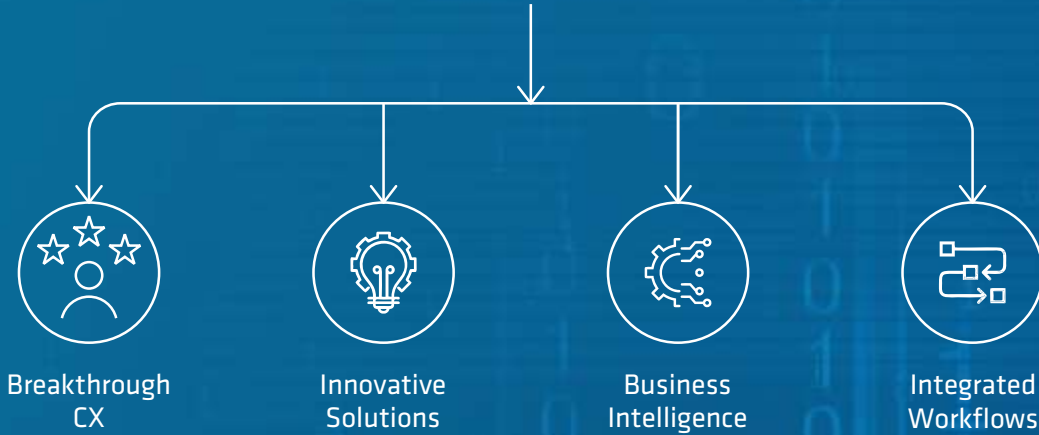


As Organizations world over embrace Digital- First strategies, we help transform digital services by innovatively connecting processes and people while empowering departments for growth.”



UniServe™ NXT

A Digital Customer Experience Platform architected for Superior CX



Helping enterprises in their digital transformation journey

Digital Customer Engagement Solution:

Deliver exceptional customer experience with personalized, two-way interactive, and consistent communications.

[Watch Video](#)

Customer Communications Management:

Build loyalty with each interaction and communicate with your customers at the right time and in the right way.

[Watch Video](#)

Customer Onboarding:

Our onboarding solution makes it easy for remote onboarding while ensuring 100% compliance to regulations.

[Watch Video](#)

Financial Reconciliation:

Automate the auditing process and ensure 100% accurate statements and reconcile various sources of financial information to avoid leakages.

[Read Datasheet](#)

UniServe™ NXT

Leveraging the power of Digital First

Our Platform built on advanced technologies like AI, RPA, Configurable API and UX designer helps our customers send 200 million notifications per day and 5 million Customer Communications every day. We have a 70% market share in the telecom domain in South Asia; we have 20+ years of experience in telecom and insurance domains and an award-winning product portfolio.

Watch Video

Lockdowns have accelerated digital adoption across domains globally

The New Normal



New Customer expectations



Remote workforce



Need for Business Continuity



Regulatory Uncertainty




Safety Concerns

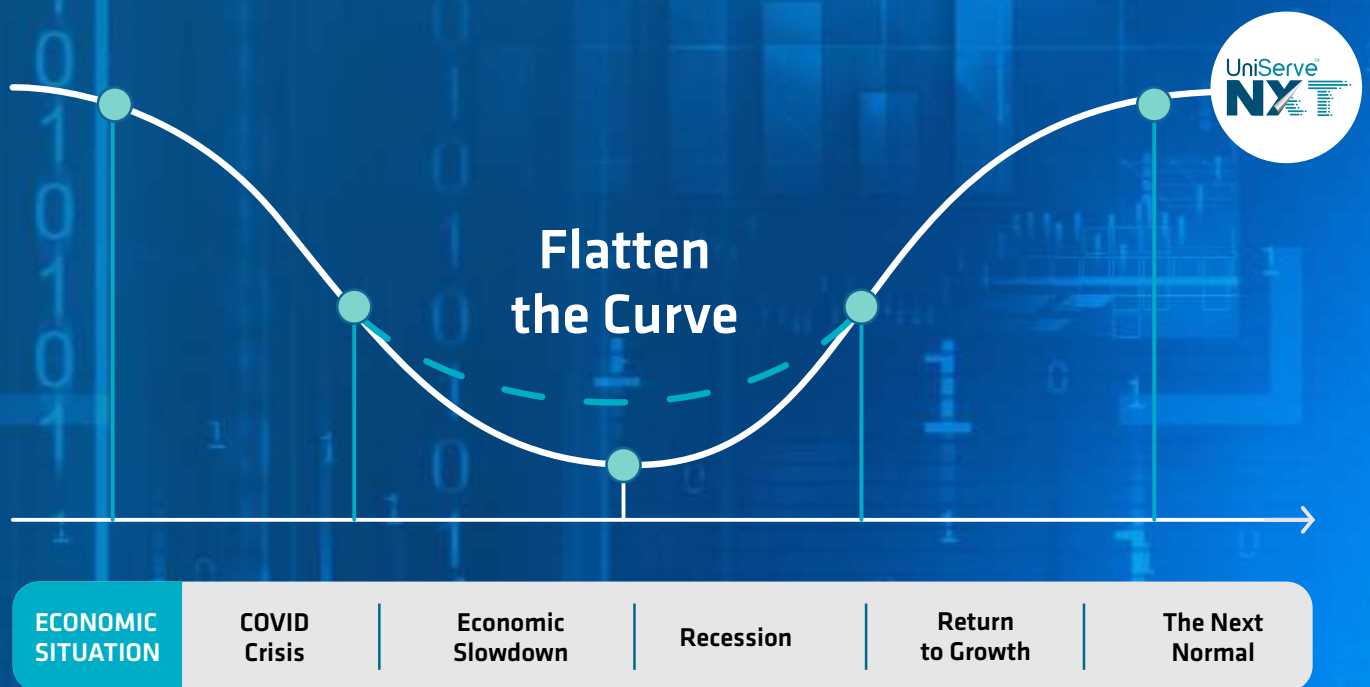
Building resilience – preparing for a new reality

| New reality | Improved outcomes |
|---|-----------------------------------|
| Flatter organizations | Faster time to market |
| Embedded data and analytics | Improved efficiency |
| Agile and cross-functional teams | Increased customer responsiveness |
| Automation and technological acceleration | Redefining productivity |
| Redeploying new skills | New business models |
| Collaboration | Improved productivity |

**Source: McKinsey Report 2020*

Tough times are pushing digital transformation to the front of the line. Even as workforces go remote, we help enterprises empower their customer to stay connected. Our solutions built on UniServe™ NXT will help you move forward in these challenging times.

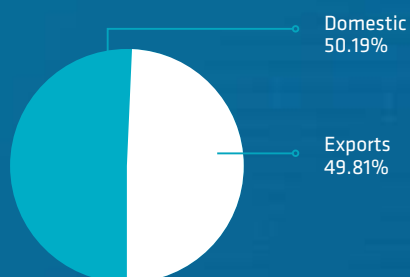
| Business Focus | Business Continuity | Cost Optimization | Business Resiliency | Targeted Investments | Future Enterprise |
|----------------|--|-------------------|---|----------------------|---|
| | ↓ | ↓ | ↓ | ↓ | ↓ |
| HOW WE HELP? | <ul style="list-style-type: none"> Digital enablement of services Remote customer onboarding Empower employees with right information | | <ul style="list-style-type: none"> Build enterprise applications without huge investments Digitalize CX lifecycle Modernize legacy to empower all stakeholders | |  |



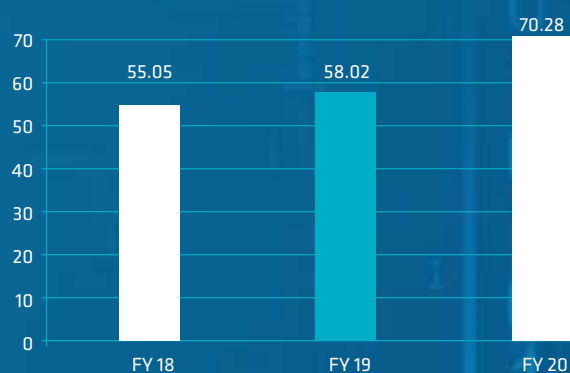
*Source: IDC report 2020

Key Performance Indicators (Consolidated)

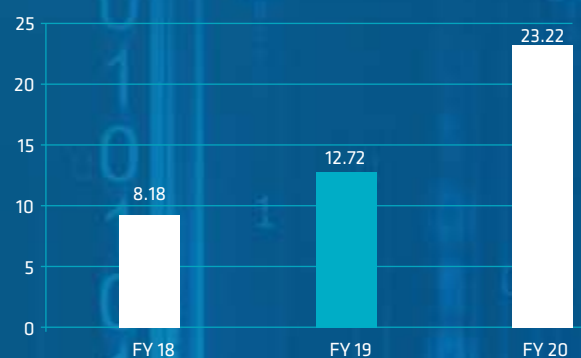
Exports Domestic



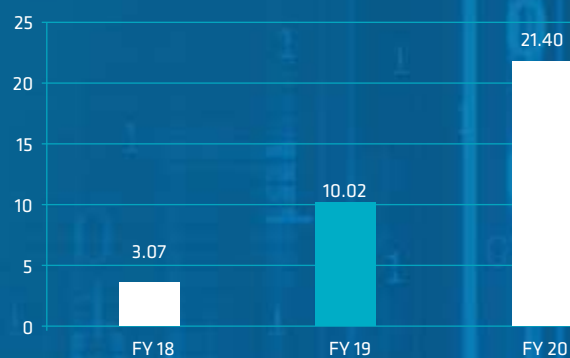
Revenues (₹ crore)



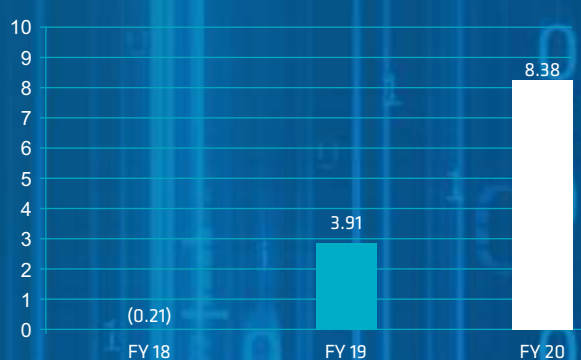
EBITDA (₹ crore)



PBT (₹ crore)



EPS (₹)



Fighting the COVID Pandemic - The Temporary Phase of Uncertainty.

COVID-19 emerged as an unexpected and unprecedented risk during the last month of FY 2019-20. First few cases of Covid-19 infection emerged in India in February 2020. Travel restrictions and testing norms were put in place from 1st week of March and these intensified further in the following week leading to a complete lockdown of entire country from 24th March 2020.

The Government of India ordered a nationwide lockdown for 21 days, limiting the movement of 1.35 billion people as a preventive measure against the spread of COVID-19.

As reports of the spread of CoronaVirus started coming in, Intense Technologies Limited stepped up efforts to protect the health of its employees. The following measures were put in place to protect our employees' health:

- Suspended the biometric attendance system across all locations
- Reinforced safe behaviour across our locations by limiting the size of gatherings/meetings and avoiding external visitors to the premises, besides asking employees to avoid in-person meetings and encouraging video conference
- High contact areas were sanitised at regular intervals. And placing hand sanitisers at all areas.
- Employees were offered assistance with hospitalization treatment and mediclaim in case of any COVID-related emergency
- As the number of COVID cases grew in the country, Intense announced 'Work from Home' for all office-based employees from March 17, 2020
- Special 'Work from Home' guidelines were drafted offering simple tips in being highly productive while working from home

We put in place a regular communication channel with all employees, wherein the senior management interacted with them on a regular basis, informing them about various health and safety updates, developments within Intense and our efforts to manage the COVID-related crisis.

All managers were encouraged to maintain daily contact with their teams, not just for work but also to enquire about their health and well-being employees were also provided computer hardware and necessary IT support to ensure business as usual even during the lockdown.

Provided Health Insurance cover, to cover COVID emergencies.

The COVID has impacted lives and livelihood all around us. As a good Corporate Citizen, the Intense Group pledged its support towards India's fight against COVID-19 by lending a hand to the Government's efforts to endure the social and economic impacts of the Coronavirus pandemic as well as protecting vulnerable populations by enabling access to food and essential supplies.

Following were the initiatives undertaken by Intense Technologies Limited towards supporting the community in this fight against COVID-19:

Donation to PM CARES Fund

A sum of ₹15 Lakhs was contributed to Prime Minister's Citizen Assistance and Relief in Emergency Situation Fund (PM CARES Fund) by Intense Technologies Limited.

Employee Contribution

Employees of the company also contributed towards relief measures for COVID-19. The funds raised were also donated to PM CARES Fund. In this present crisis, the Company has paid full salaries to all employees without any deductions.

Impact on business operations: The Company is building a healthy pipe line during Covid-19 time also.

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30th ANNUAL GENERAL MEETING

On Wednesday, the 30th day of September, 2020 at 2.00 P.M (IST)
Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

CORPORATE INFORMATION

Board of Directors

| | |
|------------------------------|--------------------------|
| Chairman & Managing Director | : Mr. C.K. Shastri |
| Whole Time Director | : Mr. Jayant Dwarkanath |
| Whole Time Director | : Mrs. C. Anisha Shastri |
| Director | : Mr. Tikam Sujan |
| Director | : Mrs. V. Sarada Devi |
| Director | : Mr. P. Pavan Kumar |
| Director | : Mr. K. S. Shanker Rao |
| Director | : Mr. V.S. Mallick |

Chief Financial Officer : Mr. H. Madhukar Nayak

Company Secretary & Compliance Officer : Ms. K. Tejaswi

Registered Office : A1, Vikrampur, Secunderabad – 500009,
Telangana
Tel: +91-40-44558585 / 27849019 / 27844551
Fax: +91-40-27819040
Website: in10stech.com

Branch Office : **Intense Technologies Ltd (Branch office Singapore)**
10, Anson Road # 24-09, International Plaza,
Singapore – 079903

Subsidiaries : **Intense Technologies FZE**
P.O. Box 53142, Hamriyah Free Zone,
Sharjah, United Arab Emirates (UAE)

Intense Technologies INC
10481, NW 36 Street, Miami, Florida - 33178,
United States of America (USA).

Intense Technologies UK Limited
200 Brook Drive, Green Park, Reading
RG2 6UB, United Kingdom (UK).

Bankers : State Bank of India
HDFC Bank Limited
Axis Bank Limited

Auditors : **M/s. MSPR & Co**
Chartered Accountants
F.No. G-1, H.No. 8-3-169/32, Sri Sai Nilayam,
Siddhartha Nagar,
Hyderabad – 500038, Telangana

Secretarial Auditors : **Puttaparthi Jagannatham & Co.**
Company Secretaries
Flat No. 315, Bhanu Enclave,
ESI, Hyderabad – 500 038, Telangana

Shares listed with : The Bombay Stock Exchange Limited, Mumbai;
National Stock Exchange of India Limited, Mumbai

Registrar & Share Transfer Agents : **KFin Technologies Private Limited**
(earlier Karvy Fintech Pvt. Ltd.)
Selenium Tower B,
Plot No.31 & 32, Financial District,
Nanakramguda, Gachibowli,
Hyderabad - 500 032, Telangana
P: +91 40 67162222

BOARD COMMITTEES

Audit Committee

| | |
|----------|-------------------------|
| Chairman | : Mr. K. S. Shanker Rao |
| Member | : Mrs. V. Sarada Devi |
| Member | : Mr. V.S. Mallick |

Nomination and Remuneration Committee

| | |
|----------|-------------------------|
| Chairman | : Mr. K. S. Shanker Rao |
| Member | : Mrs. V. Sarada Devi |
| Member | : Mr. V.S. Mallick |

Stakeholders' Relationship Committee

| | |
|----------|-------------------------|
| Chairman | : Mr. V.S. Mallick |
| Member | : Mrs. V. Sarada Devi |
| Member | : Mr. K. S. Shanker Rao |

Management Committee

| | |
|----------|-------------------------|
| Chairman | : Mr. C.K. Shastri |
| Member | : Mr. Jayant Dwarkanath |
| Member | : Mr. V.S. Mallick |

Corporate Social Responsibility Committee

| | |
|----------|-------------------------|
| Chairman | : Mr. K. S. Shanker Rao |
| Member | : Mrs. V. Sarada Devi |
| Member | : Mr. V.S. Mallick |

Risk Management Committee

| | |
|----------|-------------------------|
| Chairman | : Mr. V.S. Mallick |
| Member | : Mrs. V. Sarada Devi |
| Member | : Mr. K. S. Shanker Rao |

Subsidiary Companies

Intense Technologies FZE

| | |
|----------|-------------------------|
| Director | : Mr. C. K. Shastri |
| Director | : Mr. Jayant Dwarkanath |

Intense Technologies INC

| | |
|----------|-------------------------|
| Director | : Mr. C. K. Shastri |
| Director | : Mr. Jayant Dwarkanath |
| Director | : Mr. Tikam Sujan |

Intense Technologies UK Limited

| | |
|----------|-------------------------|
| Director | : Mr. C. K. Shastri |
| Director | : Mr. Jayant Dwarkanath |

NOTICE TO THE 30th ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting (AGM) of the Members of Intense Technologies Limited (CIN: L30007TG1990PLC011510) will be held on Wednesday, 30th day of September, 2020 at 2:00 P.M. (IST) through video conference (VC) or Other Audio Visual Means (OAVM), to transact the following business:-

ORDINARY BUSINESS:

1. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT the Audited Financial Statements (Standalone and Consolidated) of the Company for the year ended 31st March, 2020 together with the Reports of the Board of Directors’ and Auditors’ thereon as presented to the meeting, be and are hereby, approved and adopted”.
2. To declare final dividend on equity shares for the financial year ended 31st March, 2020.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT Mr. Tikam Sujana (DIN 02137651), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby reappointed as a Director of the Company.”

SPECIAL BUSINESS:

4. Re-appointment of Mr. C.K. Shastri as Managing Director

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modifications or re-enactment(s) thereof, for the time being in force) subject to the approval of the Central Government and such other consents and permission as may be necessary and subject to such modifications, variations as may be approved and acceptable to the appointee, the approval of the members of the Company be and is hereby accorded for the reappointment of Mr. C. K. Shastri (DIN: 00329398) as Managing Director of the Company for a period of 3 years with effect from 1st October 2020 at the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee in its meeting upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved by the Board of Directors.”

“RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to the provisions of Schedule V to the new Act, the Board of Directors of the Company (hereinafter referred to as “the Board” which terms shall be deemed to include any committee which the Board may constitute to exercise its powers, including powers conferred by this resolution) be and is hereby authorised to alter and vary the terms and conditions of appointment including remuneration, if necessary, in such manner as may be agreed to by and between the Board and Mr. C. K. Shastri within such prescribed limit(s) or ceiling and the agreement between the Company and the Managing Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting.”

“RESOLVED FURTHER THAT Mr. C. K. Shastri, Managing Director or any other Director and the Company Secretary be and are hereby severally authorized to file necessary returns with the Registrar of Companies, Telangana to give effect to the above resolution.”

5. Re-appointment of Mr. Jayant Dwarkanath as Whole time Director

To consider and if thought fit, to pass with or without modification(s), the following resolutions as a Special resolution:

“RESOLVED THAT pursuant to the provisions of section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modifications or re-enactment(s) thereof, for the time being in force) subject to the approval of the Central Government and such other consents and permission as may be necessary and subject to such modifications, variations as may be approved and acceptable to the appointee, the approval of the members of the Company be and is hereby accorded for the appointment of Mr. Jayant Dwarkanath (DIN: 00329597) as Whole Time Director of the Company for a period of 3 years with effect from 1st October 2020 at the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee in its meeting upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved by the Board of Directors.”

“RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to the provisions of Schedule V to the new Act, the Board of Directors of the Company (hereinafter referred to as “the Board” which terms shall be deemed to include any committee which the Board may constitute to exercise its powers, including powers conferred by this resolution) be and is hereby authorised to alter and vary the terms and conditions of appointment including remuneration, if necessary, in such manner as may be agreed to by and between the

Board and Mr. Jayant Dwarkanath, within such prescribed limit(s) or ceiling and the agreement between the Company and the Whole Time Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting.”

“RESOLVED FURTHER THAT Mr. Jayant Dwarkanath, Whole Time Director or any other Director and the Company Secretary be and are hereby severally authorized to file necessary returns with the Registrar of Companies, Telangana to give effect to the above resolution.”

6. Re-appointment of Mrs. Anisha Chidella as Whole time Director

To consider and if thought fit, to pass with or without modification(s), the following resolutions as a Special resolution:

“RESOLVED THAT pursuant to the provisions of section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modifications or re-enactment(s) thereof, for the time being in force) subject to the approval of the Central Government and such other consents and permission as may be necessary and subject to such modifications, variations as may be approved and acceptable to the appointee, the approval of the members of the Company be and is hereby accorded for the appointment of Mrs. Anisha Chidella (DIN: 08154544) as Whole Time Director of the Company for a period of 3 years with effect from 1st October 2020 at the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee in its meeting upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved by the Board of Directors.”

“RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to the provisions of Schedule V to the new Act, the Board of Directors of the Company (hereinafter referred to as “the Board” which terms shall be deemed to include any committee which the Board may constitute to exercise its powers, including powers conferred by this resolution) be and is hereby authorised to alter and vary the terms and conditions of appointment including remuneration, if necessary, in such manner as may be agreed to by and between the Board and Mrs. Anisha Chidella, within such prescribed limit(s) or ceiling and the agreement between the Company and the Whole Time Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting.”

“RESOLVED FURTHER THAT Mrs. Anisha Chidella, Whole Time Director or any other Director and the Company Secretary be and are hereby severally authorized to file necessary returns with the Registrar of Companies, Telangana to give effect to the above resolution.”

7. Approval and ratification for the arrears paid to Mr. C. K. Shastri, Managing Director and Mr. Jayant Dwarkanath, Whole time Director, as against the voluntary reduction taken in remuneration.

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

“RESOLVED THAT the approval of the members of the Company be and is hereby accorded for the arrears that were due and paid to Mr. C. K. Shastri, Managing Director and Mr. Jayant Dwarkanath, whole time Director, of the company as against the voluntary reduction in their remuneration for the Financial years: 2017-18 and 2018-19 as detailed in the explanatory statement attached hereto, which is approved by the Board of Directors be and is hereby ratified, confirmed and approved.”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to do all such Acts, deeds matters and things as may be considered necessary or desirable to give effect to this resolution in this regard.”

For and on behalf of the Board

Place: Secunderabad
Date: 27th August, 2020

C. K. Shastri
Chairman & Managing Director
DIN: 00329398

NOTES

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the AGM through VC / OAVM, without the physical presence of Members. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards-1 & 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be deemed venue of the AGM.
3. ALTHOUGH, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/ HERSELF, BUT SINCE THIS MEETING IS BEING HELD THROUGH VC/ OAVM UNDER THE FRAMEWORK OF MCA CIRCULARS ON ACCOUNT OF THREAT POSED BY COVID-19, WHERE PHYSICAL PRESENCE OF MEMBERS HAS BEEN DISPENSED WITH, THE FACILITY OF APPOINTMENT OF PROXY WILL NOT BE AVAILABLE. AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED HERETO.
4. As the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
5. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) shall send scan of certified true copy of the Board Resolution/ Authority letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Company at info@in10stech.com to attend the AGM.
6. 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.

The Notice of 30th AGM and the Annual Report 2019-2020 will also be available on the Company's website www.in10stech.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of RTA- KFin Technologies Pvt. Ltd. ("KFin") (earlier Karvy Fintech Pvt. Ltd.) at <https://evoting.karvy.com>.

Shareholders are requested to follow the process as guided below to enable the Company to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password.

Physical Holding: Member may send an e-mail request to the Company at info@in10stech.com or to its RTA - KFin at inward.ris@kfintech.com along with

- scanned copy of the signed request letter mentioning your Name, Folio Number, Share certificate number, complete address, email address and mobile number, and
- scanned copy of self-attested PAN card

Demat Holding: Members holding shares in dematerialized mode are requested to register / update their email addresses with their relevant Depository Participant.

Alternatively, *(for temporary registration for forthcoming 30th AGM only)* member may follow the process mentioned above under- Physical Holding and send 16 digit DPID & Client ID in place of Folio No. along with scanned copy of self-attested Client Master copy or consolidated Demat Account Statement.

In case of any queries / difficulties in registering the e-mail address, Members may write to info@in10stech.com or evoting@nsdl.co.in

7. The Register of Members and Share Transfer Books of the Company will remain closed from 24-09-2020 to 30-09-2020 (both days inclusive)
8. Dividend of 10% per Equity Share on the face value of ₹ 2/- each for the Financial Year 2019-2020 is recommended by the Board of Directors and, if declared at the Annual General Meeting, will be payable to those Members whose names appear on the Register of Members as on 23.09.2020

Kindly note that as per Listing Regulations it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/update your correct bank account details with the Company/RTA/Depository Participant, as the case may be.

Kindly note that as per MCA circular dated May 5, 2020, with respect to payment of dividend, in case of shareholders whose bank accounts details are not available, Company shall upon normalization of the postal services, dispatch the dividend warrant/ cheque to such shareholder by post.

9. All dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Members may please note that no claim is lying against the Company in respect of dividend which remain unclaimed and unpaid for a period of seven years.

Income Tax on Dividend:

Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1st, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/Registrar & Transfer Agent (in case of shares held in physical mode and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form 15G/15H, to avail the benefit of non-deduction of tax at source by email to info@in10stech.com or to its RTA at einward.ris@kfintech.com. Shareholders are requested to note that in their PAN is not registered; the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to the Company or its RTA at email address mentioned above. The aforesaid declarations and documents need to be submitted by the shareholders by 5:00 PM IST on or before 21.09.2020. The above documents can be downloaded from the Company's website at www.in10stech.com in 'Investor' section.

10. Voting through electronic means

- i) Pursuant to the provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, applicable Secretarial Standards and the Listing Regulations a member of the Company holding shares either in physical form or in dematerialized form, shall exercise his/her right to vote by electronic means (e-voting) in respect of the resolution(s) contained in this notice.
- ii) The Company is providing e-voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of The National Securities Depository Limited (NSDL) as the Authorised Agency to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting).
- iii) Further, facility for e-voting shall also be made available at the AGM (through insta poll) and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through insta poll.
- iv) The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. In case vote is cast by both the modes, then vote cast by remote e-voting prior to the meeting shall prevail.
- v) The Board of Directors have appointed CS Puttaparthi Jagannatham, Advocate as the Scrutinizer, for conducting the e-voting (insta poll) and remote e-voting process in a fair and transparent manner.
- vi) **The cut-off date for the purpose of voting (including remote e-voting) is 23rd September, 2020**
- vii) Members are requested to carefully read the instructions for remote e-voting before casting their vote. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
- viii) The remote e-voting facility will be available during the following period after which the portal shall forthwith be blocked and shall not be available:

| | |
|--|--|
| Commencement of remote e-voting | 09:00 a.m. (IST) on 27th September, 2020 |
| End of remote e-voting | 05:00 p.m. (IST) on 29th September, 2020 |

- ix) The procedure and instructions for remote e-voting are as under:
 - a. The Company has entered into an arrangement with The National Securities Depository Limited (NSDL) for facilitating remote e-voting for the Annual General Meeting. The instructions for remote e-voting are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned 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.

Details on Step 1 is mentioned below:

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

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.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | 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***. |

5. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to 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.
 - c. How to retrieve your ‘initial password’?
 - i. 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’.
 - ii. If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. 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 account with 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 request at 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 votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

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.
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.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
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.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

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 pjagan123@gmail.com with a copy marked to evoting@nsdl.co.in.
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.
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

Attending the AGM through VC / OAVM

The Company will be providing VC/AOVM facility to enable the members to attend the AGM. Members who are entitled to participate in the AGM can attend the AGM.

The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

The AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

Instructions for members for attending the AGM through VC/OAVM are as under:

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.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

The instructions for members for e-voting on the day of the AGM are as under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
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.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
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.

The Scrutinizer shall within a period not later than 3 (Three) days from the conclusion of the voting at the annual general meeting, first count the votes cast at the annual general meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 3 (Three) days after the conclusion of the annual general meeting to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.

The resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the resolutions.

The results declared along with the Scrutinizer's Report(s) will be placed on the website of the Company www.in10stech.com and on KFin's website (<https://evoting.karvy.com>) immediately after the result is declared and shall simultaneously be forwarded to National Stock Exchange of India Limited and BSE Limited, the Stock Exchanges where the Company's shares are listed.

Additional information on Directors seeking re-appointment as required under Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015, at The Annual General Meeting:

| Particulars | Mr. Tikam Sujan |
|--|--|
| Directors Identification Number (DIN) | 02137651 |
| Date of Birth & Nationality | 23.02.1959; NRI |
| Date of first Appointment on the Board of the Company | 14.08.2003 |
| Qualifications & Expertise | Tikam Sujan is a successful NRI businessman based at Miami, Florida, USA having 36 years of experience in operating in American geography. |
| Directorship held in other Public Companies | Nil |
| Memberships/ Chairmanships of committees of other public companies (including only Audit and Shareholders Grievance Committee) | Nil |
| Number of shares held in the Company | 22,75,802 |

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4, 5 and 6

The Board of directors as per the recommendation of the Nomination and Remuneration Committee and Audit Committee have re-appointed Mr. C. K. Shastri, Managing Director (DIN: 00329398) of the Company, Mr. Jayant Dwarkanath, Whole-Time Director (DIN: 00329597) and Mrs. Anisha Chidella, Whole-Time Director (DIN: 08154544) of the Company for a term of 3 years from 1st October, 2020 subject to approval/ ratification by the shareholders at the ensuing Annual General Meeting.

I. GENERAL INFORMATION:

| | | | | | |
|---|---|---|----------|----------|----------|
| 1 | Nature of Industry | Information Technology / Software Product Development. | | | |
| 2 | Date of commencement of commercial production | Existing company having its software development operations since 1999. | | | |
| 3 | Financial Performance | (₹ in lakhs) | | | |
| | | | 2017-18 | 2018-19 | 2019-20 |
| | Gross Revenue | | 5,334.44 | 5,709.12 | 6,839.54 |
| | Total Expenditure | | 4,444.43 | 4,650.19 | 5,739.25 |
| | Financial Expenses | | 89.92 | 81.39 | 62.86 |
| | Operating Profit | | 800.09 | 977.54 | 1,037.43 |
| 4 | Export Performance | FOB value of exports | 2,596.16 | 1,947.75 | 2,356.05 |

II. INFORMATION ABOUT THE APPOINTEE:

| Name of the Director | Mr. C.K. Shastri | Mr. Jayant Dwarkanath | Ms. Anisha Chidella |
|----------------------|---|--|--|
| Date of Birth | 31st December, 1958 | 6th September, 1964 | 17th January, 1990 |
| Date of appointment | 1st October, 2018 | 1st October, 2018 | 1st October, 2018 |
| Experience | 39 years of Business Experience including 21 years in I.T. Industry | 33 years of Experience in Banking and I.T. Industry | She has worked in Technology Company in areas of Strategy, Consulting and Product Management |
| Qualifications | B.Com & P.G. Diploma in Marketing | B.E and M.B.A | B.Tech and MBA |
| Past Remuneration | ₹ 6.00 lakhs per month | ₹ 6.00 lakhs per month | ₹ 2.00 lakhs per month |
| Job Profile | He is the main Promoter, Chairman and Managing Director of the Company and has been instrumental in building the Company. | He is the Whole-Time Director of the Company and he looks after the international business operations of the Company and he has been instrumental in marketing tie-ups with global majors. | She has been instrumental in the business operations of the Company. |

Terms and conditions:

Re-appointment: Mr. C.K. Shastri as Managing Director, Mr. Jayant Dwarkanath as Whole time Director and Mrs. Anisha Chidella as Whole-Time Director of the Company.

Period: 3 years from 1st October 2020 to 30th September, 2023

The material provisions of the agreement entered into with Mr. C. K. Shastri, Mr. Jayant Dwarkanath and Mrs. Anisha Chidella are as under:-

A. REMUNERATION

(a) Salary

Mr. C.K. Shastri and Mr. Jayant Dwarkanath

Basic Salary of ₹ 5,50,000/- (Rupees Five Lakh and Fifty Thousand only) per month w.e.f 1st October, 2020

Ms. Anisha Chidella

Basic Salary of ₹ 2,50,000/- (Rupees Two Lakh and Fifty Thousand only) per month w.e.f 1st October 2020.

(b) Incentive / Commission

Commission/incentives: 5% of net profits, calculated in accordance with the provisions of section 197 read with section 198 of the Companies Act, 2013.

B. PERQUISITES:

In addition to salary, perquisites allowed as follows:

Mr. C.K. Shastri and Mr. Jayant Dwarkanath

Perquisites and Allowances: of ₹ 1,50,000/- (Rupees One Lakh and Fifty Thousand only) w.e.f 1st October, 2020.

(a) Housing

The Company shall provide rent- free furnished accommodation.

(b) Medical reimbursement

Reimbursement of actual expenses incurred for self and family or expenses incurred for medical insurance of self and family at actual basis.

(c) Leave Travel Concession

Leave Travel Concession for self and family shall be in accordance with the rules of the Company. "Family" means wife, dependent children and dependent parents of the Director.

(d) Personal Accident Insurance

The Insurance premium shall be in accordance with the rules of the Company.

(e) Club Fees and others

Actual expenses shall be reimbursed. Also reimbursement of actual expenses incurred towards utilization of gas, electricity, water and repairs subject to the overall limit of the applicable provisions of the Companies Act, 2013.

Remuneration in the event of loss or inadequacy of profits

Wherein in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid, subject to the limits prescribed in Schedule V of the Companies Act, 2013.

III. OTHER INFORMATION:

1. Profitability:

The company is a software products company with lengthy product development and sales cycle. In the initial period of a product development and sales cycle, it is necessary to build a reference base with a few select customers to ensure that the products are robust and can be benchmarked against competition through a continuous feature and performance enhancement.

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

The Company is under the process of continuously upgrading of the existing products in line with the market requirements.

The Company has established a strong reference base of customers both in the domestic and international markets for its key products. The products have also been upgraded regularly to benchmark them against the best in the world. The Company has made its foot prints in the global markets and has its subsidiaries in U.S.A, U.K and U.A.E to market its products globally.

3. Expected increase in productivity and profits:

With the process of continuous upgrading of the existing products in the market, the productivity, sales revenue and the profitability is expected to go up. Since these are forward looking statements, investors are advised to refer Risk factors mentioned in the Annual Report.

IV. DISCLOSURES:

The shareholders of the company shall be informed of the remuneration package to the Managing Personnel in the Annual Report of the Company.

The Board of Directors recommends the above resolutions for approval of the Shareholders as Special Resolution(s). Mr. C.K. Shastri and Mrs. Anisha Chidella are relatives and their other relatives, to the extent of their shareholding interest and Directorship in the Company, may be deemed to be concerned or interested.

Other than the above, none of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution(s) except the Directors getting re-appointed.

Item No. 7

Mr. CK Shastri, Managing Director and Mr. Jayant Dwarkanath, whole time Director, of the company took a voluntary salary cut as given below. Reduction in managerial remuneration is mainly due to cost reduction measures voluntarily adopted by Executive Directors for the benefit of the Company.

| (Amount in ₹) | | |
|-------------------|-------------------------------|-----------|
| Name | Voluntary reduction in salary | |
| | 2017-18 | 2018-19 |
| C.K.Shastri | 33,30,000 | 30,40,000 |
| Jayant Dwarkanath | 33,30,000 | 30,40,000 |
| Total | 66,60,000 | 60,80,000 |

None of the Directors or key managerial personnel of the Company or their relatives except Mr. C.K Shastri, Mr. Jayant Dwarkanath and Mrs. Anisha Chidella is, in any way concerned or interested, in the proposed resolution.

Since the Companies Act, 2013 requires the approval from the members, the Board recommends the Special Resolution as set out in Item No. 7 of the Notice for approval of the members.

For and on behalf of the Board

Place: Secunderabad
Date: 27th August, 2020

C. K. Shastri
Chairman & Managing Director
DIN: 00329398

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure to present the 30th Annual Report and the Audited Accounts for the financial year ended 31st March, 2020.

1. Financial Results

The Company's financial performance, for the year ended 31st March, 2020 is summarized below:

| Particulars | (₹ in Lakhs) | | | |
|-------------------------------------|---------------|---------------|-----------------|---------------|
| | Standalone | | Consolidated | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Gross Revenues | 6,839.54 | 5,709.12 | 7,027.69 | 5,801.82 |
| Total Expenditure | 5,802.11 | 4,731.58 | 4,887.48 | 4,799.74 |
| Profit before Tax | 1,037.43 | 977.54 | 2,140.21 | 1,002.08 |
| Tax Expense | 257.08 | 317.40 | 403.34 | 127.44 |
| Profit before Tax | 780.35 | 660.14 | 1,736.87 | 874.64 |
| Earnings per equity share | | | | |
| Basic EPS (Face Value ₹ 2/- each) | 3.48 | 2.95 | 8.38 | 3.91 |
| Diluted EPS (Face Value ₹ 2/- each) | 3.45 | 2.90 | 8.30 | 3.85 |

2. Year gone by

This year consolidated revenues stood at ₹ 7,027.69 lakhs compared to ₹ 5,801.82 lakhs last year, with EBITDA of ₹ 2,322.38 lakhs compared to EBITDA of ₹ 1,272.18 lakhs last year, an increase of 82.55%. The profit after tax is ₹ 1,736.88 lakhs, an increase of 98.58 % with an EPS of ₹ 8.38. All the overseas subsidiaries of the company have contributed positively during the year under review. The Board of Directors recommended a dividend of 10% per equity share of face value of ₹ 2/- each for the financial year ended March 31, 2020. The dividend thus announced was for second successive year.

We have had a very productive year, with new growth and transformation initiatives that helped deploy powerful solutions and win some noteworthy deals. We have joined forces with large System Integrators to play an important role in digitalizing citizen services and building digital India. We have expanded the scope of our solutions with our existing customers and are continuously partnering with them to explore new opportunities. The domain we operate in, especially Customer Communications Management and Customer Experience, is in growth mode, and we are witnessing increased demand for new uses cases of video interactive statements and forms management. This Year we have also penetrated deeper into the banking and insurance verticals in the domestic market. Our Managed services deal with the public sector telecom operator is on track and progressing well.

The analyst community continues to recognize us in the domains we operate. Gartner has recognized us in its market guide for Customer Communications Management in 2019, and the Aspire leaderboard features us as a focused player in the CCM domain and leaders in the BPM and automation domain.

3. Future outlook:

The COVID-19 pandemic has negatively impacted businesses, driving the global economy towards recession. Though we cannot avert the negative implications of the pandemic, it is also opening up lot of opportunities as there is growing drive towards becoming digital. Enterprises across the world are exploring ways to engage with their customers through digital channels in more personalized ways to reduce operational costs of customer support and service.

The pandemic has accelerated demand for our digital CX management solutions such as digital customer onboarding, centralized customer engagement hub, and B2B and B2C self-service portals. Our digital engagement solutions built on the platform are helping enterprises to ensure business continuity by empowering their customers and employees in the lockdown scenario.

Our platform will help them digitalize operations to reduce redundancy, empower stakeholders with a single view of the customers to improve retention, ensure consistent and personalized customer communications through digital channels and reduce customer service and support costs. UniServe™ NXT platform will help them build customized enterprise applications with speed and agility to achieve business objectives of faster time to market, reduced operational costs, and improved CX.

Our platform will partner with them to achieve the new normal. The platform will also enable enterprises to modernize legacy infrastructure quickly without replacing existing applications.

Because of these opportunities, the future outlook of the Company remains strong and encouraging. Though the future outlook looks encouraging, we are cautious of global economic slowdown due to the pandemic and taking necessary steps to conserve cash for any eventuality.

4. Change in the nature of business

During the year the company has not changed its business.

5. Dividend

The Board of Directors of the Company has recommended a final dividend of 10% per equity share on face value of ₹ 2/- each, for the financial year 2019-2020. The dividend if approved at the Annual General Meeting (AGM) will be paid to those members whose names will appear on the Register of Members as 23.09.2020. The total dividend payout will amount to ₹ 44,81,590/- resulting in a pay of 4.32% of the standalone profit after tax of the Company.

6. Reserves

The Company has not transferred any amount to Reserves during the financial year ended on 31st March, 2020.

7. Finance

Cash and cash equivalents as at March 31st 2020 were ₹ 614.10 lakhs. The Company continues to focus on judicious management of its working capital, receivables, and inventories. Other working capital parameters were kept under strict check through continuous monitoring.

8. Share Capital

During the year under review, 23,000 equity shares were issued and allotted under Employee Stock Option Scheme. Consequently the issued, subscribed and paid-up share capital of the Company as on 31st March, 2020 stood at ₹ 4,48,15,898/- consisting of 2,24,07,949 equity shares of ₹ 2/- each. The Equity shares issued under the Intense Employee Stock Option Scheme A 2009 shall rank pari – passu with the existing equity shares of the Company.

9. Directors and Key Managerial Personnel

In accordance with the Companies Act, 2013 and the rules made there under and the Articles of Association of the Company, Mr. Tikam Sujan, retires by rotation and being eligible, offers himself for re-appointment.

10. Number of Meetings of the Board

During the year 7 (Seven) Board Meetings and 4 (Four) Audit Committee Meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. A calendar of meetings is prepared and circulated in advance to all the Directors.

11. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

12. Declaration by an Independent Director(s) and re- appointment, if any

The Independent Director(s) have submitted the declaration of independence pursuant to section 149(7) of the Act stating that he/they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 17(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that there is no change in their status of independence.

13. Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for appointment and remuneration of Directors, Key Managerial Personnel and other employees including criteria for determining qualifications, positive attributes and Director's independence. The Remuneration Policy is stated in the Corporate Governance Report.

Managerial Remuneration:

- A) Details of the ratio of the remuneration of each Director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

| | (Amount in ₹) | |
|--|---------------|---------------------|
| Remuneration to Directors: | 2019-2020 | % on Total Salaries |
| C.K. Shastri, Managing Director | 1,35,70,000 | 4.53% |
| Jayant Dwarkanth, Whole Time Director | 1,35,70,000 | 4.53% |
| C. Anisha Shastri, Whole Time Director | 34,82,800 | 1.16% |

- B) Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure - II
- C) No director is in receipt of any commission from the company and the Managing Director/ Whole-time Director of the Company have not received any remuneration or commission from any other Company subject to its disclosure by the Company in the Board's Report.

14. Subsidiaries, Associates and Branches

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures is given as Annexure - III [Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement].

The Company has three Wholly Owned Subsidiary Company (WOS):

- (1) "Intense Technologies FZE" in Hamriyah Free Zone, Hamriyah, United Arab Emirates (U.A.E).
- (2) "Intense Technologies INC" in Miami, Florida, United States of America (USA).
- (3) Intense Technologies UK Limited in 200 Brook Drive, Green Park Reading RG2 6UB, United Kingdom (UK).

Singapore Branch: The Company has one Branch office located at # 10, Anson Road # 24-09, International Plaza, Singapore - 079903.

Further, the Annual Accounts and related documents of the subsidiary companies shall be kept open for inspection at the Registered & Corporate Office of the Company. The Company will also make available copy thereof upon specific request by any Member of the Company interested in obtaining the same. Further, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiary.

15. Statutory Auditors

M/s MSPR & CO., Chartered Accountants, Independent Auditors of the Company was appointed in the 28th Annual General Meeting held on 27th September, 2018 for a period of three years till the conclusion of 31st Annual General Meeting.

16. Auditors' Report

The Auditors' Report does not contain any qualification.

Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

17. Disclosure about Cost Audit

As per the Cost Audit Orders, Cost Audit is not applicable to the Company for the financial year 2019-2020.

18. Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the rules made thereunder, the Company has appointed Puttaparthi Jagannatham & Co., Practicing Company Secretaries, a firm of company secretaries to undertake the secretarial audit of the Company. The Secretarial Audit Report given by Puttaparthi Jagannatham and Co., Company Secretaries is annexed with the report. The self explanatory statement on CSR expenditure and Secretarial Audit has been mentioned at the relevant paragraphs. The Secretarial Auditor's report is self-explanatory and do not call for any further comments and is enclosed as Annexure - IV

The Board has appointed M/s. Puttaparthi Jagannatham & Co., Practicing Company Secretaries, as Secretarial Auditor of the Company for the Financial Year 2019-2020 as per the provisions of the Companies Act, 2013 and Rules made thereof and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

19. Internal Audit Controls and their adequacy

The Company has an internal control system, commensurate with the size scale and complexity of its operations. The scope and authority of the Internal Audit Function is defined in the Internal Audit Manual. To maintain its objectivity and independence the Internal Audit function reports to the Chairman of the audit committee of the Board and to the Chairman and Managing Director.

The internal Audit department monitors and evaluates the efficiency and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit functions, process owner undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the audit committee of the Board.

20. Adequacy of internal financial controls with reference to the financial statements

The company has Internal Auditors and the Audit Committee constituted is in place to take care of the same. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions are taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

21. Issue of Employee Stock Options (ESOP's)

Employees Stock Option Plan as required under SEBI (Share based Employee Benefits) Regulations, 2014 the disclosures of the Employees Stock Option Plan 2005, Stock Option Plan A 2007 and Stock Option Plan A 2009 which are in force are given in **Annexure –V**.

22. Whistle Blower Policy

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Whistle Blower Policy for directors and employees to report genuine concerns has been established. The Whistle Blower Policy has been uploaded on the website of the Company at www.in10stech.com.

23. Risk Management And Insurance

The Company has put in place an Enterprise Risk Management Framework. Our risk management framework has been designed to identify, monitor and minimize the adverse impact of strategic, operational, financial and compliance risks faced by the organization. We recognize that an appropriate response to business risks and opportunities is vital to achieve our business objectives, safeguard stakeholder interests and meeting legal requirements. Every quarter a detailed update on risk management is presented and deliberated upon in the meetings of the risk management committee of the board. All the properties of your Company have been adequately insured against the risk from fire and earthquake.

24. Annual Return

An extract of the Annual Return of the Company has been placed on the website of the Company and can be accessed at www.in10stech.com at the link https://in10stech.com/images/financial_reports/Intense-Technologies-Annual-Return-2019-20.pdf under the investor information section.

25. Material changes and commitments

The company adopted Indian Accounting Standards ("Ind AS") and accordingly these financial results have been prepared in accordance with the recognition and measurement principles stated there in, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there under and other accounting pronouncements generally accepted in India.

26. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No such orders were passed against the Company.

27. Deposits

During the Financial Year 2019-2020, the company did not accept any deposits within the meaning of Sections 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014.

28. Loans, guarantees or investments under Section 186

(i) Details of loans and advances, investments in subsidiary companies:

| | | (Amount in ₹) |
|-----------------------------------|--------------------|---------------------|
| Particulars | Loans and Advances | Investments |
| Intense Technologies FZE | - | 6,95,55,376 |
| Intense Technologies U.K. Limited | - | 11,11,59,901 |
| Intense Technologies INC | - | 9,41,00,020 |
| Total | - | 27,48,15,297 |

Related party disclosures are given under notes to Financial Statements in this report.

The cost on investments in Equity Shares of other listed entities:

The aggregate market value of these equity shares as on 31st March, 2020 is ₹ 1,29,171/-

(ii) Guarantees / Securities provided

| Sl.No. | Date of providing security/ guarantee | Details of recipient | Amount (₹) | Purpose for which the security/guarantee is proposed to be utilized by the recipient |
|--------|---------------------------------------|----------------------|--------------------|--|
| 1 | 09-Jun-16 | BSNL, Delhi | 3,75,00,000 | Performance Bank Guarantee |
| | | Total | 3,75,00,000 | |

29. Contracts / Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material. All related party transactions were placed in the meetings of Audit committee and the Board of Directors for their necessary review and approval.

There have been no material related party transactions undertaken by the Company under Section 188 of the Companies Act, 2013 and hence, no details have been enclosed pursuant to clause (h) of subsection (3) of Section 134 of Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014 - 'AOC-2'.»

30. Corporate Governance

A Report on Corporate Governance, forming part of this report, together with the Compliance certificate from the auditors regarding compliance of conditions of Corporate Governance as stipulated in Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with the report as Annexure – VII

31. Management Discussion and Analysis

A report on Management Discussion & Analysis for the year under review, as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, is provided in a separate section forming part of this Annual Report and is enclosed as Annexure – VI.

32. Statutory Disclosures

In terms of the provisions of the Companies Act, 2013 and other applicable regulations read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure - II to the Directors' Report. However, as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company at the registered office of the Company.

33. Prevention of Sexual Harassment of Women at Workplace

The Company has in place a policy on Prevention of Sexual Harassment of Women at workplace, which is available on the Company website at www.in10stech.com under investor information. The Company is in compliance with the provisions relating to the constitution of an Internal Complaints Committee under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013"

This committee consists of following members:

Mrs. C. Anisha Shastri
Mr. Prabhakar Racherla
Mrs. Padmini Ieeja
Ms. K. Tejaswi

During the year under review, no complaint of harassment of woman at the workplace was received by the Committee.

34. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The particulars as prescribed under Sub Section (3) (m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are given below:

A. Conservation of Energy:

Energy conservation is not about limiting the use of resources which will finally run out altogether. The ideal way of conservation would be reducing demand on a limited supply and enabling that supply to begin to rebuild itself. Many times the best way of doing this is to replace the energy used with an alternative. The Company's core activity is information technology and services related and is making every effort to conserve the usage of power.

B. Technology Absorption

The Company has been and will continue to leverage new technologies and adopts the best processes and methodologies that fits to its line of business.

C. Foreign Exchange Earnings & Outgo:

The Foreign Exchange earned in terms of actual inflows during the Financial Year 2019-20: ₹ 2,356.05 (in lakhs).

The Foreign Exchange outgo in terms of actual outflows during the Financial Year 2019-20: ₹ 706.82 (in lakhs).

35. Corporate Social Responsibility (CSR)

The Company has constituted the CSR committee which has identified Education, Health, skilling, Environment, Rural Development and Disaster Relief, as the focus areas. The Corporate Social Responsibility Report also contains the report on CSR initiatives as required under Section 135 of the Companies Act, 2013 (the Act) which is annexed as Annexure I to this report.

As a part of Corporate Social Responsibility (CSR), we at intense consider it our responsibility to support philanthropy, environment sustainable initiatives, ethical business practices and environment responsibility towards this end.

36. Human Resources

Your Company treats its "Human Resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company's thrust is on the promotion of talent internally through job rotation and job enlargement.

37. Directors' Responsibility Statement

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, it is confirmed that the Directors have:

- (a) Followed applicable accounting standards in the preparation of annual accounts and there are no material departures for the same.
- (b) 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 as on 31st March, 2020 and of the profit of the company for the year ended on 31st March, 2020.
- (c) Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) Prepared the annual accounts on a going concern basis;
- (e) Laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) Devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

38. Transfer of Amounts to Investor Education and Protection Fund

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

39. Listing with Stock Exchanges

At present the equity shares of the Company are listed on the Bombay Stock Exchange (BSE) Mumbai, and National Stock Exchange of India Limited (NSE), Mumbai. The Company confirms that it has paid Annual Listing Fees due to both the Exchanges for the year 2020-2021.

40. Policies

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated all the required policies as mandated. And all the policies are available on our website (<https://in10stech.com/investors/policies>)

41. Depository System

As the Members are aware, your Company's shares are tradable compulsorily in electronic form and your Company has established connectivity with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, the members are requested to avail the facility of Dematerialization of the Company's shares on NSDL & CDSL. The ISIN allotted to the Company's Equity shares is INE781A01025.

42. Acknowledgements

Your Directors' convey their sincere thanks to State Bank of India, HDFC Bank Ltd, Axis Bank Limited and shareholders for their continued support. Your Directors' place on record, appreciation of the contribution made by the employees at all levels and looks forward to their continued support.

For and on behalf of the Board

Place: Secunderabad
Date: 27th August, 2020

C. K. Shastri
Chairman & Managing Director
DIN: 00329398

Jayant Dwarkanath
Whole Time Director
DIN: 00329597

Annexure - I

Report on Corporate Social Responsibility (CSR) Policy and Activities as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes undertaken / proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes. (Web link: www.in10stech.com). The primary focus areas are:
 - Education – To provide education and skill development to rural youth.
 - Health – To provide health care, medication, safe drinking water to underprivileged sections of the society.
 - Environment – To promote a clean and green environment.
 - Rural Development – To adopt schools and distribute books to students in schools in rural areas.
2. **Corporate Social Responsibility Committee**
Chairman : Mr. K. S. Shanker Rao
Member : Mrs. V. Sarada Devi
Member : Mr. V.S. Mallick
3. Average Net profit for the preceding three Financial Years for the purpose of computation of CSR : ₹ 4,83,47,803/-
4. Prescribed CSR expenditure (2% of Average Net Profit): ₹ 9,66,956/-
5. Details of CSR spend for the financial year:
 - a. Total amount spent during the financial year 2019-2020:
PM-CARES Fund is aimed at strengthening the fight against COVID-19. Intense has contributed ₹ 15,00,000/- to PM - CARES fund on 31.03.2020
 - b. Amount unspent, if any: Nil

Place: Secunderabad
Date: 27th August, 2020

C. K. Shastri
Managing Director

K. S. Shanker Rao
Chairman of the Committee

Annexure - II Particulars of employees

a) Information as per Rule 5(1) of Chapter XIII, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Company is an Enterprise of Software products and related activities Company. The remuneration and perquisites provided to our employees are at par with industry standards. Keeping in view, the business objectives of the Company and to match the compensation with IT industry, the nomination and remuneration committee continuously reviews the compensation of CEO and senior executives of the Company. Permanent employees on the rolls of the Company as on 31.03.2020 were 404.

Remuneration paid to whole time directors

| Name of the Director | Title | ₹ In lakhs | | % of increase | Ratio of remuneration to MRE | Ratio of remuneration to MRE and WTD |
|----------------------|---------------------|------------|-------|---------------|------------------------------|--------------------------------------|
| | | 2020 | 2019 | | | |
| Jayant Dwarkanath | Whole time Director | 135.70 | 41.60 | 226.20 | 40.00 | 40.39 |
| C. Anisha Shastri | Whole time Director | 34.83 | 11.18 | 211.53 | 10.26 | 10.37 |

Remuneration paid to Independent Directors

| Name of the Director | ₹ In lakhs | | % of increase |
|----------------------|------------|------|---------------|
| | 2020 | 2019 | |
| Nil | Nil | Nil | Nil |

Remuneration of other Key Managerial Personnel

| Name of the Director | Title | ₹ In lakhs | | % of increase | Ratio of remuneration to MRE(excluding WTD) | Ratio of remuneration to MRE and WTD (excluding WTD) |
|----------------------|--|------------|-------|---------------|---|--|
| | | 2020 | 2019 | | | |
| H. Madhukar Nayak | Chief Financial Officer | 20.67 | 17.62 | 17.30 | 6.09 | 6.15 |
| K. Tejaswi | Company Secretary and Compliance Officer | 8.86 | 7.92 | 11.87 | 2.61 | 2.64 |

b) Information as per Rule 5(2) of Chapter XIII, The Companies (Appointment and remuneration of Managerial personnel) Rules, 2014

| Sl. No. | Name | Designation/ Nature of Duties | Remuneration Received P.A (₹) | Qualification | Experience in years | Age in years | Date of commencement of employment | Last employment held |
|---------|-------------------|-------------------------------|-------------------------------|----------------|---------------------|--------------|------------------------------------|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| i | C.K. Shastri | Chairman & Managing Director | 1,35,70,000 | B.Com., PG DBM | 39 | 61 | 1990 | Xerox Modi Corporation Limited, India |
| ii | Jayant Dwarkanath | Whole Time Director | 1,35,70,000 | BE, M.B.A | 33 | 55 | 1999 | Australia and New Zealand Banking Group Limited (ANZ), India |
| iii | C Anisha Shastri | Whole Time Director | 34,82,800 | B.E; MBA | 9 | 30 | 2011 | Accenture, Navi Health Inc. |

For and on behalf of the Board

Place: Secunderabad
Date: 27th August, 2020

C. K. Shastri
Chairman & Managing Director
DIN: 00329398

Jayant Dwarkanath
Whole Time Director
DIN: 00329597

Annexure - III

Statement Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed FORM AOC - 1 relating to Subsidiary, Associate and Jointly Controlled Companies.

| | | | (Amount in ₹) |
|-----------------------------|--------------------------|--------------------------|-----------------------------|
| Particulars | Intense Technologies FZE | Intense Technologies INC | Intense Technologies UK Ltd |
| Issued & Subscribed Capital | 7,75,53,016 | 10,87,55,303 | 11,70,03,704 |
| Profit/(Loss) Account | (6,07,34,108) | (8,64,53,758) | (2,19,60,230) |
| Total Assets | 2,82,07,894 | 9,86,64,557 | 2,31,60,207 |
| Total Liabilities | 2,82,07,894 | 9,86,64,557 | 2,31,60,207 |
| Investments | - | - | - |
| Turnover | 4,10,25,053 | 2,28,44,417 | 12,28,77,545 |
| Profit/(Loss) before Tax | 1,40,74,774 | 54,02,267 | 9,08,02,107 |
| Provision for Tax | - | - | 1,46,26,355 |
| Profit/(Loss) after Tax | 1,40,74,774 | 54,02,267 | 7,61,75,752 |
| Proposed Dividend | - | - | - |

For and on behalf of the Board

Place: Secunderabad
Date: 27th August, 2020

C. K. Shastri
Chairman & Managing Director

Jayant Dwarkanath
Whole Time Director

ANNEXURE -IV
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31ST 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 of Intense Technologies Limited
A-1, Vikrampur,
Secunderabad - 500009.

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Other Specifically applicable laws to the Company:
 - Information Technology Act, 2000
 - The Special Economic Zones Act, 2005
 - Software Technology Parks of India Rules and Regulations
 - Indian Copyright Act, 1957
 - The Trademarks Act, 1999
 - The Patents Act, 1970

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

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

(ii) Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- Based on the information provided by the Company, its officers and its authorised representatives during the conduct of the audit and also on review of quarterly reports by respective Department Heads/Company Secretary/ CEO taken on record by the Board of Directors of the Company, adequate systems and processes and control mechanism exist in the company to monitor and ensure the compliance of with the applicable general laws like labour laws, competition law and environment laws.
- The Compliance by the Company of applicable financial laws like direct and indirect laws, has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that

- there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- there were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

For **Puttaparthi Jagannatham & Co.**

Place: Hyderabad
Date: 27th August, 2020

Navajyoth Puttaparthi
Practicing Company Secretary
COP No: 16041
M. No. F9896

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

‘ANNEXURE A’

To
The Members of Intense Technologies Limited
A-1, Vikrampuri,
Secunderabad - 500009.

Our report with given date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Puttaparthi Jagannatham & Co.**

Place: Hyderabad
Date: 27th August, 2020

Navajyoth Puttaparthi
Practicing Company Secretary
COP No: 16041
M. No. F9896

Annexure - V

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

During the year under report the following Employees Stock Option Plans are in operation for issue and grant of stock options to its employees and Directors in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

1. Intense Employees Stock Option Plan 2005;
2. Intense Employees Stock Option Plan - A 2007;
3. Intense Employee Stock Option Plan Scheme - A 2009.

The requisite disclosures of particulars with respect to these schemes during the year 2019-2020 are as under:

1. Intense Employees Stock Option Plan 2005:

- a) Number of options approved by the shareholders - 30,00,000.
- b) Number of options granted - 29,17,000
- c) Number of options vested and exercised upto 31.03.2020 - 22,59,200
- d) Pricing Formula: Exercise price of ₹ 2/- per share.

2. Intense Employees Stock Option Plan A 2007:

- a) Number of options approved by the shareholders - 5,00,000.
- b) Pricing Formula: Exercise price for the options to be granted under this plan is the price determined by the Board in accordance with SEBI Guidelines i.e. Price prevailing on the date of grant.
- c) Number of options granted: 4,50,000.
- d) Options not yet granted: 50,000.
- e) Number of options lapsed: 2,50,000

3. Intense Employee Stock Option Plan Scheme A 2009:

- a) Number of options approved by the shareholders 20,00,000.
- b) Pricing Formula: Exercise price of ₹ 2/- per share.
- c) Number of options granted: 10,55,000.
 - Options granted on 28.11.2013: 10,06,000
 - Options granted on 19.08.2014: 25,000
 - Options granted on 21.10.2019: 24,000
- d) Number of options vested and exercised upto 31.03.2020: 9,14,667

For and on behalf of the Board

Place: Secunderabad
Date: 27th August, 2020

C. K. Shastri
Chairman & Managing Director

Jayant Dwarkanath
Whole Time Director

ANNEXURE - VI

MANAGEMENT DISCUSSION AND ANALYSIS

**Joining forces in building digital world and digital
adoption of enterprises with UniServe™ NXT platform**

Overview:

This financial year the Company was able to show strong increment in Revenues, EBITDA and Profitability. All the overseas subsidiaries of the company have contributed positively during the year under review. The Revenues increased by 21.12% to ₹ 7,027.69 Lakh, while EBITDA at ₹ 2,322.38 Lakh increased by 82.55% and EBITDA margins at 33.04%. The profit after tax is ₹ 1,736.88 Lakh, an increase by 98.58% with an EPS of ₹ 8.38. Your company has consecutively declared dividends to the shareholders.

This significant increase in revenue is the testimony of growing demand for our solutions globally and trust of our existing customers. Competing with global players, we have been chosen after stringent evaluation, to implement a project of national importance to digitalize the revenue related citizen services. We are partnering with a large System Integrator to implement the project of digitalizing citizen services at a national scale, the scope of the project includes processing of 10 to 12 billion USD of revenue data. This is a vindication of the technological superiority of our platform.

This year we have penetrated deeper into the Banking and Financial Services verticals in the domestic markets while building deeper relations with existing customers. We are expanding the level of our engagements with telecom service providers. All our customers deliver consistent customer engagement across physical and digital channels.

While we are helping enterprises adopt digital, we are focused on leveraging the Digital India opportunity and collaborating with System Integrators, Government agencies and other partners to play an important role in building Digital India.

While these developments have resulted in improving revenues, enhanced brand value, and greater market share, our future holds better promise.

The COVID-19 pandemic has negatively impacted businesses, driving the global economy towards recession. Though we cannot avert the negative implications of the pandemic, it is also opening up lot of opportunities as there is growing drive towards becoming digital. Enterprises across the world are exploring ways to engage with their customers through digital channels in more personalized ways to reduce operational costs of customer support and service.

Opportunities that present huge growth potential:

We are in a good position to leverage the following opportunities, which will ensure that we not only maintain, but also grow our revenue:

Joining forces with SIs to build digital world:

- We have partnered with large System Integrators to digitalize citizen services of national importance. The scope of the project includes processing 10 to 15 million USD of revenue.
- Our platform UniServe™ NXT is being implemented to automate digital filing of statutory documents of all eligible citizens. The Govt. has put plans in place to increase the taxpayer base over the next few years by creating a user friendly system.
- This verifies our commitment to being a trusted partner to the government in enabling and empowering officials to do more with digital technology in the citizen services space.

- **E Filing will be accessed by millions of citizens of the country to file statutory documents**
- **The objective is to increase, by more than threefold, the coverage of citizens**
- **Improve citizen experience to ensure voluntary compliance**
- **Target to reduce processing time of documents from 63 days to 24 hours**

Customer Communications Management is in growth mode, and we are well equipped to leverage the opportunity:

- In the CCM domain, we are leaders in the telecom and insurance domains in South Asia, and we are penetrating fast into the banking and financial services verticals.
- Globally, during these challenging times, there is an increased demand for our solution across verticals. We are also working with strategic partners to penetrate the markets.
- We continue to be prominently featured in Gartner Reports and Aspire Leaderboard for the CCM domain, since 2017.
- Enterprises in the emerging markets are unifying multiple applications for multi-channel delivery to provide consistent CX and build a competitive edge. Our CCM solutions are tried, trusted, and awarded for addressing this business need.

- In mature markets, enterprises are looking to change their existing customer communications solutions to the ones that are cloud-based, agile, and offer hassle-free change management with lower TCO. This is opening new opportunities in the replacement market.
- Videos, interactive statements with AI-based chatbots, and personalized merchandise offers are attracting many enterprises due to their immense potential in reducing customer support costs and opening new revenue streams. The latest version of our solution addresses these new use cases.

Growing traction in domestic markets and spreading global brand presence

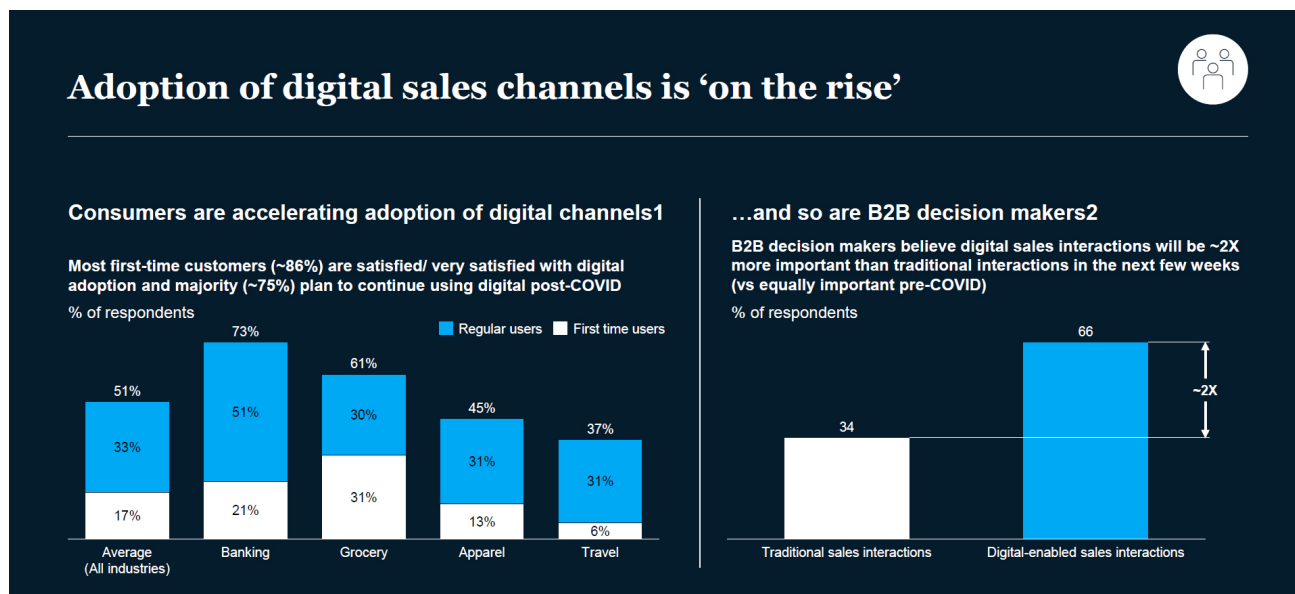
- We have expanded our engagements within the insurance and banking industry in India by working with all leading banks, life / general insurance companies. Our solutions are critical components of their business and help them elevate customer experience and expedite time to market.
- Our managed services contract with India's public sector telecom operator is progressing well, and we are implementing a loyalty management system for their subscribers to introduce new revenue streams.
- We are continuously improving our relationship with the second-largest telecom service provider headquartered in the UK and are exploring implementation of new solutions.
- In mature markets, we are working with strategic partners and analyst firms to improve our brand equity and penetrate new verticals. There is renewed interest in offerings of customer engagement and legacy transformations in these regions.

Pandemic opening up big opportunities for us globally

McKinsey, in its COVID report, mentions that lockdowns have accelerated digital adoption, driving entirely new patterns of consumption.

- There is an immediate mandate for all enterprises to enable their services through digital channels and support their customers consistently through both digital and physical channels. We are witnessing improved interest in our solutions because of this.
- These challenging times are also changing the way employees work. Enterprises need to empower employees to work remotely. Thus there is an increased need to digitalize their existing legacy systems quickly without rip and replace.

All these events are leading to an increase in demand for our UniServe™ NXT platform and our customer experience digitalization solutions built on the platform.



** Source: McKinsey Report, 2020

Industry Developments:

- Organizations need to deliver innovation and adapt more quickly to respond to the accelerating pace of business change.
- Customers and employees increasingly expect more contextualized and personalized experiences.
- Current application portfolios were designed to address the challenges of the past. They are an obstacle to innovation. However, they cannot be replaced completely due to the costs and risks associated with major change.
- A composable enterprise is an organization that can innovate and adapt to changing business needs through an assembly and combination of packaged business capabilities.
- Our existing digitalization of CX solutions provides enterprises with an immediate fix to streamline their customer interactions, enabling digital services.
- Our digital business platform UniServe™ NXT helps build composable architecture and enables enterprises to build their own customizable applications, transform legacy without replacing existing applications, and digitalize the customer experience lifecycle.
- The fundamental value of a low-code development platform is that it brings IT and the business together, enabling more rapid, iterative, and collaborative development.
- To harness these new opportunities, our existing solutions digitalize CX lifecycle from Customer Onboarding, Customer Communications, Centralized Engagement Hub and B2B and B2C self-service portals helping enterprises quickly transform their CX in line with their digital transformation strategy.

How UniServe™ NXT is addressing the new composable enterprise demands

As Gartner suggests, a digital business platform is the technology backbone to build composable enterprises. UniServe™ NXT platform, with its advanced technology like Configurable UX, Low-code application development, BPM, data management, AI and Continuous Integration and Continuous Deployment capabilities, helps enterprises become digital in the following ways:

- Empowers business engineers to develop a line of business applications that are multi-device compatible and require complex data handling capabilities
- Enables domain experts to configure extreme-scale enterprise applications to automate B2B and B2C processes with complex data management and integration capabilities with SOAP, REST and other MQs
- Helps collaborate seamlessly by integrating with other players in the ecosystem. All aspects of data security and privacy are adhered to while integrating with other enterprises.
- The architectural excellence of the platform enables seamless migration of applications by ensuring cost-effective and secured cloud deployments.

How UniServe™ NXT continues to address the digitalization of CX of enterprises:

- Gartner predicts that by 2022, 70% of customer interactions will involve emerging technologies such as machine learning applications, chatbots, and mobile messaging, up from 15% in 2018.
- Gartner reports that 81% of executives believe they will compete on customer experience alone.
- Availability of pre-built solutions on UniServe™ NXT platform to digitalize customer experience lifecycle from customer onboarding, customer communications management, centralized communications hub, B2B, and B2C CX portals, financial reconciliation, among others, help organizations build a competitive edge.
- We are continuously evolving our roadmap of existing solutions to include advance technologies such as AI and ML capabilities, which will open up and upgrade new customer engagement opportunities.

Our digital platform, pre-built CX solutions, and our proven expertise of implementing enterprise-scale digital transformation projects have all put us in great stead to exploit the global opportunity of helping enterprises, small and large, to become digital first.

Our Value Proposition:

- Our suite of solutions built on our platform UniServe™ NXT is tried, tested, and trusted by Fortune 500 companies across 4 continents in 45 countries.
- Today, we process 25 billion USD worth client revenue data, help onboard 2.5 million customers daily, send more than 500 million notifications every day, and have over 500 million customer base across our engagements.
- Our platform helps enterprises become agile and adapt to digital-first strategies, thus build a competitive edge in the market.

- The digital CX solutions built on our platform help enterprises to digitalize their customer interactions and thereby improve loyalty and reduce operations costs.
- Our strong data management capabilities enable enterprises to transform their legacy infrastructure and modernize applications obviating the need to rip and replace existing applications.
- Our platform helps in digital decoupling of channels to render personalized, consistent and consolidated CX across multiple physical and digital channels.
- Our customers often aver that they have chosen us because of the extended scope of our solutions, comprehensive data management capabilities, scalability, efficient service delivery model, domain expertise and proven track record.
- Our platform UniServe™ NXT and solutions built on it help enterprises reduce operational and application development costs, improve productivity by 200%, reduce customer support costs by reducing traffic to customer care, and achieve faster time to market due to process agility.

Market Potential:

According to Gartner Predictions 2020 and Beyond

- By 2024, 75% of large enterprises will be using at least four low-code development tools for both IT application development and citizen development initiatives.
- By 2021, at least one-third of enterprises will have deployed a multi-experience development platform to support mobile, web, conversational and augmented reality development.
- By 2022, 70% of enterprises will be experimenting with immersive technologies for consumer and enterprise use, and 25% will have deployed them to production.
- By 2020, we expect that companies that are digitally trustworthy will generate 20% more online profit than those that aren't.

Enterprise architecture and technology innovation leaders must:

- Center their innovation efforts on people and use tools such as personas, journey maps, technology radars, and roadmaps to evaluate opportunities, challenges, and time frames for adoption.
- Embrace multi-experience and implement development platforms and design principles to support conversational, immersive, and increasingly ambient experiences.

Forrester Predictions and Recommendations – 2020

1. More than 55% of consumers will consider company values when making a buying decision - Focus on co-creating values-driven experiences with customers and employees.
2. The top 10% of CMOs will broaden their role in the name of customer value. Establish a successful ecosystem by threading the needle between employee experience, customer experience, brand purpose, creative, and technology, imbuing all these crucial areas with customer obsession.
3. CIOs will automate 10% of their IT tasks and look to up-skill everyone. Equip your firm for automation (and all of the technologies the term encapsulates) using tools and frameworks to minimize growing pains and truly unlock the power of the digital transformation.
4. The number of CX executives will grow by 25%. Develop innovative, customer-delighting experiences that combine technology, creativity, and deep customer understanding.

Keeping in view the above-mentioned trends, it is evident that our solutions help enterprises build competitive edge by digitalizing their customer experience lifecycle. Our platform is integral to this landscape and enterprises can use it to build custom enterprise applications, which have immense market potential. We are also witnessing an increased demand for digitalization of various customer interfacing business processes due to the current pandemic situation. We continue to explore newer means of working with our customers and finding new opportunities even during adversity.

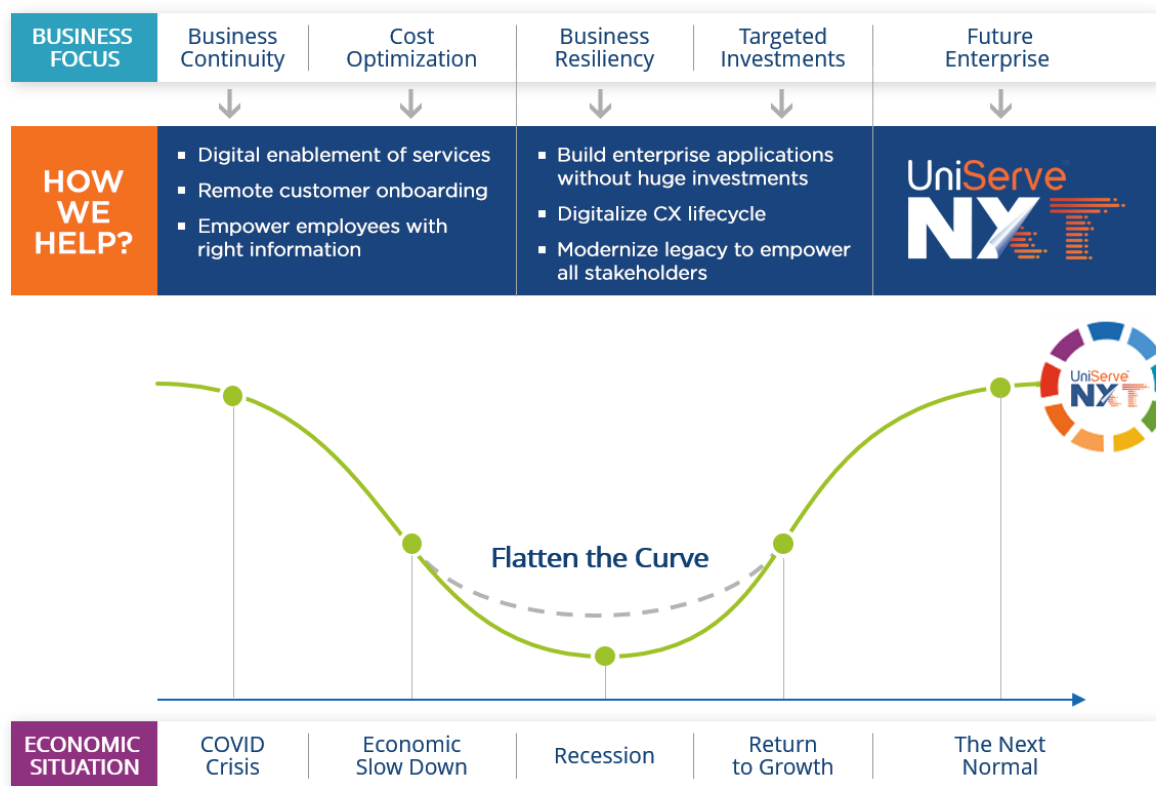
Recognition:

As a company, we are always focused on investing in R&D, ahead in the technological advancements. This is vindicated by the accolades we won.

- Intense Technologies has been positioned as a 'Leader' in the 2020 Aspire Leaderboard Business Automation grid and as a 'Focused' vendor in the Overall Leaders for CCM, Communication Composition and Omni-channel orchestration grids
- Positioned as 'Leader' in 2019 Aspire Leaderboard Business Automation grid and 'Aspirational' in the Overall Leaders for CCM, Communication Composition and Omni-channel orchestration grids
- We've been featuring in Gartner reports since 2017 for CCM domain and have been featured in their Market Guide as one of the Representative Vendors of the Customer Communications Management in 2019.
- We have also been featured in The Enterprise World as one of the "The Most Trustworthy Consulting Companies" in 2019.
- Our solutions are featured prominently in "Indian Enterprise Software Products on Accelerated Growth Path", a research conducted by NASSCOM and FROST & SULLIVAN
- Intense Technologies has been featured as one of the 20 most promising BPM solution providers of 2018 by CIOReview magazine in their global edition. The list features innovative leading solution providers from across the globe offering technologies and service that aid in Business Process Management.

Business Strategy:

This year with the COVID pandemic causing an inevitable economic slowdown across geographies, IDC research, as shown in the figure, has put forward various stages of the economic situation and what businesses should focus on at every stage of the economic situation.



Source: IDC Report, 2020

Taking this cue from IDC, here's our strategy to help enterprises navigate the crisis:

- During the COVID crisis, as illustrated in the figure, enterprises are taking steps towards ensuring business continuity and digital-first.
 - **How we help during this phase:** The pandemic has accelerated demand for our digital CX management solutions such as digital customer onboarding, centralized customer engagement hub, and B2B and B2C self-service portals. Our digital engagement solutions built on the platform are helping enterprises to ensure business continuity by empowering their customers and employees in the lockdown scenario.
- Post-COVID scenario, as depicted in the figure, when the economic slowdown sets in, and enterprises focus on cost optimizations.
 - **How we help during this phase:** Our platform will help them digitalize operations to reduce redundancy, empower stakeholders with a single view of the customers to improve retention, ensure consistent and personalized customer communications through digital channels and reduce customer service and support costs.
- During recession when enterprises are trying to flatten the curve by building resilience:
 - **How we help during this phase:** UniServe™ NXT platform will help them build customized enterprise applications with speed and agility to achieve business objectives of faster time to market, reduced operational costs, and improved CX. Our platform will partner with them to achieve the new normal.
 - The platform will also enable enterprises to modernize legacy infrastructure quickly without replacing existing applications

While helping enterprises navigate a dynamic business ecosystem, UniServe™ NXT, our digital business platform, is slated to become the new normal for enterprise technology needs.

We are uniquely positioned to assist enterprises with business continuity goals and are closely monitoring the responses of business communities, ensuring communication to continue and collaborations to happen by providing stable, consistent, and secure access to critical business applications. Now, more than ever before, the communication networks and collaboration tools have emerged as a critical lifeline for companies of all sizes.

To leverage this opportunity, we are making investments in expanding sales and marketing functions. We are also partnering with system integrators and other players to penetrate the markets.

We have also executed the strategy of targeting new verticals domestically and have penetrated deeper into the banking and insurance verticals. Most of the private life insurance players in India are using our solutions for customer communications management.

Following is our strategy to rapidly grow our market share in the digital technology platform landscape:

Collaborate with our existing customers

- We are collaborating with our existing customers to implement the UniServe™ NXT platform for their digital enablement needs and are in the process of presenting proofs of concept (POC).
- We are enabling them to switch to fast-paced, unified, consistent, and rich digital channels to consume the underlying technology capabilities and services of legacy systems and deliver next-generation digital customer experiences.
- The platform is a key enabler, integral to its core technologies that is critical for their business growth.

Work with system integrators

- We are closely working with large system integrators like IBM, Infosys, TCS, Tech Mahindra, amongst others, to deploy our platform in their labs and train them to build enterprise applications.
- This will help us test our platform in building new use cases and user journeys for various solutions.
- Faster development and delivery of the project will mutually benefit both Intense and system integrators resulting in greater revenue.
- This will also result in more number of pre-built solutions made available on our platform for end customers to customize according to their business needs.

The unprecedented demand for digital technology and solutions that can support customers through collaborative platforms, user-focused solutions and customer engagement is more perceivable than ever. As Covid-19 calls for digital transformation, we help enterprises embrace this new digital reality with ease. This situation is helping us build healthy pipeline and improve sales cycle.

Our Strengths:

- We are a global enterprise software products company headquartered in India with a strong and emerging presence in USA, LATAM, EMEA and APAC.
- We are working with strong fortune 500 customer base who contribute more than 50% of revenues on an annuity basis

We serve customers in 45+ countries across 4 continents, have 20+ years of experience in telecom and insurance domains, and an award-winning product portfolio.

Today, we process 25 billion USD worth of client revenue data, help onboard 2.5 million customers daily, send more than 500 million notifications every day, and have a 500 million customer base across our engagements.

Our solutions are cloud-based and seamlessly integrate into the clients' existing systems, obviating the need to rip and replace existing hardware or software, leading to a rapid return on investment, with technology not being a hurdle at all.

We serve customers in telecom, banking, insurance, and government verticals, who contribute a significant annuity and services revenue.

We have been a platform company long before enterprises realized the need for platforms to navigate the digital era. All our solutions are built on a single platform.

Our Competition:

- We have competed and won against many global players in the domains we operate and we have been evaluated by research agencies like Gartner and Aspire Leaderboard for our capabilities.
- In the digital platform domain we compete with low-code application development players with global presence. However, our strength lies in empowering enterprises to build extreme scale enterprise applications; this is our key differentiator and creates a niche for our offerings.
- Our platform has been implemented for various use cases at enterprise scale for digitalizing citizen services, besides automation of Lawyer Management System of the Supreme Court of Philippines, and modernization of Order Management System of a leading telecommunications enterprise in Switzerland.
- In the Customer Communications Management domain, we have been featured in the market guide by Gartner and have also been featured in the focused category in Aspire Leaderboard.
- In the BPM domain we feature in the Leaders Quadrant in the Aspire leaderboard. This establishes our strengths in business process automation.
- Our data management capabilities stand out in comparison with our competitors and many of our customers have chosen us because of our strengths in this area.

Outlook, Risks, and Concerns

The globe, today, is battling an unprecedented crisis that was hitherto never witnessed in human history. During these moments of uncertainty with Covid-19 severely denting the economies, businesses across the globe are witnessing significant disruptions and a variety of challenges and risks that were never envisaged before. Business uncertainty - the adverse consequence of the economic impact of the pandemic - and several collateral risks are enumerated here in this section.

Some of the specific consequent risks related to the global pandemic include:

- Many of our clients' business operations may be negatively impacted, resulting in postponement, termination, or suspension of some ongoing projects with us and / or reduced demand for our services and solutions.
- Our profitability may be marginally impacted as some clients have sought price reductions or discounts.
- The financial stability of our clients may get affected or they may file for bankruptcy, jeopardizing our ability to collect our account receivables and unbilled revenue.
- Lower profitability and prolonged payment terms requests from clients can impact our cash flows negatively and may impact our ability to provide dividend to shareholders.
- Unfavorable currency movements during these times may impact our profitability.
- There could be heightened regional or macro risks such as extended recession in the economy, geo-political tensions, and social unrest.

- Restrictions on travel may impact our ability to assign and deploy people at required locations and times to deliver contracted services, thereby impacting our revenue and / or profitability.
- We have incurred additional costs in procuring and deploying hardware assets and technology infrastructure and data connectivity charges for remote working.
- Our ability to procure goods and services may be impacted as some of our suppliers may not be able to operate efficiently during a lockdown.
- The pandemic has impacted, and may further impact, any or all of our stakeholders – employees, clients, investors, and communities we operate in.

The following are some of the key risks faced by the company and our plans to mitigate them:

Global, economic and regulatory situation

Spending on technology products and services by our clients and prospective clients is subject to fluctuations depending on many factors, including both the economic and regulatory environments in the markets in which they operate.

Due to the COVID-19 health crisis and the corresponding substantial increase in unemployment rates across certain countries in which we operate, including the United States, United Kingdom, and MEA regions, governments have led and may in the future lead to the enactment of restrictive legislations that could limit companies in those countries from working with us, or could inhibit our ability to staff client projects in a timely manner thereby impacting our revenue and profitability.

New and changing regulatory compliances, corporate governance and public disclosure requirements add uncertainty to our compliance policies and increase our costs of compliance.

Supply-side risks

The COVID-19 pandemic has disrupted demand and supply chains across industries, negatively impacting the business of companies. Consequently, the market demand and supply chains have been affected, significantly increasing the risk of a global economic recession. The economic fallout of and the subsequent recovery from COVID-19 will depend on multiple factors, such as recovery driven by containment efforts, supply chain disruptions, impact of lockdowns etc. This could decrease our customers' spend on technology, adversely affect demand for prospective projects, may cause cancellations or decrease in the scope of existing projects, increased requests for furloughs, increase pricing pressures, higher travel restrictions, imposition of supply-side constraints, besides, may adversely impact cash conversion cycles.

Dependence on skilled manpower

For any organization, highly skilled human resources are the vital cogs in its growth plans. This factor is more accentuated in the case of an enterprise software products company like Intense with its solutions addressing niche technologies. For, it is on this manpower with specialized domain expertise and experience both to work on the roadmap of the platform and to deploy solutions at customer locations, that the company depends. There is always a threat of manpower attrition and the risk of not being able to scale-up skilled expertise on time resulting in delays in achieving our milestones.

Long sales cycles

Restrictions on travel, marketing events, and in-person client meetings as a consequence of the pandemic may result in long sales cycles which, in turn, may result in sub-optimal branding and delays in sales and commercial processes, ultimately affecting our revenue. Such delays in the entire process can impact the timing of predicted revenues.

Dependence on business partners

Globally, we are dependent on many system integrators and partners to improve our reach to global markets and ride on their brand. While we are scaling and expanding our reach to global markets and exploring direct sales opportunities, there will be pressures on margins in the immediate term. We may engage in acquisitions, strategic investments, strategic partnerships or alliances or other ventures that may or may not be successful given the current pandemic situation.

Global competition

Intense competition in the market for technology services could affect our win rates and pricing, which could reduce our market share and decrease our revenues and / or our profits.

Proprietary technology

There can be instances of misappropriation of our technological expertise or reverse engineering of our solutions. Legal standards and scope of protection in many countries may not provide adequate protection to our proprietary technology/technologies. We have filed for copyrights and patents for around four of our innovative IPs to forefend misappropriation.

Material developments in human resources / industrial relations, including the number of people employed

Being a products company, our way of imbining agility to our culture attracts the best talent as they will be exposed to immense learning opportunities, key responsibilities, and faster career growth.

Human capital

Our people are our biggest assets. We are a bunch of passionate individuals who love being innovative. The products and services we deliver are of the highest standard and have won the trust of our customers. We continue our endeavour to bring and hone the right talent to advance our business objectives. Our success depends largely upon our highly skilled technology professionals and our ability to hire, attract, motivate, retain and train these personnel.

Recruitment

We have built our talent pool by recruiting students from reputed universities and colleges in India. We have also recruited experienced, local sales and operational talent in UK and MEA regions. We rely on a rigorous selection process involving aptitude tests, technical and HR interviews to identify the right talent. The selection process continuously evolves to include new methods.

Training and development

Skill and competency development of our employees has always been of key strategic focus at Intense. In alignment with this organizational strategy, global competition, and changing market trends, we have launched new programs for our employees and enhanced our training efforts in multiple areas. Despite being restricted to their respective homes as a consequence of Covid-19, our employees are encouraged to attend a variety of virtual training sessions spanning across categories – people, processes, and products. The Learning & Development team facilitates these sessions encouraging domain experts to share their knowledge to the attendees. While registrations are invited for a majority of the sessions, certain key product trainings are made mandatory for the selected employees. We have a Learning Management System platform that combines teaching, hands-on learning and assessments of virtual training to provide the employees with an enhanced learning experience. In addition, the Learning Management System platform allows the employees to access the training courses at their convenience and complete the assigned courses from any location – ensuring continuous learning irrespective of where the employee is stationed and also not hampering the productivity.

The main focus of our training programs is to create a unique experience for learners at Intense Technologies Limited, which will enhance the relevance and effectiveness of learning.

Compensation

Our people receive competitive salaries and benefits. We have a performance linked compensation program. At Intense, the work practices, and values all come together to give its employees a rewarding experience of working and contributing here. In addition to the standard compensation and benefits, we offer diverse career experiences and through platforms for creative contributions as well.

Annexure - VII

REPORT ON CORPORATE GOVERNANCE

In accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report containing the details of Corporate Governance system is as follows:

Company Philosophy on Code of Governance

Corporate Governance is a set of systems and practices that aims to allocate corporate resources in a manner that maximizes value for all Stakeholders – shareholders, investors, employees, customers, suppliers, environment and the community at large. Good Corporate Governance is an essential standard for establishing the striking Investment Environment which is needed by competitive Companies to gain strong position in efficient financial markets.

To ensure sound Corporate Governance practices, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Recently, SEBI has amended certain Corporate Governance related regulations upon recommendation of an expert Committee on Corporate Governance formed under the Chairmanship of Mr. Uday Kotak.

The Company attaches immense importance to good Corporate Governance as formulated by the Stock Exchanges/SEBI and other authorities in right earnest. It will be the endeavor of the Board of Directors that the Company is so governed as to maximize the benefits of all Stakeholders – shareholders, investors, employees, customers, suppliers, environment and the community.

Ethics/Governance Policies

At In10s, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders.

Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of internal procedures and Conduct for regulating and reporting of trading by insiders.
- Board Evaluation Policy
- Whistle Blower Policy
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- Corporate Social Responsibility Policy
- Policy for Selection of Directors and determining Directors Independence
- Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- Policy for determining Material Subsidiaries

Shareholders Communications

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. Shareholders seeking information related to their shareholding may contact the Company directly or through the Company's Registrars and Share Transfer Agents. In10s ensures that complaints and suggestions of its shareholders are responded to in a timely manner. A comprehensive and informative shareholders' reference is appended to this Annual Report.

Role of the Company Secretary in overall governance process

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He / She interfaces between the management and regulatory authorities for governance matters.

Working towards People, Product, Processes and Profit

In10s works towards attaining a sustained financial bottom line along with enhancing the natural human capital and product development.

In addition, it has focused its energies on identifying specific impact areas. It endeavors to alleviate the underprivileged and marginalized sections of the society and has an active engagement with them to ensure their holistic development.

It aims to develop innovative products and processes to sustain its growth momentum. It also invests in R&D across its businesses, to serve the current and emerging needs of growth and efficiency of its businesses, and to develop new path - breaking technologies.

Board of Directors

Composition and category of Directors

The composition of the Board is in conformity with the Companies Act, 2013 and Listing Regulations enjoining specified combination of Executive and Non-Executive Directors with at least one Women Director and not less than fifty per cent of the Board comprising of Independent Directors as laid down for a Board.

The Board of Directors of the Company is at present composed of Seven (8) Directors, out of whom One (1) is a Chairman and Managing Director, Two (2) are Whole Time Directors and Five (5) are Non-Executive Directors. Mr. C. K. Shastri and Mrs. Anisha Chidella are relatives. The Board consists of eminent persons with considerable professional expertise and experience, provides leadership and guidance to the management, thereby enhancing stakeholders value.

| Category | No. of directors |
|--|------------------|
| Executive Directors | 3 |
| Non-Executive & Independent Directors (including Woman Director) | 4 |
| Other Non-Executive Directors and Non-Independent Directors | 1 |
| Total | 8 |

Board Meetings

Minimum four Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs of the Company. During the year 2019-2020, there were 7 (Seven) meetings of the Board of Directors. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under the Companies Act, 2013, Regulation 17 of the Listing Regulations and Secretarial Standards.

During the financial year 2019-2020 the Board of Directors met on: 25.04.2019, 30.05.2019, 09.08.2019, 25.10.2019, 14.11.2019, 29.01.2020 and 14.02.2020.

Details of Directors Attendance, shareholding and other Directorships/ Committee memberships

Relevant details of the Board of Directors as on March 31, 2020 are given below:

| Sl No. | Name of the Director | Category# | Attendance Particulars | | No. of other Directorships and Committee Memberships /Chairmanships held* | | | Share holding in the Company |
|--------|---------------------------|------------------|-----------------------------------|-----------------------------|---|-----------------------|-------------------------|------------------------------|
| | | | Number of Board Meetings attended | Last AGM held on 30.09.2019 | Other Directorships | Committee Memberships | Committee Chairmanships | |
| 1 | Mr. C. K. Shastri | Chairman / PD/ED | 7 | Yes | 0 | 0 | 0 | 1714792 |
| 2 | Mr. Jayant Dwarkanath | ED | 7 | Yes | 0 | 0 | 0 | 1295635 |
| 3 | Mr. Tikam Sujjan | PD/NED | 2 | No | 0 | 0 | 0 | 2275802 |
| 4 | Mrs. Anisha Chidella | ED | 4 | Yes | 0 | 0 | 0 | 625 |
| 5 | Mrs. V. Sarada Devi | ID | 2 | No | 0 | 5 | 0 | 0 |
| 6 | Mr. Pavan Kumar Pulavarty | ID | 1 | No | 0 | 0 | 0 | 0 |
| 7 | Mr. K. S. Shanker Rao | ID | 7 | Yes | 0 | 5 | 3 | 0 |
| 8 | Mr. V.S. Mallick | ID | 7 | Yes | 0 | 5 | 2 | 0 |

PD – Promoter Director; NED – Non-Executive Director; ID – Non-Executive Independent Director; ED – Executive Director

* 1. Excluding private limited Companies, foreign Companies and Companies under Section 8 of the Companies Act, 2013.

2. Only two Committees viz. Audit Committee and Stakeholders' Relationship Committee are considered

Selection / Appointment and Remuneration of Directors

Other than Executive Directors, no other Director receives any remuneration from the Company. The details of remuneration paid to the Managing and Whole-Time Directors is mentioned in Notes forming part of the financial statements of the Company.

Policy for Selection and Appointment of Directors and their Remuneration

The Remuneration Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors, CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

Criteria of selection of Non Executive Directors

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of technology, marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the Remuneration Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its functions and duties effectively.

The Remuneration Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The Remuneration Committee shall consider the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

On evaluation of the performance of the Board, it has been evaluated that

- a) Mr. C. K. Shastri as the Managing Director, Mr. Jayant Dwarkanth and Mrs. C. Anisha Shastri as wholetime Directors of the company have been playing pivotal role in the operations and the marketing of the company's product and their contribution has been rated as very good.
- b) The Non Executive Directors have given valuable suggestions and their constructive appreciation of the performance has yielded positive results and their contribution has been rated as good.
- c) Other independent Directors by their contribution and presence contributed to the corporate governance and their performance has been rated good.

Independent Directors Meeting

During the year under review, the Independent Directors met on 29th January, 2020, inter alia, to discuss:

Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.

- Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non-executive directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- The details of familiarization programmes imparted to independent directors are available on our website: <https://in10stech.com/investors/policies>

REMUNERATION

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board meetings.

A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CEO & Managing Director – Criteria for selection / appointment

For the purpose of selection of the CEO & MD, the Remuneration Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the CEO & Managing Director

At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (Remuneration Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the CEO & Managing Director comprises only of fixed component. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits.

Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the remuneration committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein –above, whilst recommending the annual increment and performance incentive to the remuneration committee for its review and approval.

COMMITTEES OF THE BOARD

(A) Audit Committee

Composition and Meetings

As on March 31, 2020, the Audit Committee comprises of members as stated below. The composition of the Committee is in conformity with the Listing Regulations.

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors of the Company has constituted an Audit Committee consisting of the following Directors, with the role and responsibilities duly defined and in accordance with the applicable statutory and other requirements.

During the financial year 2019-2020, the Audit Committee met four times on 30.05.2019, 09.08.2019, 14.11.2019, and 14.02.2020. The time gap between any two meetings was less than one hundred and twenty days. The details of attendance of members and composition are as under:

| Name of the Member | Status | No. of Meetings | |
|-----------------------|----------|-----------------|----------|
| | | Held | Attended |
| Mr. K. S. Shanker Rao | Chairman | 4 | 4 |
| Mr. V.S. Mallick | Member | 4 | 4 |
| Mrs. V. Sarada Devi | Member | 4 | 2 |

Some of the important functions performed by the Committee are:

The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with a view to ensure, timely disclosure, transparency, integrity and quality of financial reporting.

Financial Reporting and Related Processes

- Overview of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Reviewing the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

During the year under review, the Audit Committee held a separate meeting with the Statutory Auditors and the Chief Internal Auditor to get their inputs on significant matters relating to their areas of audit.

(B) Nomination and Remuneration Committee
Composition and Meetings

As on March 31, 2020 the Nomination and Remuneration Committee comprises of members as stated below. The composition of the Committee is in conformity with the Listing Regulations, with all Directors being Non-Executives Independent Directors. Chairman of the Committee is an Independent Director.

During the financial year 2019-2020, the Nomination and Remuneration Committee met five times on 30.05.2019, 09.08.2019, 21.10.2019, 14.11.2019, and 14.02.2020

The details of attendance of the members are as under:

| Name of the Member | Status | No. of Meetings | |
|-----------------------|----------|-----------------|----------|
| | | Held | Attended |
| Mr. K. S. Shanker Rao | Chairman | 5 | 5 |
| Mr. V.S. Mallick | Member | 5 | 5 |
| Mrs. V. Sarada Devi | Member | 5 | 2 |

Upon recommendation of Nomination and Remuneration Committee the Board of Directors have revised the evaluation framework in line with the applicable provisions of Companies Act, 2013 and Listing Regulations and laid down the process, format, attributes and criteria for performance evaluation of the Board of the Company, its Committees and the individual Board Members (including Independent Directors), to be carried out only by the Board.

The roles and responsibilities of the Committee covers the area as specified in the Listing Regulations, Companies Act, 2013 and other applicable laws, if any, besides other role and powers entrusted upon it by the Board of Directors from time to time.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

During the year the Committee approved allotment of equity shares upon exercise of stock options.

(C) Risk Management Committee

As on March 31, 2020 the Risk Management Committee consists of members as stated below.

Mr. V.S. Mallick - Chairman

Mr. K. S. Shanker Rao - Member

Mrs. V. Sarada Devi - Member

The role of the Committee is as under:

1. Preparation of Risk Management Plan, reviewing and monitoring the same on regular basis.
2. To review critical risks those are identified.
3. To report key changes in critical risks to the Board.
4. To get the Risk Management Systems evaluated by the Audit Committee on yearly basis.
5. To review cyber security risk.
6. To perform such other functions as may be prescribed or deemed fit by the Board.

The primary responsibility of the committee is to prepare the Risk Management Plan of the Company and to review and monitor the same on a regular basis. During the Financial Year 2019-20 the Committee identified and assessed the risks faced by the Company and procedures to mitigate the same.

(D) Stakeholders' Relationship Committee

Composition and Meetings

As on March 31, 2020 the Stakeholders' Relationship Committee comprises of members as stated below.

During the financial year 2019-2020, the Stakeholders' Relationship Committee met four times on 30.05.2019, 09.08.2019, 14.11.2019, and 14.02.2020

The details of attendance of the members are as under:

| Name of the Member | Status | No. of Meetings | |
|-----------------------|----------|-----------------|----------|
| | | Held | Attended |
| Mr. V.S. Mallick | Chairman | 4 | 4 |
| Mr. K. S. Shanker Rao | Member | 4 | 3 |
| Mrs. V. Sarada Devi | Member | 4 | 2 |

The Committee ensures cordial investor relations, oversees the mechanism for redressal of investors' grievances and specifically looks into various aspects of interest of shareholders. The Committee specifically looks into redressing shareholders'/ investors' complaints/ grievances pertaining to share transfers/ transmission, non-receipts of annual reports and other allied complaints.

The Committee performs the following functions:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debentures.

Investor Grievance Redressal

During the financial year, five complaints were received and disposed of and no investor grievances were pending as on March 31, 2020.

(E) Corporate Social Responsibility Committee

Composition and Meetings

As on March 31, 2020 the Corporate Social Responsibility Committee comprises of members as stated below.

During the financial year 2019-2020, the Stakeholders' Relationship Committee met four times on 30.05.2019, 09.08.2019, 14.11.2019, and 14.02.2020.

The details of attendance of the members are as under:

| Name of the Member | Status | No. of Meetings | |
|-----------------------|----------|-----------------|----------|
| | | Held | Attended |
| Mr. K. S. Shanker Rao | Chairman | 4 | 4 |
| Mr. V.S. Mallick | Member | 4 | 4 |
| Mrs. V. Sarada Devi | Member | 4 | 2 |

The role of CSR Committee is as under:-

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in compliance with the Companies Act, 2013 and rules thereunder.
- Recommend the amount of expenditure to be incurred on the activities as above, and
- Monitor the CSR Policy of the company from time to time.

The Company has formulated a CSR Policy in line with Schedule VII of the Companies Act, 2013.

The formal CSR policy of the Company is available on the website of the Company.

Notes on Directors Seeking Appointment/Reappointment

In accordance with the Companies Act, 2013, Mr. Tikam Sujan, Director, retire by rotation and being eligible, offers himself for reappointment. Mr. C. K. Shastri, Managing Director, Mr. Jayant Dwarkanath, Whole-Time Director and Mrs. Anisha Chidella, Whole-Time Director of the Company are reappointed.

DISCLOSURES

Pecuniary disclosure with regard to interested Directors:-

- a) Disclosures on materially significant related party transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, that may have potential conflict with the interests of the Company at large:-

None of the transactions with any of related parties was in conflict with interest of the Company.

- b) Details of non-compliance by the Company and the penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets during the last three years:-

The Company while communicating, the proposal of the Board of Directors, to recommend a dividend on equity shares for the financial year 2018-19, to the Stock Exchanges, had intimated the same before 48 hours of the Board Meeting. However the Stock Exchanges intimated us that the Company had delayed in intimating the same as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and levied a fine for the delay in intimation. The Company has responded to the Stock Exchanges appropriately on the said matter and also in terms of the good corporate governance had paid the fine imposed. The Company shall adhere to all the compliance in future.

- c) Compliance Certificate of the Auditors:

Certificate of the Statutory Auditor's has been obtained on the compliance of the conditions of Corporate Governance in terms of relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period ended 31st march 2020.

- d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The Company has fully complied with the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has adopted non-mandatory requirements of the listing agreement.

- e) The Management Discussion and Analysis is a part of this Annual Report.

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances.

CEO and CFO Certification

In terms of Regulation 17(8) of the Listing Regulations, the Managing Director and CFO have certified to the Board of Directors of the Company with regard to the financial statements and other matters specified in the said regulation, for the financial year 2019-20. The said certificate is annexed and forms part of the Annual Report.

Code of Conduct and Ethics

The Board of Directors has approved a Code of Conduct and Ethics which is applicable to all the Members of the Board of Directors and Senior Management Personnel of the Company. The Company believes in "Zero Tolerance" to bribery and corruption in any form and the Board has laid down the "Anti-Bribery & Corruption Directive" which forms an Appendix to the Code. The Code has been posted on the Company's website www.in10stech.com.

A detail declaration along with a certificate of compliance appears in the Annexure to the Corporate Governance Report.

Whistle Blower Policy / Vigil Mechanism

The Company promotes ethical behavior in all its business activities and in line with the best Governance practices, Intense has established a system through which Directors, Employees and business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's code of conduct without fear of reprisal.

The Whistle-Blower Protection Policy aims to:

- Allow and encourage stakeholders to bring to the Management notice concerns about unethical behavior, malpractice, wrongful conduct, actual or suspected fraud or violation of policies and leak or suspected leak of any Unpublished Price Sensitive Information.
- Ensure timely and consistent organizational response.
- Build and strengthen a culture of transparency and trust.
- Provide protection against victimization.

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's website at www.in10stech.com.

Code for Prevention of Insider – Trading practices

The Company has in place a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The same have been revised during the year in accordance with amendments in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the Management, staff and other connected persons, on procedures to be followed and disclosures to be made by them while dealing with the shares of Intense Technologies and while handling any Unpublished Price Sensitive Information, cautioning them of the consequences of violations.

Certificate from Company Secretary in Practice regarding disqualification of Directors

The Secretarial Auditors of the Company M/s Puttaparthi Jagannatham & Co. have issued a certificate that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The same is placed at the end of this report.

Recommendations of Committee(s) of the Board of Directors

During the year, all recommendations of Committee(s) of the Board of Directors, which are mandatorily required, were accepted by the Board.

Total fees paid to Statutory Auditor and all entities in the network

Details of total fees for all services paid by the Company and its subsidiaries (on a consolidated basis), to the Statutory Auditor and all entities in the network firm/ network entity of which the statutory auditor is a part is as under:

Fee paid/ payable by the Company w.r.t. FY 2019-20

i) Statutory Audit and limited review, Certification and other services – ₹ 9,50,000

Fees paid/ payable by the wholly owned subsidiary Companies w.r.t. FY 2019-20

| (Amount in ₹) | | | |
|----------------------|--------------------------|--------------------------|-----------------------------|
| Particulars | Intense Technologies FZE | Intense Technologies INC | Intense Technologies UK Ltd |
| Audit Fees | 61,566 | 188,419 | 497,505 |
| Professional Charges | 107,741 | - | - |
| Total | 169,307 | 188,419 | 497,505 |

MEANS OF COMMUNICATION WITH SHAREHOLDERS

Financial Results : The quarterly Financial Results of the Company are forwarded to the Bombay Stock Exchange, National Stock Exchange and also published in Business Standard and Andhra Prabha Newspapers.

Annual Report: Physical copy of the Annual Report for FY 2018-19, containing inter-alia, salient features of the audited Financial Statements, Director's Report (including Management Discussion and Analysis and Corporate Governance Report) was sent to all shareholders who had not registered their email ids for the purpose of receiving documents/ communication from the company in electronic mode. Full version of the Annual Report for FY 2018-19 was sent via email to all shareholders who have provided their email ids and is also available at the Company's website at www.in10stech.com.

News Releases/ Presentations: Official press releases, presentations made to the media, analysts, institutional Investors, etc. are displayed on the Company's website.

Website: The Company's website www.in10stech.com contains a separate section 'Investors' for use of investors.

NEAPS (NSE Electronic Application Processing System) and BSE Listing centre: NSE and BSE have developed web based applications for Corporate. All compliances like financial results, Shareholding Pattern and Corporate Governance Report, etc. are filed electronically on NEAPS/ BSE Listing centre.

GENERAL BODY MEETINGS

Details of the last three general body meetings held are given below:

| Financial Year | Category | Location of the Meeting | Date | Time | Whether any special Resolutions were passed |
|----------------|----------|--|------------|---------|---|
| 2016-17 | AGM | FTAPCCI Auditorium, FTAPCCI House, Red Hills, Lakdi Ka Pul, Hyderabad -500 004 | 28.09.2017 | 2.00 PM | Yes |
| 2017-18 | AGM | FTAPCCI Auditorium, FTAPCCI House, Red Hills, Lakdi Ka Pul, Hyderabad -500 004 | 27.09.2018 | 2.00 PM | Yes |
| 2018-19 | AGM | FTAPCCI Auditorium, FTAPCCI House, Red Hills, Lakdi Ka Pul, Hyderabad -500 004 | 30.09.2019 | 3.00 PM | Yes |

Special Resolutions taken up and passed in the last three AGMs are mentioned hereunder:

The following Special Resolutions were passed at the Company's AGM held on 28th September, 2017:

- To Amend, Ratify, Approve and Adopt Intense Employees Stock Option Plan 2005.
- Grant of options to the employees of the Subsidiary Company (ies) of the Company under Intense Employees Stock Option Plan 2005 (Intense ESOP 2005).
- To Amend, Ratify, Approve and Adopt Intense Employees Stock Option Plan 2007.
- Grant of options to the employees of the Subsidiary Company (ies) of the Company under Intense Employees Stock Option Plan A 2007 (Intense ESOP A 2007).
- To Amend, Ratify, Approve and Adopt Intense Employees Stock Option Plan - Scheme A 2009.
- Grant of options to the employees of the Subsidiary Company (ies) of the Company under Intense Employees Stock Option Plan- Scheme A 2009 (Intense ESOP Scheme A 2009).

The following Special Resolutions were passed at the Company's AGM held on 27th September, 2018:

- Re-appointment of Mr. C.K. Shastri as Managing Director
- Re-appointment of Mr. Jayant Dwarkanath as Whole time Director
- Appointment of Ms. Anisha Chidella as Director of the Company
- Appointment of Ms. Anisha Chidella as Whole time Director

The following Special Resolutions were passed at the Company's AGM held on 30th September, 2019:

- Modification of Intense Employees Stock Option Plan 2005.
- Modification of Intense Employees Stock Option Plan - Scheme A 2009.
- Re-appointment of Mrs. V. Sarada Devi as an Independent Director for second term of five consecutive years w.e.f. 30th September, 2019.
- Re-appointment of Mr. P. Pavan Kumar as an Independent Director for second term of five consecutive years w.e.f. 30th September, 2019.
- Re-appointment of Mr. K.S. Shanker Rao as an Independent Director for second term of five consecutive years w.e.f. 30th September, 2019.
- Continuation of appointment of Mr. K.S. Shanker Rao as Director.
- Re-appointment of Mr. V.S. Mallick as an Independent Director for second term of five consecutive years w.e.f. 30th September, 2019.

During the year under review, no resolution was passed through postal ballot.

COMPLIANCE WITH MANDATORY REQUIREMENTS

The Company has complied with all applicable mandatory requirements of the Listing Regulations during the financial year 2019-2020. Quarterly compliance report on Corporate Governance, in the prescribed format, duly signed by the compliance officer is submitted regularly with the Stock Exchanges where the shares of the Company are listed.

ADDITIONAL SHAREHOLDERS INFORMATION

| | |
|--|--|
| Annual General Meeting | 30 th AGM |
| Date | 30-09-2020 |
| Time | 02:00 P.M. |
| Venue | Being held through video conferencing / other audio visual means. |
| Date of Book Closure | 24-09-2020 to 30-09-2020 (both days inclusive) |
| Dividend Payment Date | On or after 5th October, 2020 |
| Registered Office | A1, Vikrampuri, Secunderabad - 500 009. |
| Listing on Stock Exchanges | The Bombay Stock Exchange (BSE) Limited; National Stock Exchange of India Limited, Mumbai |
| International Securities Identification Number | INE781A01025 |
| Stock Exchange codes | BSE: 532326; NSE: INTENTECH |
| Financial Calendar | Financial year: April 1 to March 31 |

For the financial year ended March 31, 2020, results were announced on:

- First Quarter – 9th August, 2019
- Half Yearly – 14th November, 2019
- Third Quarter – 14th February, 2020
- Fourth Quarter and Annual – 1st July, 2020

Equity Evolution during the year

As at March 31, 2020 the paid-up equity share capital of the Company was ₹ 4,48,15,898/- consisting of 2,24,07,949 equity shares of ₹ 2/- each. Details of equity evolution of the Company during the year under review is as under:

- Allotment of 23,000 equity shares of ₹ 2/- each on February 14, 2020.

Stock Market Data

| Month | The Bombay Stock Exchange Limited (BSE) | | | The National Stock Exchange of India Limited (NSE) | | |
|--------|---|------------------|---------------------------|--|------------------|---|
| | High Price (₹) | Low Price (₹) | Volume (No. of Shares) | High Price (₹) | Low Price (₹) | Volume (No. of Shares - in lakhs) |
| Apr-19 | 45.00 | 37.50 | 826279 | 41.75 | 37.15 | 2.18 |
| May-19 | 43.55 | 35.60 | 88395 | 43.60 | 35.10 | 3.53 |
| Jun-19 | 38.80 | 25.15 | 73024 | 37.45 | 25.30 | 4.19 |
| Jul-19 | 30.10 | 24.35 | 53895 | 30.20 | 24.50 | 5.31 |
| Aug-19 | 27.15 | 22.20 | 40226 | 27.45 | 22.05 | 6.28 |
| Sep-19 | 38.00 | 23.00 | 448678 | 38.50 | 22.70 | 4.33 |
| Oct-19 | 35.80 | 26.10 | 17129 | 35.95 | 26.35 | 1.85 |
| Nov-19 | 33.95 | 27.40 | 18234 | 33.70 | 27.30 | 1.16 |
| Dec-19 | 29.95 | 25.00 | 48188 | 30.00 | 24.45 | 1.99 |
| Jan-20 | 33.80 | 25.55 | 608157 | 33.85 | 33.85 | 2.41 |
| Feb-20 | 27.95 | 17.00 | 937866 | 28.00 | 16.70 | 6.11 |
| Mar-20 | 23.00 | 9.95 | 132503 | 21.95 | 10.15 | 8.49 |

| | |
|--|--|
| Registrar & Share Transfer (Physical and Electronic) Agent | KFin Technologies Private Limited Karvy Selenium Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. |
| Share Transfer Systems | Transfer of Securities in physical form are registered and duly transferred share certificates are dispatched within fifteen (15) days of receipt, provided the transfer documents are in order. |
| Outstanding GDR's/ADR's/Warrants or any convertible instruments, conversion date and likely impact on equity:- | The Company has not issued any of these instruments. |
| Location of Registered Office | A1, Vikramপুরi, Secunderabad - 500009, Telangana |
| Code of Conduct and Ethics | The Board of Directors of the Company has formulated a code of conduct and ethics applicable to all the members of the Board of Directors and Senior Management Personnel of the Company. A detailed declaration along with a certificate of compliance appears in the Annexure to the Corporate Governance Report. |
| Compliance Officer | K. Tejaswi |

Distribution of Shareholding

Details of distribution of shareholding of the equity shares of the Company by size and by ownership class on March 31, 2020 is given below:

Shareholding pattern by size as on March 31, 2020

| Sl. No | Category (Shares) | No. of Holders | % To Holders | No. of Shares | % To Equity |
|--------|-------------------|----------------|---------------|-----------------|---------------|
| 1 | 1 - 5000 | 10086 | 95.93 | 4413600 | 19.70 |
| 2 | 5001 - 10000 | 198 | 1.88 | 1463439 | 6.53 |
| 3 | 10001 - 20000 | 99 | 0.94 | 1410462 | 6.29 |
| 4 | 20001 - 30000 | 42 | 0.40 | 1065537 | 4.76 |
| 5 | 30001 - 40000 | 24 | 0.23 | 847410 | 3.78 |
| 6 | 40001 - 50000 | 9 | 0.09 | 416150 | 1.86 |
| 7 | 50001 - 100000 | 30 | 0.29 | 2343506 | 10.46 |
| 8 | 100001 and above | 26 | 0.25 | 10447845 | 46.63 |
| | TOTAL: | 10514 | 100.00 | 22407949 | 100.00 |

Shareholding pattern by ownership as on March 31, 2020

| Sl no | Description | No. of shareholders | No. of Shares | % to Equity |
|-------|-------------------------------------|---------------------|-----------------|---------------|
| 1 | PROMOTER GROUP | 1 | 625 | 0.00 |
| 2 | RESIDENT INDIVIDUALS | 9363 | 11688999 | 52.16 |
| 3 | PROMOTERS | 3 | 4084119 | 18.23 |
| 4 | EMPLOYEES | 115 | 2310687 | 10.31 |
| 5 | NON RESIDENT INDIANS | 80 | 717607 | 3.20 |
| 6 | CLEARING MEMBERS | 29 | 55947 | 0.25 |
| 7 | INDIAN FINANCIAL INSTITUTIONS | 1 | 31 | 0.00 |
| 8 | NON RESIDENT INDIAN NON REPATRIABLE | 40 | 279589 | 1.25 |
| 9 | BODIES CORPORATES | 151 | 2781069 | 12.41 |
| 10 | H U F | 295 | 489276 | 2.18 |
| | Total: | 10078 | 22407949 | 100.00 |

Dematerialization of Shares

If any of the shareholders have not yet dematerialized shares, they are advised to contact the National Securities Depository Services Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL)–ISIN- INE781A01025 for dematerializing the shares held by them in the Company.

Investors' Grievances

During the year, five complaints were received and resolved. And no investor grievances were pending as on March 31, 2020.

Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external Secretarial auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to The Bombay Stock Exchange (BSE) Limited and National Stock Exchange of India Limited (NSE), Mumbai and is also placed before Stakeholders' Relationship Committee and the Board of Directors.

For and on behalf of the Board

Place: Secunderabad
Date: 27th August, 2020

C. K. Shastri
Chairman & Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Intense Technologies Limited
A1, Vikrampuri,
Secunderabad-500009

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Intense Technologies Limited having CIN L30007TG1990PLC011510 and having registered office at - A1, Vikrampuri, Secunderabad 500009 Telangana, India (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 the 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 verifications (including Directors 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 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|-------------------------------|----------|--------------------------------|
| 1 | Krishna Shastri Chidella | 00329398 | 24-07-1990 |
| 2 | Jayant Dwarkanath | 00329597 | 19-12-2003 |
| 3 | Tikam Sujjan | 02137651 | 14-08-2003 |
| 4 | Sarada Devi Vemuri | 02268210 | 21-07-2008 |
| 5 | Pavan Kumar Pulavarty | 02530632 | 31-01-2009 |
| 6 | Srivath Shanker Rao Kandukuri | 02593315 | 27-03-2009 |
| 7 | Shyamsunder Mallick Vadlamani | 02665539 | 25-08-2009 |
| 8 | Anisha Chidella | 08154544 | 27-07-2018 |

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.

For Puttaparthi Jagannatham & Co.

Place: Hyderabad
Date: 27th August, 2020

Navajyoth Puttaparthi
Practicing Company Secretary
COP No: 16041
M. No. F9896

Annexure

Auditors' Certificate on Corporate Governance

To
The Members of Intense Technologies Limited

We have examined the relevant records relating to compliance of conditions of Corporate Governance by Intense Technologies Limited ("the Company"), for the year ended 31st March, 2020, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the year ended 31st March, 2020.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations.

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

For Puttaparthi Jagannatham & Co.

Place: Hyderabad
Date: 27th August, 2020

Navajyoth Puttaparthi
Practicing Company Secretary
COP No: 16041
M. No. F9896

Managing Director / Chief Executive Officer (CEO) and Chief Finance Officer (CFO) Certification

To
The Members of Intense Technologies Limited

We have reviewed the financial statements and the cash flow statement of Intense Technologies Limited for the year ended March 31, 2020 and that to the best of our knowledge and belief, we certify that:

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and the steps they have taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee:
 - (i) Significant changes, if any, in internal control over financial reporting during the year;
 - (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) That there were no instances of significant fraud of which we have become aware.

We further declare that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for the year ended 31st March, 2020.

For Intense Technologies Limited

Place: Secunderabad
Date: 1st July, 2020

C. K. Shastri
Chairman & Managing Director

H. Madhukar Nayak
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To The Members of Intense Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion:

We have audited the accompanying standalone financial statements of **M/s INTENSE TECHNOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as "the standalone financial statement")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed u/s133 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 31st March 2020, the profit and total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion:

We conducted our audit of the standalone financial statements in accordance with the standards on Auditing specified u/s 143(10) of the Act (SAs). Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the standalone financial statements section of our report. We are independent of the company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of standalone financial statements under the provisions of the act and the rules made thereunder, and we have fulfilled our other ethical responsibilities with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key audit matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of standalone financial statements of the current period. These matters were addressed in the context of our audit of standalone 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 the matters described below to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|---|---|
| 1 | <p>Accuracy of revenue recognition in respect of fixed price contracts involves critical estimates.</p> <p>Estimated effort is a critical estimate to determine revenues and liabilities for onerous obligations.</p> <p>This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations.</p> | <p>Principal Audit Procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following, among others:</p> <p>Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.</p> <p>Tested the access and application controls pertaining to time recording and allocation systems which prevents unauthorized changes to recording of efforts incurred.</p> <p>Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated.</p> <p>Selected a sample of contracts and performed a retrospective review of completed efforts and activities with the planned efforts and activities to identify significant variations and verified whether those variations have been considered in estimating the remaining efforts to complete the contract.</p> <p>Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.</p> <p>Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.</p> |

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|--|---|
| 2 | Evaluation of uncertain tax positions. The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. | Principal Audit Procedures Obtained details of completed tax assessments and demands during the year ended March 31 st , 2020 from management. We involved our internal tax experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal tax experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1 st , 2019 to evaluate whether any change was required to management's position on these uncertainties. |

Information other than the standalone financial statements and Auditor's report thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is no 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 Standalone Ind AS 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion

on whether the Company has adequate internal financial controls system in place and the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should 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 Act, we give in the Annexure 1 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, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and loss including of Other comprehensive Income, the Statement of Cash flows and Statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of written representations received from the directors as on 31st March 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020, from being appointed as a director in terms of section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with requirements of sec.197(16) of the act as amended :
 - h) in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of sec.197 of the act.

- i) With respect to the other matters to be included in the Auditors report in accordance with rule 11 of the companies (Audit and Auditors) rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii) The Company has made provisions, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investors Education and Protection Fund by the Company.

For **MSPR & CO.,**
Chartered Accountants
Firm Registration No: 010152S

Place: Hyderabad
Date: 1st July, 2020

Voruganti Madhusudhan
(Partner)
Membership No: 208701

Annexure 1: To the Independent Auditors' Report on the Standalone Financial Statements of Intense Technologies Limited.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The company is a Software Products, Solutions and related services Company providing Customized Software Product Solutions and Services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors or to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has made investments which are in compliance with the provisions of section 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. In our opinion and according to the information and explanations given to us, the maintenance of Cost Records has not been specified by the Central Government under sub- section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii. According to the information and explanations given to us in respect of statutory dues
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, GST, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) According to the information and explanations given to us There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Goods and Service Tax, Cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable.
 - c) There are no disputed dues of GST, PF, ESI and Cess which have not been deposited as on March 31st, 2020 except Income tax as mentioned below.

| Statute | Nature of Dues | Amount (in thousand ₹) | Financial Year | Forum where dispute is pending |
|----------------------|----------------|---------------------------|----------------|--------------------------------------|
| Income Tax Act ,1961 | Income Tax | 5,103 | 2016-17 | Income Tax Assessing Officer u/s 154 |

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

- xi. According to the information and explanations given by the management, the managerial remuneration has been paid/ provided 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. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an 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. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **MSPR & CO.,**
Chartered Accountants
Firm Registration No: 010152S

Place: Hyderabad
Date: 1st July, 2020

Voruganti Madhusudhan
(Partner)
Membership No: 208701

Annexure 2: To the Independent Auditors' Report on the Standalone Financial Statements of Intense Technologies Limited.

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

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

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the 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 Companies Act, 2013.

Auditor's 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 judgment, including the assessment of the risks of material misstatement of the 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 31st March 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.

For **MSPR & CO.,**
Chartered Accountants
Firm Registration No: 010152S

Place: Hyderabad
Date: 1st July, 2020

Voruganti Madhusudhan
(Partner)
Membership No: 208701

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Standalone Balance Sheet as at 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| Particulars | Note | As at 31.03.2020 | As at 31.03.2019 |
|---|------|---------------------|---------------------|
| A. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 28,694 | 26,103 |
| (b) Other Intangible assets | 3A | - | 1,605 |
| (c) Financial Assets | | | |
| (i) Investments | 4 | 274,944 | 274,975 |
| (ii) Others Financials Assets | 5 | 152,546 | 144,345 |
| (d) Deferred tax assets (net) | 6 | 10,788 | 10,489 |
| (e) Other non-current assets | 7 | 5,254 | 5,744 |
| Total Non-Current Assets | | 472,226 | 463,261 |
| (2) Current Assets | | | |
| (a) Financial Assets | | | |
| (i) Trade Receivables | 8 | 311,045 | 265,361 |
| (ii) Unbilled Revenue Receivables | 9 | 65,499 | - |
| (iii) Cash & Cash equivalents | 10 | 61,410 | 18,139 |
| (iv) Other Financial Assets | 11 | 675 | 2,164 |
| (b) Current tax assets | 12 | 34,623 | 50,842 |
| (c) Other current assets | 13 | 30,792 | 17,642 |
| Total Current Assets | | 504,044 | 354,148 |
| Total Assets | | 976,270 | 817,409 |
| B. EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity Share capital | 14 | 44,816 | 44,770 |
| (b) Other Equity | 15 | 704,591 | 633,393 |
| Total Equity | | 749,407 | 678,163 |
| (2) Liabilities | | | |
| Non-Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 16 | 21,982 | 31,830 |
| (b) Provisions | 17 | 37,987 | 38,727 |
| Total Non-current Liabilities | | 59,969 | 70,557 |
| Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | - | 10,791 |
| (ii) Trade Payables | 19 | 110,167 | 8,442 |
| (iii) Other current financial liabilities | 20 | 12,215 | 11,830 |
| (b) Other current liabilities | 21 | 44,512 | 37,626 |
| Total Current Liabilities | | 166,894 | 68,689 |
| Total Equity and Liabilities | | 976,270 | 817,409 |
| Summary of significant accounting policies | 2 | | |

The accompanying notes are an integral part of the financial statements.
As per our Report of even date attached.

MSPR & Co.,
Chartered Accountants
Firm Regn.No.010152S

Madhusudhan Voruganti
Partner
Membership No.208701

Date: 1st July, 2020
Place: Secunderabad

For and on behalf of the Board of Directors of
INTENSE TECHNOLOGIES LIMITED

C.K. Shastri
Managing Director
DIN : 00329398

H. Madhukar Nayak
Chief Financial Officer

Jayant Dwarkanath
Director
DIN : 00329597

K. Tejaswi
Company Secretary

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Statement of Standalone Profit & Loss for the Year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| Particulars | Note | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|---|------|--------------------------|--------------------------|
| Revenue | | | |
| Revenue from Operations | 22 | 667,767 | 558,309 |
| Other Income | 23 | 16,187 | 12,603 |
| Total Income | | 683,954 | 570,912 |
| Expenses | | | |
| Operating Expenses | 24 | 152,216 | 73,401 |
| Employee Benefits Expense | 25 | 299,759 | 246,087 |
| Financial Cost | 26 | 6,286 | 8,139 |
| Depreciation and amortisation Expense | 3&3A | 11,774 | 18,793 |
| Other Expenses | 27 | 110,176 | 126,738 |
| Total Expenses | | 580,211 | 473,158 |
| Profit before Tax | | 103,743 | 97,754 |
| Tax Expense | 28 | | |
| Income Tax | | 26,006 | 25,567 |
| Deferred Tax Asset/(Liability) | | 299 | 6,173 |
| Profit for the period | | 78,036 | 66,014 |
| Other comprehensive income | 29 | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Remeasurement of the net defined benefit liability / asset (net of taxes) | | (504) | (14,126) |
| Exchange differences on translation of foreign operations | | (560) | - |
| Items that will be reclassified subsequently to profit or loss | | | |
| Equity instruments through other comprehensive income | | (30) | 30 |
| Total other comprehensive income, net of tax | | (1,094) | (14,096) |
| Total comprehensive income for the period | | 76,942 | 51,918 |
| Earnings per equity share (Face Value ₹ 2/- each) | 30 | | |
| Basic ₹ | | 3.48 | 2.95 |
| Diluted ₹ | | 3.46 | 2.90 |
| Weighted average equity shares used in computing earnings per equity share | | | |
| Basic | | 22,408 | 22,385 |
| Diluted | | 22,574 | 22,738 |
| Summary of significant accounting policies | 2 | | |

The accompanying notes are an integral part of the financial statements.
As per our Report of even date attached

MSPR & Co.,
Chartered Accountants
Firm Regn.No.010152S

For and on behalf of the Board of Directors of
INTENSE TECHNOLOGIES LIMITED

Madhusudhan Voruganti
Partner
Membership No.208701

C.K. Shastri
Managing Director
DIN : 00329398

Jayant Dwarkanath
Director
DIN : 00329597

Date: 1st July, 2020
Place: Secunderabad

H. Madhukar Nayak
Chief Financial Officer

K. Tejaswi
Company Secretary

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Standalone Statement of Cash Flow for the Year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| Particulars | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|---|--------------------------|--------------------------|
| A Cash Flow from operating Activities | | |
| Net Profit before tax | 103,742 | 97,754 |
| Adjustment for: | | |
| Depreciation | 11,774 | 18,793 |
| Equity instruments through other comprehensive income | (30) | 30 |
| Re-measurement gains/(losses) on employee defined benefit plans | (504) | (14,126) |
| Exchange differences on translation of foreign operations | (560) | - |
| Income Tax | (25,708) | (31,740) |
| Other Income | (16,187) | (12,603) |
| Operating Profit before working capital changes | 72,527 | 58,109 |
| Adjustment for: | | |
| (Increase)/Decrease in Trade Receivables | (45,683) | 11,751 |
| (Increase)/Decrease in Unbilled Revenue Receivable | (65,499) | - |
| (Increase)/Decrease in Other Current Assets | 4,558 | 56,378 |
| (Increase)/Decrease in Other Non-Current Assets | (8,011) | (90,630) |
| Increase/(Decrease) in Non-current Liabilities | (10,588) | (1,389) |
| Increase/(Decrease) in Current Liabilities | 108,996 | (33,893) |
| Cash generated from Operations | 56,301 | 327 |
| Prior Period Items | (5,743) | (10,299) |
| Net Cash Flow from Operating Activities | 50,558 | (9,972) |
| B Cash Flow from investing Activities | | |
| (Increase)/Decrease in Fixed Assets | (12,791) | (12,179) |
| (Increase)/Decrease in Capital Work in progress | - | 15,165 |
| (Increase)/Decrease in Non-current Investments | 30 | (36,718) |
| (Increase)/Decrease in Loans and Advances | - | 4,952 |
| Vehicle Sale | 31 | 441 |
| Other Income Received | 16,187 | 12,603 |
| Net Cash used in investing activities | 3,458 | (15,736) |
| C Cash Flow from Financing Activities | | |
| Increase/(Decrease) in Share Capital | 46 | 522 |
| Increase/(Decrease) in Share Application Money | - | (430) |
| Increase/(Decrease) in Bank Overdraft | (10,791) | 10,791 |
| Net cash generated from Financing Activities | (10,745) | 10,883 |
| Cash & Cash equivalents utilised (A+B+C) | 43,270 | (14,825) |
| Cash & Cash equivalents (Opening Balance) | 18,140 | 32,964 |
| Cash & Cash equivalents (Closing Balance) | 61,410 | 18,140 |

Amendment to Ind AS 7

The amendments to Ind AS 7 Cash flow Statements require the entities to provide disclosure that enable the uses of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggestions inclusion of reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2016 and required disclosure is made below. There is no other impact on financial statements due to this amendment.

| Particulars | As at 31.03.2019 | Movement of Borrowing | As at 31.03.2020 |
|-----------------------------|---------------------|--------------------------|---------------------|
| Borrowing Non current | 39,237 | (10,295) | 28,942 |
| Other financial Liabilities | 4,423 | 832 | 5,255 |
| Total | 43,660 | (9,463) | 34,197 |

As per our Report of even date attached

MSPR & Co.,
Chartered Accountants
Firm Regn.No.010152S

For and on behalf of the Board of Directors of
INTENSE TECHNOLOGIES LIMITED

Madhusudhan Voruganti
Partner
Membership No.208701

C.K. Shastri
Managing Director
DIN : 00329398

Jayant Dwarkanath
Director
DIN : 00329597

Date: 1st July, 2020
Place: Secunderabad

H. Madhukar Nayak
Chief Financial Officer

K. Tejaswi
Company Secretary

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Statement of changes in equity

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

(a) Equity share capital

| Particulars | Amount |
|---|---------------|
| Balance as at 1 April 2017 | 44,248 |
| Changes in equity share capital during the period | - |
| Balance as at 1 April 2018 | 44,248 |
| Changes in equity share capital during the period | 522 |
| Balance as at 1 April 2019 | 44,770 |
| Changes in equity share capital during the period | 46 |
| Balance as at the 31st March 2020 | 44,816 |

b) Other equity

| Particulars | Share Application Money pending allotment | Reserves and surplus | | | | Other comprehensive income | | Total equity |
|---------------------------------|---|----------------------------|----------------|--------------|-------------------|---|---|----------------|
| | | Securities premium reserve | Share Warrents | ESOP's | Retained earnings | Remeasurements of the net defined benefit plans | Equity instruments through other comprehensive income | |
| As at April 01, 2017 | - | 292,180 | 20,803 | 3,377 | 243,839 | (2,890) | - | 557,309 |
| Add: Profit for the year | - | - | - | - | 44,588 | - | - | 44,588 |
| Other comprehensive income | - | - | - | - | - | (10,151) | 27 | (10,124) |
| Addition made during the year | 430 | - | - | - | - | - | - | 430 |
| At March 31, 2018 | 430 | 292,180 | 20,803 | 3,377 | 288,427 | (13,041) | 27 | 592,203 |
| Add: Profit for the year | - | - | - | - | 66,014 | - | - | 66,014 |
| Other comprehensive income | - | - | - | - | - | (14,126) | 31 | (14,095) |
| Addition made during the year | (430) | 3,377 | - | (3,377) | - | - | (10,299) | (10,729) |
| At March 31, 2019 | - | 295,557 | 20,803 | - | 354,441 | (27,167) | (10,241) | 633,393 |
| Add: Profit for the year | - | - | - | - | 78,035 | - | - | 78,035 |
| Other comprehensive income | - | - | - | - | - | (1,064) | (30) | (1,094) |
| Addition made during the year | - | - | - | - | - | - | (5,743) | (5,743) |
| Balance at 31 March 2020 | - | 295,557 | 20,803 | - | 432,476 | (28,231) | (16,014) | 704,591 |

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

1. Corporate Information

Intense Technologies Limited (the Company) is a public limited company domiciled and incorporated in India under the Companies Act, 1956. The company is engaged in the business of developing software products that are designed for data analytics. Company platform is cloud-based and designed to seamlessly integrate with varied client's existing systems.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in INR, except functional currency when otherwise indicated.

2.2 Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

- An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

- A liability is current when:
- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

(b) Foreign currencies

The financial statements are presented in Indian rupees, which is also the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

(c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Products

Revenue from software products is recognized when the sale has been completed with raising of invoice from the company

Sale of services

Revenue from software development on a time and material basis is recognized based on software developed and billed to clients as per the terms of specific contracts.

Revenue from digitization is identified when the specific milestone is achieved and invoice is raised.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other income

Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

(e) Taxes on Income

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or payable to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. 'Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. 'Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

(f) Property, plant and equipment

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When the tax incurred on purchase of assets is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset.

Depreciation on fixed assets is provided on a written down value method based on the useful lives estimated by the management which are in accordance with Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

(g) Intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

During the period of development, the asset is tested for impairment annually.

(h) Leases

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 an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(j) Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(k) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

(l) Employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Group has the policy of providing/encashing the Earned leaves salary for leave period in excess of 30 days for each of the eligible employees to his/her credit.

(m) Dividends

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

(n) Earning per share:

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which include all stock options granted to employees.

o) Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Restructuring

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Reimbursement rights

Expected reimbursements for expenditures required to settle a provision are recognised only when receipt of such reimbursements is virtually certain. Such reimbursements are recognised as a separate asset in the balance sheet, with a corresponding credit to the specific expense for which the provision has been made.

Contingent liabilities

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

Contingent assets

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

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

(p) 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 assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Equity investments:

In respect of equity investments, when an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries and associates either:

- (a) at cost; or
- (b) in accordance with Ind AS 109.

If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

- (a) cost determined in accordance with Ind AS 27; or
- (b) deemed cost. The deemed cost of such an investment shall be its:
 - (i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or
 - (ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary or associate that it elects to measure using a deemed cost.

Since the company is a first time adopter it has measured its investment in subsidiary and associate at deemed cost in accordance with Ind AS 27 by taking previous GAAP carrying amount.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a) the rights to receive cash flows from the asset have expired, or
- b) the Company has transferred its rights to receive cash flows from the asset, and
 - i. the Company has transferred substantially all the risks and rewards of the asset, or
 - ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

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 on trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L).

Financial liabilities

Initial recognition and measurement

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.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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 consolidated statement of profit and loss.

(q) Standards issued but not yet effective

Ind AS 115 Revenue from Contracts with Customers: Ind AS 115, Revenue from Contracts with Customers was initially notified under the Companies (Indian Accounting Standards) Rules, 2015. The standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions-and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

r) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

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Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

s) Earnings per share:

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

t) Subsequent Events:

There are no significant events that occurred after the balance sheet date.

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Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

3. Property, plant and equipment

| | Freehold buildings | Computers | Office equipment | Furniture and fittings | Vehicles | Total Tangible Assets |
|----------------------------------|--------------------|----------------|------------------|------------------------|--------------|-----------------------|
| Cost | | | | | | |
| At April 1, 2016 | 15,725 | 117,378 | 15,170 | 19,155 | 7,146 | 174,575 |
| Additions | - | 79,119 | 83 | - | - | 79,202 |
| Disposals/ Adjustments | - | - | - | - | - | - |
| Exchange differences | - | - | - | - | - | - |
| At March 31, 2017 | 15,725 | 196,497 | 15,253 | 19,155 | 7,146 | 253,776 |
| Additions | - | 859 | 1,121 | - | - | 1,980 |
| Disposals/ Adjustments | - | - | - | - | - | - |
| At March 31, 2018 | 15,725 | 197,356 | 16,374 | 19,155 | 7,146 | 255,756 |
| Additions | - | 5,597 | 1,639 | - | 4,943 | 12,179 |
| Disposals/ Adjustments | - | - | - | - | 2,753 | 2,753 |
| At March 31, 2019 | 15,725 | 202,953 | 18,013 | 19,155 | 9,336 | 265,182 |
| Additions | - | 9,830 | 227 | 84 | 2,650 | 12,791 |
| Disposals/ Adjustments | - | - | - | - | 2,244 | 2,244 |
| At March 31, 2020 | 15,725 | 212,783 | 18,240 | 19,239 | 9,742 | 275,729 |
| Depreciation/amortisation | | | | | | |
| At April 1, 2016 | 8,887 | 109,598 | 14,632 | 17,171 | 4,862 | 155,150 |
| Charge for the year | 333 | 27,081 | 215 | 700 | 599 | 28,928 |
| Disposals/ Adjustments | - | - | - | - | - | - |
| At March 31, 2017 | 9,220 | 136,679 | 14,847 | 17,871 | 5,461 | 184,078 |
| Charge for the year | 317 | 38,447 | 415 | 540 | 406 | 40,125 |
| Disposals/ Adjustments | - | - | - | - | - | - |
| At March 31, 2018 | 9,537 | 175,126 | 15,262 | 18,411 | 5,867 | 224,203 |
| Charge for the year | 301 | 15,414 | 854 | 66 | 553 | 17,188 |
| Disposals/ Adjustments | - | - | - | - | 2,312 | 2,312 |
| At March 31, 2019 | 9,838 | 190,540 | 16,116 | 18,477 | 4,108 | 239,079 |
| Charge for the year | 287 | 6,299 | 932 | 565 | 2,086 | 10,169 |
| Disposals/ Adjustments | - | - | - | - | 2,213 | 2,213 |
| At March 31, 2020 | 10,125 | 196,839 | 17,048 | 19,042 | 3,981 | 247,035 |
| Net Block | | | | | | |
| At April 1, 2016 | 6,838 | 7,780 | 538 | 1,984 | 2,284 | 19,425 |
| At March 31, 2017 | 6,505 | 59,818 | 406 | 1,284 | 1,685 | 69,698 |
| At March 31, 2018 | 6,188 | 22,230 | 1,112 | 744 | 1,279 | 31,553 |
| At March 31, 2019 | 5,887 | 12,413 | 1,897 | 678 | 5,228 | 26,103 |
| At March 31, 2020 | 5,600 | 15,944 | 1,192 | 197 | 5,761 | 28,694 |

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(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

3A. Intangible Assets

| | Product Development | Total Intangible assets |
|----------------------------------|---------------------|-------------------------|
| Cost | | |
| At April 1, 2016 | 8,027 | 8,027 |
| Additions | - | - |
| Disposals/ Adjustments | - | - |
| At March 31, 2017 | 8,027 | 8,027 |
| Additions | - | - |
| Disposals/ Adjustments | - | - |
| At March 31, 2018 | 8,027 | 8,027 |
| Additions | - | - |
| Disposals/ Adjustments | - | - |
| At March 31, 2019 | 8,027 | 8,027 |
| Additions | - | - |
| Disposals/ Adjustments | - | - |
| At March 31, 2020 | 8,027 | 8,027 |
| Depreciation/amortisation | | |
| At April 1, 2016 | 1,605 | 1,605 |
| Charge for the year | 1,607 | 1,607 |
| Disposals/ Adjustments | - | - |
| At March 31, 2017 | 3,212 | 3,212 |
| Charge for the year | 1,605 | 1,605 |
| Disposals/ Adjustments | - | - |
| At March 31, 2018 | 4,817 | 4,817 |
| Charge for the year | 1,605 | 1,605 |
| Disposals/ Adjustments | - | - |
| At March 31, 2019 | 6,422 | 6,422 |
| Charge for the year | 1,605 | 1,605 |
| Disposals/ Adjustments | - | - |
| At March 31, 2020 | 8,027 | 8,027 |
| Net Block | | |
| At April 1, 2016 | 6,422 | 6,422 |
| At March 31, 2017 | 4,815 | 4,815 |
| At March 31, 2018 | 3,210 | 3,210 |
| At March 31, 2019 | 1,605 | 1,605 |
| At March 31, 2020 | - | - |

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(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| | Particulars | As at 31.03.2020 | As at 31.03.2019 |
|----------|---|---------------------|---------------------|
| 4 | Non-current Investments | | |
| | Unquoted, Valued at cost | | |
| | a) Subsidiaries | | |
| | 3,779 Shares @ Face Value of 1,000 AED (2019 March) 1,850 Shares @ Face Value of 1,000 AED (2018 March) 25 Shares @ Face Value of 1,000 AED (2017 March) 25 Shares @ Face Value of 1,000 AED (2016 March) in Intense Technologies FZE | 69,555 | 69,555 |
| | 12,46,460 Shares @ Face Value of 1 GBP (2018 March) 100 Shares @ Face Value of 1 GBP (2017 March) 100 Shares @ Face Value of 1 GBP (2017 March) in Intense Technologies U.K. Limited | 111,160 | 111,160 |
| | 14,43,000 Shares @ Face Value of 1 USD (2018 March) 1,00,000 Shares @ Face Value of 1 USD (2017 March) 1,00,000 Shares @ Face Value of 1 USD (2016 March) in Intense Technologies INC | 94,100 | 94,100 |
| | b) Other non Current Investments | | |
| | Quoted & Valued at FVTOCI | | |
| | Investments in equity shares in other listed entities (Invested in Various securities in various dates) | 129 | 160 |
| | Total | 274,944 | 274,975 |
| 5 | Others Financial Assets - Non-current | | |
| | Bank deposits with more than 12 months | | |
| | i) In Deposit Accounts | 106,341 | 99,776 |
| | ii) Deposits held as margin money against bank guarantee | 46,205 | 44,569 |
| | Total | 152,546 | 144,345 |
| 6 | Deferred tax assets (net) | | |
| | Deferred tax assets | | |
| | Accrued employee benefits | 8,346 | 10,757 |
| | Other timing differences | (7) | 1 |
| | A | 8,339 | 10,758 |
| | Deferred tax liability | | |
| | Unabsorbed depreciation | 2,449 | (269) |
| | B | 2,449 | (269) |
| | Total | 10,788 | 10,489 |
| 7 | Other Non-Current Assets | | |
| | a) Security & Other Deposits | 3,941 | 4,431 |
| | b) EMDs | 813 | 813 |
| | c) Capital Advances | 500 | 500 |
| | Total | 5,254 | 5,744 |
| 8 | Trade Receivables - Unsecured considered good | | |
| | - Unsecured, considered good | 311,045 | 265,361 |
| | Total | 311,045 | 265,361 |

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(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| | Particulars | As at 31.03.2020 | As at 31.03.2019 |
|-----------|--|---------------------|---------------------|
| 9 | Unbilled Revenue Receivables | 65,499 | - |
| | Total | 65,499 | - |
| 10 | Cash and Cash equivalents | | |
| | a) Cash on hand | 99 | 136 |
| | b) Balance with Banks | | |
| | i) In Current Accounts | 61,311 | 18,003 |
| | Total | 61,410 | 18,139 |
| 11 | Other financial assets- Current | | |
| | Other loans and advances: | | |
| | a) Loans & Advances to Subsidiaries | - | 1,589 |
| | b) Advance for Purchases | 71 | - |
| | c) Staff Advances | 604 | 575 |
| | Total | 675 | 2,164 |
| 12 | Current tax Assets | | |
| | TDS Receivable | 23,450 | 39,788 |
| | TDS Receivable (Current Year) Net | 11,173 | 11,054 |
| | Total | 34,623 | 50,842 |
| 13 | Other Current Assets | | |
| | a) Other Advances | | |
| | - Balances with statutory/government authorities | 19,642 | 8,308 |
| | - Prepaid expenses | 8,542 | 6,941 |
| | - Other advances | 2,608 | 2,393 |
| | Total | 30,792 | 17,642 |

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(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| Particulars | | 2020 | | 2019 | |
|-------------|---|--------------------|--------------------|--------------------|--------------------|
| | | No.of Shares | (Amount in ₹) | No.of Shares | (Amount in ₹) |
| 14 | SHARE CAPITAL | | | | |
| a) | Authorised Share Capital | | | | |
| | Equity Shares of ₹ 2/- each | 250,000,000 | 500,000,000 | 250,000,000 | 500,000,000 |
| | | 250,000,000 | 500,000,000 | 250,000,000 | 500,000,000 |
| b) | Issued, subscribed and fully paid up share capital | | | | |
| | Equity Shares of ₹ 2/- each | 22,407,949 | 44,815,898 | 22,384,949 | 44,769,898 |
| | | 22,407,949 | 44,815,898 | 22,384,949 | 44,769,898 |

c) Rights of shareholders :

The Company has only one class of equity shareholders. Each holder of equity shares is entitled to one vote per share.

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

| Particulars | | 2020 | | 2019 | |
|--|--|-------------------|-------------------|-------------------|-------------------|
| | | No.of Shares | (Amount in ₹) | No.of Shares | (Amount in ₹) |
| Equity Shares | | | | | |
| At the beginning of the year | | 22,384,949 | 44,769,898 | 22,124,061 | 44,248,122 |
| Add: Issue of shares on exercise of ESOP's | | 23,000 | 46,000 | 260,888 | 521,776 |
| At the end of the year | | 22,407,949 | 44,815,898 | 22,384,949 | 44,769,898 |

e) Shareholders holding more than 5% shares in the Company

| Name of the shareholder | | 2020 | | 2019 | |
|-------------------------|-------------------|-------------------|-----------------|-------------------|-----------------|
| | | No.of Shares held | % total holding | No.of Shares held | % total holding |
| 1 | C.K.Shastri | 1,714,792 | 7.65 | 1,714,792 | 7.66 |
| 2 | Tikam Sujan | 2,275,802 | 10.16 | 2,275,802 | 10.17 |
| 3 | Jayant Dwarkanath | 1,295,635 | 5.78 | 1,285,635 | 5.74 |

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(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| | Particulars | As at 31.03.2020 | As at 31.03.2019 |
|-----------|--|---------------------|---------------------|
| 15 | Other Equity | | |
| | Share Premium | 295,557 | 295,557 |
| | Warrants Forfeiture | 20,803 | 20,803 |
| | Retained Earnings | (5,397) | - |
| | Prior Period Adjustments | (346) | (10,299) |
| | Balance in Profit & Loss Account | 393,974 | 327,332 |
| | Total | 704,591 | 633,393 |
| 16 | Borrowings- Financial Liabilities Non-current | | |
| | Secured | | |
| | (a) From banks | | |
| | (i) Term loans | 17,830 | 28,942 |
| | (ii) Equipment and vehicle loans | 4,152 | 2,888 |
| | Total | 21,982 | 31,830 |
| 17 | Non-current Provisions | | |
| | Provision for employee benefits: | | |
| | Gratuity | 33,767 | 36,118 |
| | Compensated absences | 4,149 | 2,549 |
| | Other Provisions | 71 | 60 |
| | Total | 37,987 | 38,727 |
| 18 | Borrowings | | |
| | Bank Overdraft | | |
| | Axis Bank, Secunderabad Branch | - | 10,791 |
| | (against Accounts Receivables & Hypothecation of Fixed Deposits) | | |
| | Total | - | 10,791 |
| 19 | Trade Payables | 110,167 | 8,442 |
| | Total | 110,167 | 8,442 |
| 20 | Other current financial liabilities | | |
| | Secured | | |
| | Current Maturities of Long term Debt | | |
| | Term loans | 11,112 | 11,221 |
| | Equipment and vehicle loans | 1,103 | 609 |
| | Total | 12,215 | 11,830 |
| 21 | Other Current Liabilities | | |
| | Advance from Customers | 408 | 2,718 |
| | Provision for Expenses | 26,788 | 22,728 |
| | Statutory Dues Payable | 17,316 | 12,180 |
| | Total | 44,512 | 37,626 |

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(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| | Particulars | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|-----------|---|--------------------------|--------------------------|
| 22 | Revenue from operations (Net) | | |
| | From Sale of Products | 329,505 | 21,615 |
| | Unbilled Revenue | 65,499 | - |
| | From Services | 272,763 | 536,694 |
| | Total | 667,767 | 558,309 |
| 23 | Other Income | | |
| | Dividend Received | 3 | 3 |
| | Interest | 14,342 | 7,721 |
| | Foreign Exchange Fluctuations | 1,288 | 3,506 |
| | Expected Return on Plan Assets | 433 | 364 |
| | Profit on Sale of Vehicle | 69 | 1,009 |
| | Misc Receipts | 52 | - |
| | Total | 16,187 | 12,603 |
| 24 | Operating Expenses | | |
| | AMC Charges | 536 | 4,801 |
| | Consumables | 1,255 | 1,389 |
| | Electricity Charges | 4,837 | 4,905 |
| | Support Services | 144,503 | 61,073 |
| | Repairs & Maintenance | 1,085 | 1,233 |
| | Total | 152,216 | 73,401 |
| 25 | Employee Benefits Expense | | |
| | Salaries | 261,898 | 224,629 |
| | Gratuity | 6,835 | 4,224 |
| | Group Medical Insurance to Staff | 5,833 | 4,023 |
| | Contribution to Provident and other Funds | 8,617 | 7,740 |
| | Leave Encashment Expense | 1,600 | 556 |
| | Staff Welfare | 14,976 | 4,915 |
| | Total | 299,759 | 246,087 |
| 26 | Financial Costs | | |
| | Interest | | |
| | - On Term Loan | 3,434 | 4,461 |
| | - On Vehicle Loan | 364 | 70 |
| | - On OD A/c | 644 | 484 |
| | - On Others | - | 1 |
| | Bank Charges & Commission | 1,845 | 3,123 |
| | Total | 6,286 | 8,139 |

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(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| | Particulars | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|------------|--|--------------------------|--------------------------|
| 27 | Other Expenses | | |
| | Advertisement | 123 | 159 |
| | AGM Expenses | 79 | 105 |
| | Statutory Audit Fees | 950 | 500 |
| | Bad Debts Written off | 675 | 45,751 |
| | Books,Periodicals& News Papers | 37 | 36 |
| | Business Promotion | 2,343 | 1,338 |
| | Commission & Brokerage | 320 | - |
| | Directors Remuneration | 30,623 | 9,438 |
| | Expected Credit Loss | 573 | 999 |
| | Housekeeping Expenses | 478 | 586 |
| | Insurance | 1,318 | 1,455 |
| | Office Maintenance | 1,424 | 1,243 |
| | Courier and Postage | 162 | 241 |
| | Printing & Stationery | 482 | 684 |
| | Professional Charges | 23,757 | 14,094 |
| | Rates & Taxes | 7,093 | 2,551 |
| | Rent | 12,685 | 12,722 |
| | Scanning charges | 2,526 | 8,715 |
| | Security Services | 581 | 521 |
| | Seminar/training Expenses | 312 | 116 |
| | Communication Expenses | 5,644 | 4,128 |
| | Travelling Expenses | 17,885 | 21,155 |
| | Vehicle Insurance | 106 | 201 |
| | Total | 110,176 | 126,738 |
| 28 | Taxes | | |
| (a) | Current tax | 26,006 | 25,567 |
| | Deferred tax charge/ (credit) | 299 | 6,173 |
| | Total income tax expense recognised in statement of Profit & Loss | 26,305 | 31,740 |
| (b) | Reconciliation of effective tax rate: | | |
| | Profit Before Tax (A) | 103,743 | 97,754 |
| | Less: Provision for Gratuity for the year | - | - |
| | | 103,743 | 97,754 |
| | Enacted tax rate in India (B) | 25.168 | 27.82 |
| | Expected tax expenses (C = A*B) | 26,110 | 27,195 |
| | Addl deduction under Income Tax Act, 1961 | - | (6,201) |
| | Expenses disallowed under Income Tax Act, 1961 | (104) | 4,572 |
| | Income tax expenses | 26,006 | 25,567 |

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Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| | Particulars | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|------------|--|--------------------------|--------------------------|
| 29 | Components of Other Comprehensive Income (OCI) | | |
| | Re-measurement gains/(losses) on employee defined benefit plans | | |
| | Actuarial Loss | (504) | (19,570) |
| | Deferred tax effect on remeasurement costs | (560) | 5,444 |
| | Remeasurement of the net defined benefit liability / asset | (1,064) | (14,126) |
| | Non Current Investment To FVTOCI | (30) | 30 |
| | Total | (1,094) | (14,096) |
| 30 | Earning per equity share | | |
| | Profit for the year (in ₹) | 78,035 | 66,014 |
| | Weighted average number of equity shares considered (for calculation of basic earnings per share) | 22,408 | 22,385 |
| | Add: Effect of dilution | | |
| | Effect of dilution on account of Employee Stock Options granted | 166 | 353 |
| | Weighted average number of equity Shares considered (for calculation of diluted earnings per share) | 22,574 | 22,738 |
| | Earnings per share | | |
| | - Basic (in ₹) | 3.48 | 2.95 |
| | - Diluted (in ₹) | 3.46 | 2.90 |
| 31. | Commitments and Contingencies | | |
| | Contingent liabilities | | |
| | Counter Guarantees given to Banks towards issue of B.G.s | 37,500 | 36,500 |
| | Outstanding Bank Guarantees | 37,500 | 36,500 |
| | Dues relating to Service tax* | - | 20,780 |
| | Dues relating to Income tax** | 5,103 | - |

* During the Financial Year 2019-20, the pending dispute of service tax demand of ₹ 20,780 thousands was cleared on account of Company opting for Settlement of dispute under Sabka Vishwas Scheme(Legacy Dispute Resolution) Scheme, 2019

** Dues Relating to Income Tax for the Financial Year 2016-17 relevant to the Assessment Year 2017-18 the Company has demand of ₹ 5,103 thousands which the Company is contesting and filed an application for verification under sec.154 of the Income Tax Act. Based on consultant opinion the Company is confident of favourable opinion.

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Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| Particulars | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|---|--------------------------|--------------------------|
| 32. Employee Benefits | | |
| a) Defined contribution plan | | |
| Contribution to provident and other funds recognised as expense in the Statement of P & L | 8,617 | 7,740 |
| b) Disclosures related to defined benefit plan | | |
| The Company has a defined benefit gratuity plan and governed by Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days last drawn salary for each completed year of service. The scheme is funded with Life Insurance Corporation in the form of a qualifying insurance policy. The following tables summarise the components of net benefit expense recognized in the statement of profit and loss, the fund status and balance sheet position: | | |
| A) Net employee benefit expense (included under employee benefit expenses) | | |
| Current service cost | 3,787 | 1,813 |
| Interest cost on benefit obligation | 3,048 | 2,336 |
| Expected return on plan assets | 433 | 363 |
| Net employee benefit expenses | 7,268 | 4,512 |
| B) Amount recognised in the Balance Sheet | | |
| Defined benefit obligation | 39,495 | 40,644 |
| Fair value of plan assets | (5,728) | (4,526) |
| Net Plan Liability | 33,767 | 36,118 |
| Changes in the present value of the defined benefit obligation for Gratuity are as follows | | |
| C) | | |
| Opening defined benefit obligation | 40,644 | 29,195 |
| Current service cost | 3,787 | 1,813 |
| Interest cost | 3,048 | 2,335 |
| Benefits paid | (8,488) | (15,589) |
| Net Actuarial (gains)/losses on obligation for the year recognised under OCI | 504 | 19,570 |
| Closing defined benefit obligation | 39,495 | 37,324 |
| D) Changes in fair value of plan assets | | |
| Fair Value of Assets at the beginning of the year | 4,526 | 2,777 |
| Expected return on plan assets | 433 | 363 |
| Contributions | 9,257 | 16,975 |
| Benefits paid | (8,488) | (15,589) |
| Closing fair value of plan assets | 5,728 | 4,526 |
| The major categories of plan assets as a percentage of the fair value of total plan assets are as follows: | | |
| Investments with Life Insurance Corporation | 100% | 100% |

Intense Technologies Limited

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Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| Particulars | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|--|---|--------------------------|
| E) Amount recognized in statement of other comprehensive income (OCI): (gross) | | |
| Remeasurement for the year - Obligation gain | 504 | 19,570 |
| Closing amount recognised in OCI | 504 | 19,570 |
| The principal assumptions used in determining gratuity obligations for the Company's plans are shown below : | | |
| Discount rate | 7.50% | 7.50% |
| Expected rate of return on assets | 6% | 6% |
| Salary rise | 6% | 6% |
| 1. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. | | |
| 2. The expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. | | |
| 33. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 | | |
| Group companies doesn't have any dues to micro and small enterprises as defined under the MSMED Act,2016 for the year ended 31st March 2020. | | |
| 34. Remuneration to Statutory Auditors | | |
| As Auditor | | |
| Statutory audit & Limited review | 950 | 1,509 |
| Total | 950 | 1,509 |
| 35. Related party disclosures | | |
| Names of related parties and description of relationship | | |
| Name of the related party | Relationship | |
| 1. C.K.Shastrri | Chairman and Managing Director | |
| 2. Jayant Dwarkanath | Wholetime Director | |
| 3. Anisha Chidella | Wholetime Director (Daughter of Chairman & Managing Director) | |
| 4. Intense Technology FZE | Wholly Owned Subsidiary | |
| 5. Intense Technology U.K | Wholly Owned Subsidiary | |
| 6. Intense Technology INC | Wholly Owned Subsidiary | |
| In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, Company's Directors, members of the Company's Management Council and Company Secretary are considered as Key Management Personnel. | | |

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Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| Particulars | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|---|--|--------------------------|
| List of Key Management Personnel of the Company is as below: | | |
| 1. C.K.Shastrri | Chairman and Managing Director | |
| 2. Jayant Dwarkanath | Wholetime Director | |
| 3. Anisha Chidella | Wholetime Director | |
| 4. Tikam Sujan | Director | |
| 5. Sarada Devi Vemuri | Director | |
| 6. Pavan Kumar Pulavarty | Director | |
| 7. Srivat Shanker Rao Kandukuri | Director | |
| 8. Vadlamani Shyasunder Mallick | Director | |
| 9. H. Madhukar Nayak | Chief Financial Officer | |
| 10. K. Tejaswi | Company Secretary & Compliance Officer | |

36. Transactions during the year

a) Subsidiary companies

Intense Technologies FZE

| | | |
|-----------------------------|--------|--------|
| Advances paid | 9,154 | 8,950 |
| Sales | 16,306 | 16,496 |
| Payments received from | 17,606 | 59,481 |
| Services received from | 10,215 | 11,000 |
| Investments During the Year | - | 36,688 |

Intense Technologies U.K Ltd

| | | |
|-----------------------------|---------|--------|
| Advances paid | 30,455 | 30,549 |
| Investments During the Year | - | - |
| Services received from | 121,508 | 37,746 |

Intense Technologies INC

| | | |
|------------------------|--------|--------|
| Advances paid | 10,683 | 17,253 |
| Sales | 4,531 | 3,362 |
| Payments received from | 3,563 | 20,273 |
| Services received from | 12,780 | 23,176 |

b) Transactions with key managerial personnel or their relatives

a) C.K.Shastrri

| | | |
|-------------------------|--------|-------|
| Managerial Remuneration | 13,570 | 4,160 |
|-------------------------|--------|-------|

b) Jayant Dwarkanath

| | | |
|-------------------------|--------|-------|
| Managerial Remuneration | 13,570 | 4,160 |
|-------------------------|--------|-------|

c) Anisha Chidhella

| | | |
|-------------------------|-------|-------|
| Managerial Remuneration | 3,483 | 1,118 |
|-------------------------|-------|-------|

Intense Technologies Limited

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Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| Particulars | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|-------------------------------------|--------------------------|--------------------------|
| 37. Outstanding Balances | | |
| Subsidiary Companies | | |
| Intense Technologies FZE | | |
| Investments | 69,555 | 69,555 |
| Trade Payable | 1,061 | - |
| Trade receivables | 11,500 | 12,799 |
| Intense Technologies U.K Ltd | | |
| Investments | 111,160 | 111,160 |
| Advances | - | 1,589 |
| Trade Payable | 89,464 | - |
| Intense Technologies INC | | |
| Investments | 94,100 | 94,100 |
| Advances | - | (3,844) |
| Trade Payable | 5,941 | - |
| Trade receivables | 969 | - |

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Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

38. Significant accounting judgements, estimates and assumption

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(A) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

(i) Lease commitments - the Company as lessee

The Company has entered into leases for office premises. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the land and office premises and the fair value of the asset, that it does not retain significant risks and rewards of ownership of the land and the office premises and accounts for the contracts as operating leases.

(B) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 34

39. Fair Values

The management assessed that loans, cash and cash equivalents, trade receivables, borrowings, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

40. Financial risk management objectives and policies

Financial Risk Management Framework

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, loans, cash and cash

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Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

Exposure to credit risk:

The carrying amount of Trade receivables represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 311,044 and ₹ 265,361 as of March 31, 2020, March 31, 2019 respectively, being the total of the carrying amount of balances with trade receivables.

Trade receivables:

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Company's exposure to customers is diversified and some customer contributes around 30% of outstanding trade receivable as of March 31, 2018, March 31, 2017 and April 01, 2016, however there was no default on account of those customer in the past.

Before accepting any new customer, the Company uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits of customer. Limits and scoring attributed to customers are reviewed at periodic intervals. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

As at 31 March 2020, the Company had working capital (current assets less current liabilities) of ₹ 337,150 including cash and cash equivalents of ₹ 61,410, investments in term deposits (i.e., bank certificates of deposit having original maturities of more than 3 months) of ₹ 105,797. As at 31 March 2019, the Company had working capital (current assets less current liabilities) of ₹ 296,649 including cash and cash equivalents of ₹ 18,140, investments in term deposits (i.e., bank certificates of deposit having original maturities of more than 3 months) of ₹ 50,308.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

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 change in market interest rates. As the Company's debt obligation with Fixed interest rates are in Rupees which is subject to insignificant change, exposure to the risk of changes in market interest rates are substantially independent of changes in market interest rates. As the company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euros, AED and GBP against the functional currencies of the Company.

i. Investments

Investments in equity instruments are carried at fair value through OCI as per IND-AS 109 as compared to being carried at cost under Previous GAAP.

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Notes to Standalone Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

ii. Deferred Tax Liabilities

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires accounting for deferred taxes using the Balance sheet approach, which focuses on temporary difference between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP. In addition, the various transitional adjustments lead to temporary differences and the Company has accounted for such differences. Deferred tax adjustment are recognized in correlation to the underlying transaction in other equity.

iii. Remeasurement of actuarial gains/ (losses):

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost is increased by ₹ 6,645 thousands and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI.

iv. Other comprehensive income

As per Ind AS, the company translated Previous GAAP profit or loss to total comprehensive income .

v. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

vi. Adjustments to Opening reserves

Preliminary expenses which has been classified in BS as Other Assets have been adjuted to Opening reserves

vii. Prior period adjstments

Prior period adjstments in Profit and loss account have been adjusted to opening reserves

As per our Report of even date attached

MSPR & Co.,
Chartered Accountants
Firm Regn.No.010152S

For and on behalf of the Board of Directors of
INTENSE TECHNOLOGIES LIMITED

Madhusudhan Voruganti
Partner
Membership No.208701

C.K. Shastri
Managing Director
DIN : 00329398

Jayant Dwarkanath
Director
DIN : 00329597

Date: 1st July, 2020
Place: Secunderabad

H. Madhukar Nayak
Chief Financial Officer

K. Tejaswi
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To The Members of Intense Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **INTENSE TECHNOLOGIES LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with 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 consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|---|--|
| 1 | Accuracy of revenue recognition in respect of fixed price contracts involves critical estimates. Estimated effort is a critical estimate to determine revenues and liabilities for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations. | Principal Audit Procedures Our audit approach was a combination of test of internal controls and substantive procedures which included the following, among others: <ul style="list-style-type: none">• Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.• Tested the access and application controls pertaining to time recording and allocation systems which prevents unauthorized changes to recording of efforts incurred.• Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated.• Selected a sample of contracts and performed a retrospective review of completed efforts and activities with the planned efforts and activities to identify significant variations and verified whether those variations have been considered in estimating the remaining efforts to complete the contract.• Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.• Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts. |

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|--|---|
| 2 | Evaluation of uncertain tax positions. The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. | Principal Audit Procedures Obtained details of completed tax assessments and demands during the year ended March 31, 2020 from management. We involved our internal tax experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal tax experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties. |

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 no 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 Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated 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 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 consolidated 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

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of holding company is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act; Further none of the subsidiaries of Holding company are incorporated in India.
- f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, refer to our separate report in "Annexure 1" to this report; Further none of the subsidiaries of Holding company are incorporated in India

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

i. As per the information and explanations provided to us by the Holding Company there are no pending litigations in respect of Holding company except income tax liability as mentioned below:

| Statute | Nature of Dues | Amount (in thousand ₹) | Financial Year | Forum where dispute is pending |
|----------------------|----------------|---------------------------|----------------|--------------------------------------|
| Income Tax Act, 1961 | Income Tax | 5,103 | 2016-17 | Income Tax Assessing Officer u/s 154 |

ii. The Holding Company did not have any material foreseeable losses relating to long-term contracts including derivative contracts: and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investors Education and Protection Fund by the Holding Company.

For **MSPR & CO.,**
Chartered Accountants
Firm Registration No: 010152S

Place: Hyderabad
Date: 1st July, 2020

Voruganti Madhusudhan
(Partner)
Membership No: 208701

Annexure 1: To the Independent Auditors' Report on the Consolidated Financial Statements of Intense Technologies Limited.

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

In conjunction with our audit of the consolidated financial statements of Intense Technologies Limited as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of Intense Technologies Limited (hereinafter referred to as the "Holding Company"). Further none of the subsidiaries of Holding company are incorporated in India.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 auditors' judgment, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Inherent Limitations of Internal Financial Controls Over Financial Reporting Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company have, maintained 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 31 March 2020, based on the internal control over financial reporting criteria established by the Holding 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.

For **MSPR & CO.,**
Chartered Accountants
Firm Registration No: 010152S

Place: Hyderabad
Date: 1st July, 2020

Voruganti Madhusudhan
(Partner)
Membership No: 208701

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Consolidated Balance Sheet as at 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| Particulars | Note | As at 31.03.2020 | As at 31.03.2019 |
|---|------|---------------------|---------------------|
| A. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 28,852 | 26,134 |
| (b) Other Intangible assets | 3A | - | 1,605 |
| (c) Financial Assets | | | |
| (i) Investments | 4 | 129 | 160 |
| (ii) Others Financial Assets | 5 | 152,547 | 144,345 |
| (d) Deferred tax assets (net) | 6 | 10,788 | 10,489 |
| (e) Other non-current assets | 7 | 5,635 | 6,485 |
| Total Non-Current Assets | | 197,951 | 189,217 |
| (2) Current Assets | | | |
| (a) Financial Assets | | | |
| (i) Trade Receivables | 8 | 343,216 | 290,021 |
| (ii) Unbilled Revenue Receivables | 9 | 65,499 | - |
| (iii) Cash & Cash equivalents | 10 | 70,852 | 29,487 |
| (iv) Other Financial Assets | 11 | 1,022 | 575 |
| (b) Current tax assets | 12 | 34,623 | 50,842 |
| (c) Other current assets | 13 | 30,897 | 17,803 |
| Total Current Assets | | 546,109 | 388,728 |
| Total Assets | | 744,060 | 577,945 |
| B. EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity Share capital | 14 | 44,816 | 44,770 |
| (b) Other Equity | 15 | 563,558 | 395,017 |
| Total Equity | | 608,374 | 439,787 |
| (2) Liabilities | | | |
| Non-Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 16 | 21,982 | 31,830 |
| (b) Provisions | 17 | 37,987 | 38,727 |
| Total Non-current Liabilities | | 59,969 | 70,557 |
| Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | - | 10,791 |
| (ii) Trade Payables | 19 | 17,322 | 4,790 |
| (iii) Other current financial liabilities | 20 | 12,215 | 11,831 |
| (b) Other current liabilities | 21 | 46,180 | 40,189 |
| Total Current Liabilities | | 75,717 | 67,601 |
| Total Equity and Liabilities | | 744,060 | 577,945 |
| Summary of significant accounting policies | 2 | | |

The accompanying notes are an integral part of the financial statements.
As per our Report of even date attached.

MSPR & Co.,
Chartered Accountants
Firm Regn.No.010152S

For and on behalf of the Board of Directors of
INTENSE TECHNOLOGIES LIMITED

Madhusudhan Voruganti
Partner
Membership No.208701

C.K. Shastri
Managing Director
DIN : 00329398

Jayant Dwarkanath
Director
DIN : 00329597

Date: 1st July, 2020
Place: Secunderabad

H. Madhukar Nayak
Chief Financial Officer

K. Tejaswi
Company Secretary

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Statement of Consolidated Profit & Loss for the Year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| Particulars | Note | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|--|------|--------------------------|--------------------------|
| Revenue | | | |
| Revenue from Operations | 22 | 686,547 | 567,193 |
| Other Income | 23 | 16,221 | 12,989 |
| Total Income | | 702,768 | 580,182 |
| Expenses | | | |
| Operating Expenses | 24 | 7,915 | 77,157 |
| Employee Benefits Expense | 25 | 343,362 | 284,440 |
| Financial Cost | 26 | 6,383 | 8,185 |
| Depreciation and amortisation Expense | 383A | 11,834 | 18,825 |
| Other Expenses | 27 | 119,253 | 91,367 |
| Total Expenses | | 488,747 | 479,975 |
| Profit before Tax | | 214,021 | 100,207 |
| Tax Expense | 28 | | |
| Income Tax | | 26,006 | 25,566 |
| Deferred Tax Asset/(Liability) | | (14,327) | (12,823) |
| Profit for the period | | 173,688 | 87,464 |
| Other comprehensive income | 29 | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Remeasurement of the net defined benefit liability / asset (net of taxes) | | (504) | (14,126) |
| Exchange differences on translation of foreign operations | | (560) | - |
| Items that will be reclassified subsequently to profit or loss | | | |
| Equity instruments through other comprehensive income | | (30) | 30 |
| Total other comprehensive income, net of tax | | (1,094) | (14,096) |
| Total comprehensive income for the period | | 172,594 | 73,368 |
| Earnings per equity share (Face Value ₹ 2/- each) | 30 | | |
| Basic ₹ | | 8.38 | 3.91 |
| Diluted ₹ | | 8.30 | 3.85 |
| Weighted average equity shares used in computing earnings per equity share | | | |
| Summary of significant accounting policies | 2 | | |

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached.

MSPR & Co.,
Chartered Accountants
Firm Regn.No.010152S

For and on behalf of the Board of Directors of
INTENSE TECHNOLOGIES LIMITED

Madhusudhan Voruganti
Partner
Membership No.208701

C.K. Shastri
Managing Director
DIN : 00329398

Jayant Dwarkanath
Director
DIN : 00329597

Date: 1st July, 2020
Place: Secunderabad

H. Madhukar Nayak
Chief Financial Officer

K. Tejaswi
Company Secretary

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Consolidated Statement of Cash Flow for the Year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| Particulars | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|---|--------------------------|--------------------------|
| A Cash Flow from operating Activities | | |
| Net Profit before tax | 214,021 | 99,400 |
| Adjustment for: | - | - |
| Depreciation | 11,834 | 18,825 |
| Equity instruments through other comprehensive income | (30) | 30 |
| Re-measurement gains/(losses) on employee defined benefit plans | (504) | (14,126) |
| Exchange differences on translation of foreign operations | (560) | - |
| Income Tax | (25,707) | (32,800) |
| Other Income | (16,222) | (12,594) |
| Operating Profit before working capital changes | 182,832 | 58,735 |
| Adjustment for | | |
| (Increase)/Decrease in Inventories | - | 398 |
| (Increase)/Decrease in Trade Receivables | (139,961) | 24,240 |
| (Increase)/Decrease in Unbilled Revenue Receivable | (65,499) | - |
| (Increase)/Decrease in Other Current Assets | 4,558 | 53,822 |
| (Increase)/Decrease in Other Non-Current Assets | (8,011) | (90,630) |
| Increase/(Decrease) in Non-current Liabilities | (9,296) | (6,821) |
| Increase/(Decrease) in Current Liabilities | 93,750 | (14,858) |
| Cash generated from Operations | 58,373 | 24,886 |
| Prior Period Items | (5,743) | (10,299) |
| Net Cash Flow from Operating Activities | 52,630 | 14,587 |
| B Cash Flow from investing Activities | | |
| (Increase)/Decrease in Fixed Assets | (12,976) | (12,179) |
| (Increase)/Decrease in Capital Work in progress | - | 15,165 |
| (Increase)/Decrease in Non-current Investments | 30 | (36,718) |
| (Increase)/Decrease in Loans and Advances | - | 4,952 |
| Other Income Received | 16,222 | 12,594 |
| Vehicle Sale | 31 | 441 |
| Net Cash used in investing activities | 3,307 | (15,745) |
| C Cash Flow from Financing Activities | | |
| Increase/(Decrease) in Share Capital | 46 | 36,912 |
| Increase/(Decrease) in Share Application Money | - | (430) |
| Net Movements in Shareholder's Current Account | (4,767) | (69,569) |
| Increase/(Decrease) in Term Loan | - | - |
| Increase/(Decrease) in Bank Overdraft | (10,791) | 10,791 |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | 939 | 984 |
| Net cash generated from Financing Activities | (14,573) | (21,312) |
| Cash & Cash equivalents utilised (A+B+C) | 41,364 | (22,470) |
| Cash & Cash equivalents (Opening Balance) | 29,487 | 51,957 |
| Cash & Cash equivalents (Closing Balance) | 70,851 | 29,487 |

Amendment to Ind AS 7

The amendments to Ind AS 7 Cash flow Statements require the entities to provide disclosure that enable the uses of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggestions inclusion of reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2016 and required disclosure is made below. There is no other impact on financial statements due to this amendment.

| Particulars | As at 31.03.2019 | Movement of Borrowing | As at 31.03.2020 |
|------------------------------|------------------|-----------------------|------------------|
| Borrowing Non current | 39,237 | (10,295) | 28,942 |
| Other fianancial Liabilities | 4,423 | 832 | 5,255 |
| Total | 43,660 | (9,463) | 34,197 |

As per our Report of even date attached

MSPR & Co.,
Chartered Accountants
Firm Regn.No.010152S

For and on behalf of the Board of Directors of
INTENSE TECHNOLOGIES LIMITED

Madhusudhan Voruganti
Partner
Membership No.208701

C.K. Shastri
Managing Director
DIN : 00329398

Jayant Dwarkanath
Director
DIN : 00329597

Date: 1st July, 2020
Place: Secunderabad

H. Madhukar Nayak
Chief Financial Officer

K. Tejaswi
Company Secretary

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Statement of changes in equity

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

a) Equity share capital

| Particulars | Amount |
|---|--------|
| Balance as at 1 April 2017 | 44,248 |
| Changes in equity share capital during the period | - |
| Balance as at 1 April 2018 | 44,248 |
| Changes in equity share capital during the period | 522 |
| Balance as at 1 April 2019 | 44,770 |
| Changes in equity share capital during the period | 46 |
| Balance as at the 31st March 2020 | 44,816 |

b) Other equity

| Particulars | Share Application Money pending allotment | Reserves and surplus | | | | Other comprehensive income | | | Total equity |
|---------------------------------|---|----------------------------|----------------|---------|--------------------|--------------------------------------|---|---|--------------|
| | | Securities premium reserve | Share Warrants | ESOP's | Re-tained earnings | Foreign Currency translation reserve | Remeasurements of the net defined benefit plans | Equity instruments through other comprehensive income | |
| As at April 01, 2017 | - | 292,180 | 20,803 | 3,377 | 37,096 | (3,652) | (2,890) | - | 346,914 |
| Add: Profit for the year | - | - | - | - | (4,719) | - | - | - | (4,719) |
| Other comprehensive income | - | - | - | - | - | 2,156 | (10,151) | 27 | (7,968) |
| Addition made during the year | 430 | - | - | - | - | - | - | - | 430 |
| | | | | | | | | | |
| At March 31, 2018 | 430 | 292,180 | 20,803 | 3,377 | 32,377 | (1,496) | (13,041) | 27 | 334,657 |
| Add: Profit for the year | - | - | - | - | 74,390 | - | - | - | 74,390 |
| Other comprehensive income | (430) | - | - | - | - | 10,795 | (14,126) | 30 | (3,731) |
| Addition made during the year | - | 3,377 | - | (3,377) | - | - | - | (10,299) | (10,299) |
| | | | | | | | | | |
| Balance at 31 March 2019 | - | 295,557 | 20,803 | - | 106,767 | 9,299 | (27,167) | (10,242) | 395,017 |
| Add: Profit for the year | - | - | - | - | 151,164 | - | - | - | 151,164 |
| Other comprehensive income | - | - | - | - | - | 18,816 | (1,064) | (30) | 17,722 |
| Addition made during the year | - | - | - | - | - | - | - | (346) | (346) |
| | | | | | | | | | |
| Balance at 31 March 2020 | - | 295,557 | 20,803 | - | 257,931 | 28,115 | (28,231) | (10,618) | 563,557 |

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Notes to Consolidated Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

1. Corporate Information

Intense Technologies develops software products that are designed for data analytics. Company platform is cloud-based and designed to seamlessly integrate with varied client's existing systems.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The consolidated financial statements are presented in INR and all values are rounded to the nearest thousands, except where otherwise indicated.

2.2 Basis of consolidation

Intense Technologies Limited consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as disclosed in Note 42. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including revenues unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Holding company, are to be excluded as per IND AS.

2.3 Summary of significant accounting policies

(a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Notes to Consolidated Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

(b) Foreign currencies

The Group's consolidated financial statements are presented in Indian rupees, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognized in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., April 1, 2016. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

(c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Notes to Consolidated Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised. Revenue is exclusive of Service tax/GST

Sale of Products

Revenue from software products is recognized when the sale has been completed with raising of invoice from the company

Sale of services

Revenue from software development on a time and material basis is recognized based on software developed and billed to clients as per the terms of specific contracts.

Revenue from digitization is identified when the specific milestone is achieved and invoice is raised.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other income

Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

(e) Taxes on Income

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or payable to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. 'Deferred tax assets are recognised for all deductible temporary

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Notes to Consolidated Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. 'Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

(f) Property, plant and equipment

Under the previous GAAP (Indian GAAP), Freehold land and buildings (property) were carried in the balance sheet at cost of acquisition. The Group has elected to regard those values of property as deemed cost at the date of the acquisition since they were broadly comparable to fair value.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When the tax incurred on purchase of assets is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset.

Depreciation on fixed assets is provided by Group on a Written down value method based on the useful lives estimated by the management which are in accordance with Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(g) Intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. During the period of development, the asset is tested for impairment annually.

(h) Leases

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.

Intense Technologies Limited

(CIN:L30007TG1990PLC011510)

Notes to Consolidated Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

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 an arrangement.

For arrangements entered into prior to 1 April 2016, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(j) Inventories

Work-in-progress comprises of Employee cost (Direct) and other overheads attributable to the Project/Work concerned.

(k) Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(l) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

(m) Employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

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Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Group has the policy of providing/encashing the Earned leaves salary for leave period in excess of 30 days for each of the eligible employees to his/her credit.

(n) Dividends

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

(o) 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 assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- a) the rights to receive cash flows from the asset have expired, or
- b) the Group has transferred its rights to receive cash flows from the asset, and
 - i. the Group has transferred substantially all the risks and rewards of the asset, or
 - ii. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure on trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L).

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Financial liabilities

Initial recognition and measurement

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.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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 consolidated statement of profit and loss.

(p) Standards issued but not yet effective

Ind AS 115 Revenue from Contracts with Customers: Ind AS 115, Revenue from Contracts with Customers was initially notified under the Companies (Indian Accounting Standards) Rules, 2015. The standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

(q) Provisions, contingent liabilities and contingent assets

Restructuring

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

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Reimbursement rights

Expected reimbursements for expenditures required to settle a provision are recognised only when receipt of such reimbursements is virtually certain. Such reimbursements are recognised as a separate asset in the balance sheet, with a corresponding credit to the specific expense for which the provision has been made.

Contingent liabilities

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

Contingent assets

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

(r) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(s) Earnings per share:

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

(t) Subsequent Events:

There are no significant events that occurred after the balance sheet date

(u) Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

(v) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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3. Property, plant and equipment

| | Freehold buildings | Computers | Office equipment | Furniture and fittings | Vehicles | Total Tangible Assets |
|----------------------------------|--------------------|----------------|------------------|------------------------|--------------|-----------------------|
| Cost | | | | | | |
| At April 1, 2016 | 15,725 | 117,465 | 15,170 | 19,155 | 7,146 | 174,661 |
| Additions | - | 79,119 | 83 | - | - | 79,202 |
| Disposals/ Adjustments | - | - | - | - | - | - |
| Exchange differences | - | - | - | - | - | - |
| At March 31, 2017 | 15,725 | 196,584 | 15,253 | 19,155 | 7,146 | 253,863 |
| Additions | - | 914 | 1,121 | - | - | 2,035 |
| Disposals/ Adjustments | - | - | - | - | - | - |
| At March 31, 2018 | 15,725 | 197,498 | 16,374 | 19,155 | 7,146 | 255,898 |
| Additions | - | 5,597 | 1,639 | - | 4,943 | 12,179 |
| Disposals/ Adjustments | - | - | - | - | 2,753 | 2,753 |
| At March 31, 2019 | 15,725 | 203,095 | 18,013 | 19,155 | 9,336 | 265,324 |
| Additions | - | 10,017 | 227 | 84 | 2,650 | 12,978 |
| Disposals/ Adjustments | - | - | - | - | 2,244 | 2,244 |
| At March 31, 2020 | 15,725 | 213,112 | 18,240 | 19,239 | 9,742 | 276,058 |
| Depreciation/amortisation | | | | | | |
| At April 1, 2016 | 8,887 | 109,598 | 14,632 | 17,171 | 4,862 | 155,150 |
| Charge for the year | 333 | 27,130 | 215 | 700 | 599 | 28,977 |
| Disposals/ Adjustments | - | - | - | - | - | - |
| At March 31, 2017 | 9,220 | 136,728 | 14,847 | 17,871 | 5,461 | 184,127 |
| Charge for the year | 317 | 38,478 | 415 | 540 | 406 | 40,156 |
| Disposals/ Adjustments | - | - | - | - | - | - |
| At March 31, 2018 | 9,537 | 175,206 | 15,262 | 18,411 | 5,867 | 224,283 |
| Charge for the year | 301 | 15,445 | 854 | 66 | 553 | 17,219 |
| Disposals/ Adjustments | - | (1) | - | - | 2,312 | 2,311 |
| At March 31, 2019 | 9,838 | 190,652 | 16,116 | 18,477 | 4,108 | 239,192 |
| Charge for the year | 287 | 6,359 | 932 | 565 | 2,086 | 10,229 |
| Disposals/ Adjustments | - | - | - | - | 2,213 | 2,213 |
| At March 31, 2020 | 10,125 | 197,010 | 17,048 | 19,042 | 3,981 | 247,206 |
| Net Block | | | | | | |
| At April 1, 2016 | 6,838 | 7,867 | 538 | 1,984 | 2,284 | 19,511 |
| At March 31, 2017 | 6,505 | 59,856 | 406 | 1,284 | 1,685 | 69,736 |
| At March 31, 2018 | 6,188 | 22,292 | 1,112 | 744 | 1,279 | 31,615 |
| At March 31, 2019 | 5,887 | 12,444 | 1,897 | 678 | 5,228 | 26,134 |
| At March 31, 2020 | 5,600 | 16,102 | 1,192 | 197 | 5,761 | 28,852 |

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3A. Intangible assets

| | Product Development | Total Intangible assets |
|----------------------------------|------------------------|-------------------------------|
| Cost | | |
| At April 1, 2016 | 8,027 | 8,027 |
| Additions | - | - |
| Disposals/ Adjustments | - | - |
| At March 31, 2017 | 8,027 | 8,027 |
| Additions | - | - |
| Disposals/ Adjustments | - | - |
| At March 31, 2018 | 8,027 | 8,027 |
| Additions | - | - |
| Disposals/ Adjustments | - | - |
| At March 31, 2019 | 8,027 | 8,027 |
| Additions | - | - |
| Disposals/ Adjustments | - | - |
| At March 31, 2020 | 8,027 | 8,027 |
| Depreciation/amortisation | | |
| At April 1, 2016 | 1,605 | 1,605 |
| Charge for the year | 1,605 | 1,605 |
| Disposals/ Adjustments | - | - |
| At March 31, 2017 | 3,210 | 3,210 |
| Charge for the year | 1,605 | 1,605 |
| Disposals/ Adjustments | - | - |
| At March 31, 2018 | 4,815 | 4,815 |
| Charge for the year | 1,607 | 1,607 |
| Disposals/ Adjustments | - | - |
| At March 31, 2019 | 6,422 | 6,422 |
| Charge for the year | 1,605 | 1,605 |
| Disposals/ Adjustments | - | - |
| At March 31, 2020 | 8,027 | 8,027 |
| Net Block | | |
| At April 1, 2016 | 6,422 | 6,422 |
| At March 31, 2017 | 4,817 | 4,817 |
| At March 31, 2018 | 3,212 | 3,212 |
| At March 31, 2019 | 1,605 | 1,605 |
| At March 31, 2020 | - | - |

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(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| | Particulars | As at 31.03.2020 | As at 31.03.2019 |
|----------|--|---------------------|---------------------|
| 4 | Non-current Investments | | |
| | Unquoted, Valued at cost | | |
| | b) Other non Current Investments | | |
| | Quoted & Valued at FVTOCI | | |
| | Investments in equity shares in other listed entities | 129 | 160 |
| | (Invested in Various securities in various dates) | | |
| | Total | 129 | 160 |
| 5 | Others Financials Assets - Non-current | | |
| | Bank deposits with more than 12 months | | |
| | i) In Deposit Accounts | 106,342 | 99,776 |
| | ii) Deposits held as margin money against bank guarantee | 46,205 | 44,569 |
| | Total | 152,547 | 144,345 |
| 6 | Deferred tax assets (net) | | |
| | Deferred tax assets | | |
| | Accrued employee benefits | 8,346 | 10,757 |
| | Other timing differences | (7) | 1 |
| | A | 8,339 | 10,758 |
| | Deferred tax liability | | |
| | Unabsorbed depreciation | 2,449 | (269) |
| | B | 2,449 | (269) |
| | Total | 10,788 | 10,489 |
| 7 | Other Non-Current Assets | | |
| | a) Security & Other Deposits | 4,322 | 5,172 |
| | b) EMDs | 813 | 813 |
| | c) Capital Advances | 500 | 500 |
| | Total | 5,635 | 6,485 |
| 8 | Trade Receivables - Unsecured considered good | | |
| | - Unsecured, considered good | 343,216 | 290,021 |
| | Total | 343,216 | 290,021 |

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| | Particulars | As at 31.03.2020 | As at 31.03.2019 |
|-----------|--|---------------------|---------------------|
| 9 | Unbilled Revenue Receivables | 65,499 | - |
| | Total | 65,499 | - |
| 10 | Cash and Cash equivalents | | |
| | a) Cash on hand | 99 | 137 |
| | b) Balance with Banks | | |
| | i) In Current Accounts | 70,753 | 29,350 |
| | Total | 70,852 | 29,487 |
| 11 | Other financial assets- Current | | |
| | Other loans and advances: | | |
| | a) Loans & Advances to Subsidiaries | - | - |
| | b) Advance for Purchases | 418 | - |
| | c) Staff Advances | 604 | 575 |
| | Total | 1,022 | 575 |
| 12 | Current tax Assets | | |
| | TDS Receivable | 23,450 | 39,788 |
| | TDS Receivable (Current Year) Net | 11,173 | 11,054 |
| | | 34,623 | 50,842 |
| 13 | Other Current Assets | | |
| | a) Other Advances | | |
| | - Balances with statutory/government authorities | 19,641 | 8,372 |
| | - Prepaid expenses | 8,648 | 7,039 |
| | - Other advances | 2,608 | 2,393 |
| | Total | 30,897 | 17,803 |

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| Particulars | | 2020 | | 2019 | |
|-------------|---|--------------------|--------------------|--------------------|--------------------|
| | | No. of Shares | (Amount in ₹) | No. of Shares | (Amount in ₹) |
| 14 | SHARE CAPITAL | | | | |
| a) | Authorised Share Capital | | | | |
| | Equity Shares of ₹ 2/- each | 250,000,000 | 500,000,000 | 250,000,000 | 500,000,000 |
| | | 250,000,000 | 500,000,000 | 250,000,000 | 500,000,000 |
| b) | Issued, subscribed and fully paid up share capital | | | | |
| | Equity Shares of ₹ 2/- each | 22,407,949 | 44,815,898 | 22,384,949 | 44,769,898 |
| | | 22,407,949 | 44,815,898 | 22,384,949 | 44,769,898 |

c) Rights of shareholders :

The Company has only one class of equity shareholders. Each holder of equity shares is entitled to one vote per share.

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

| Particulars | | 2020 | | 2019 | |
|--|--|-------------------|-------------------|-------------------|-------------------|
| | | No. of Shares | (Amount in ₹) | No. of Shares | (Amount in ₹) |
| Equity Shares | | | | | |
| At the beginning of the year | | 22,384,949 | 44,769,898 | 22,124,061 | 44,248,122 |
| Add: Issue of shares on exercise of ESOP's | | 23,000 | 46,000 | 260,888 | 521,776 |
| At the end of the year | | 22,407,949 | 44,815,898 | 22,384,949 | 44,769,898 |

e) Shareholders holding more than 5% shares in the Company

| Name of the shareholder | | 2020 | | 2019 | |
|-------------------------|-------------------|--------------------|-----------------|--------------------|-----------------|
| | | No. of Shares held | % total holding | No. of Shares held | % total holding |
| 1 | C.K. Shastri | 1,714,792 | 7.65 | 1,714,792 | 7.66 |
| 2 | Tikam Sujan | 2,275,802 | 10.16 | 2,275,802 | 10.17 |
| 3 | Jayant Dwarkanath | 1,295,635 | 5.78 | 1,285,635 | 5.74 |

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| | Particulars | As at 31.03.2020 | As at 31.03.2019 |
|-----------|---|---------------------|---------------------|
| 15 | Other Equity | | |
| | Share Premium | 295,557 | 295,557 |
| | Warrants Forfeiture | 20,803 | 20,803 |
| | Retained Earnings | (5,397) | - |
| | Prior Period Adjustments | (346) | (10,299) |
| | Foreign Currency translation reserve | 28,115 | 9,299 |
| | Balance in Profit & Loss Account | 224,826 | 79,657 |
| | Total | 563,558 | 395,017 |
| 16 | Borrowings- Financial Liabilities Non-current | | |
| | Secured | | |
| | (a) From banks | | |
| | (i) Term loans | 17,830 | 31,830 |
| | (ii) Equipment and vehicle loans | 4,152 | - |
| | Total | 21,982 | 31,830 |
| 17 | Non-current Provisions | | |
| | Provision for employee benefits: | | |
| | Gratuity | 33,767 | 36,118 |
| | Compensated absences | 4,149 | 2,549 |
| | Other Provisions | 71 | 60 |
| | Total | 37,987 | 38,727 |
| 18 | Borrowings | | |
| | Bank Overdraft | | |
| | Axis Bank, Secunderabad Branch | - | 10,791 |
| | (against Accounts Receivables & Hyphothecation of Fixed Deposits) | | |
| | Total | - | 10,791 |
| 19 | Trade Payables | 17,322 | 4,790 |
| | Total | 17,322 | 4,790 |
| 20 | Other current financial liabilities | | |
| | Secured | | |
| | Current Maturities of Long term Debt | | |
| | Term loans | 11,112 | 8,334 |
| | Equipment and vehicle loans | 1,103 | 3,497 |
| | Total | 12,215 | 11,831 |
| 21 | Other Current Liabilities | | |
| | Advance from Customers | 408 | 2,718 |
| | Provision for Expenses | 28,456 | 24,543 |
| | Statutory Dues Payable | 17,316 | 12,928 |
| | Total | 46,180 | 40,189 |

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| | Particulars | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|-----------|--|--------------------------|--------------------------|
| 22 | Revenue from operations (Net) | | |
| | From Sale of Products | 330,982 | 21,615 |
| | Unbilled Revenue | 65,499 | - |
| | From Services | 290,066 | 545,578 |
| | Total | 686,547 | 567,193 |
| 23 | Other Income | | |
| | Dividend Received | 3 | 3 |
| | Interest | 14,347 | 7,727 |
| | Foreign Exchange Fluctuations | 1,288 | 3,854 |
| | Expected Return on Plan Assets | 433 | 363 |
| | Profit on Sale of Vehicle | 69 | 1,009 |
| | Misc Receipts | 81 | 33 |
| | Total | 16,221 | 12,989 |
| 24 | Operating Expenses | | |
| | Contract Cost | - | 3,091 |
| | AMC Charges | 536 | 5,467 |
| | Consumables | 1,311 | 1,388 |
| | Electricity Charges | 4,837 | 4,905 |
| | Other adjustments appropriated on regrouping | - | 61,073 |
| | Support Services | 146 | - |
| | Repairs & Maintenance | 1,085 | 1,233 |
| | Total | 7,915 | 77,157 |
| 25 | Employee Benefits Expense | | |
| | Salaries | 301,362 | 259,461 |
| | Gratuity | 6,835 | 4,224 |
| | Group Medical Insurance to Staff | 9,619 | 5,379 |
| | Contribution to Provident and other Funds | 8,970 | 7,740 |
| | Leave Encashment Expense | 1,600 | 556 |
| | Staff Welfare | 14,976 | 7,080 |
| | Total | 343,362 | 284,440 |
| 26 | Financial Costs | | |
| | Interest | | |
| | - On Term Loan | 3,434 | 4,461 |
| | - On Vehicle Loan | 364 | 70 |
| | - On OD A/c | 644 | 484 |
| | - On Others | - | 2 |
| | Bank Charges & Commission | 1,941 | 3,168 |
| | Total | 6,383 | 8,185 |

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| | Particulars | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|------------|--|--------------------------|--------------------------|
| 27 | Other Expenses | | |
| | Advertisement | 123 | 159 |
| | AGM Expenses | 79 | 105 |
| | Statutory Audit Fees | 950 | 500 |
| | Bad Debts Written off | 675 | 55,388 |
| | Books,Periodicals& News Papers | 37 | 36 |
| | Business Promotion | 2,343 | 1,338 |
| | Commission & Brokerage | 320 | - |
| | Directors Remuneration | 30,623 | 9,438 |
| | Expected Credit Loss | 573 | 999 |
| | Housekeeping Expenses | 478 | 586 |
| | Insurance | 1,318 | 1,455 |
| | Office Maintenance | 1,613 | 2,684 |
| | Courier and Postage | 162 | 295 |
| | Printing & Stationery | 482 | 685 |
| | Professional Charges | 27,455 | 17,819 |
| | Rates & Taxes | 7,809 | 3,461 |
| | Rent | 13,539 | 13,474 |
| | Scanning charges | 2,526 | 8,715 |
| | Security Services | 581 | 521 |
| | Seminar/training Expenses | 312 | 116 |
| | Other adjustments appropriated on regrouping | - | (61,073) |
| | Communication Expenses | 6,109 | 4,613 |
| | Travelling Expenses | 21,040 | 29,854 |
| | Vehicle Insurance | 106 | 201 |
| | Total | 119,253 | 91,367 |
| 28 | Taxes | | |
| (a) | Current tax | 26,006 | 25,567 |
| | Deferred tax charge/ (credit) | (14,327) | (12,823) |
| | Total income tax expense recognised in statement of Profit & Loss | 11,679 | 12,744 |
| (b) | Reconciliation of effective tax rate: | | |
| | Profit Before Tax (A) | 103,742 | 97,754 |
| | Less: Provision for Gratuity for the year | - | - |
| | | 103,742 | 97,754 |
| | Enacted tax rate in India (B) | 25.168 | 27.82 |
| | Expected tax expenses (C = A*B) | 26,110 | 27,195 |
| | Addl deduction under Income Tax Act, 1961 | - | (6,201) |
| | Expenses disallowed under Income Tax Act, 1961 | (104) | 4,572 |
| | Income tax expenses | 26,006 | 25,566 |
| 29 | Components of Other Comprehensive Income (OCI) | | |
| | Re-measurement gains/(losses) on employee defined benefit plans | | |
| | Actuarial Loss | (504) | (19,570) |
| | Deferred tax effect on remeasurement costs | (560) | 5,444 |
| | Remeasurement of the net defined benefit liability / asset | (1,064) | (14,126) |
| | Non Current Investment To FVTOCI | (30) | 30 |
| | Total | (1,094) | (14,096) |

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Notes to Consolidated Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| | Particulars | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|------------|--|--------------------------|--------------------------|
| 30 | Earning per equity share | | |
| | Profit for the year (in ₹) | 187,716 | 87,464 |
| | Weighted average number of equity shares considered (for calculation of basic earnings per share) | 22,408 | 22,385 |
| | Add: Effect of dilution | | |
| | Effect of dilution on account of Employee Stock Options granted | 166 | 353 |
| | Weighted average number of equity Shares considered (for calculation of diluted earnings per share) | 22,574 | 22,738 |
| | Earnings per share | | |
| | - Basic (in ₹) | 8.38 | 3.91 |
| | - Diluted (in ₹) | 8.30 | 3.85 |
| 31 | Commitments and Contingencies | | |
| | Contingent liabilities | | |
| | Counter Guarantees given to Banks towards issue of B.G.s | 37,500 | 36,500 |
| | Outstanding Bank Guarantees | 37,500 | 36,500 |
| | Dues relating to Service tax* | - | 20,780 |
| | Dues relating to Income tax** | 5,103 | - |
| | * During the Financial Year 2019-20, the pending dispute of service tax demand of ₹ 20,780 thousands was cleared on account of Company opting for Settlement of dispute under Sabka Vishwas Scheme(Legacy Dispute Resolution) Scheme, 2019 | | |
| | **Dues Relating to Income Tax for the Financial Year 2016-17 relevant to the Assessment Year 2017-18 the Company has demand of ₹ 5,103 thousands which the Company is contesting and filed an application for verification under sec.154 of the Income Tax Act. Based on consultant opinion the Company is confident of favourable decision. | | |
| 32. | Employee Benefits | | |
| (a) | Defined contribution plan | | |
| | Contribution to provident and other funds recognised as expense in the Statement of P&L | 8,617 | 7,740 |
| (b) | Disclosures related to defined benefit plan | | |
| | The Company has a defined benefit gratuity plan and governed by Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days last drawn salary for each completed year of service. The scheme is funded with Life Insurance Corporation in the form of a qualifying insurance policy. The following tables ummarise the components of net benefit expense recognized in the statement of profit and loss, the fund status and balance sheet position: | | |
| | A) Net employee benefit expense (included under employee benefit expenses) | | |
| | Current service cost | 3,787 | 1,813 |
| | Interest cost on benefit obligation | 3,048 | 2,336 |
| | Expected return on plan assets | 433 | 363 |
| | Net employee benefit expenses | 7,268 | 4,512 |
| | B) Amount recognised in the Balance Sheet | | |
| | Defined benefit obligation | 39,495 | 40,644 |
| | Fair value of plan assets | (5,728) | (4,526) |
| | Net Plan Liability | 33,767 | 36,118 |

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Notes to Consolidated Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| Particulars | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|---|--------------------------|--------------------------|
| C) Changes in the present value of the defined benefit obligation for Gratuity are as follows | | |
| Opening defined benefit obligation | 40,644 | 29,195 |
| Current service cost | 3,787 | 1,813 |
| Interest cost | 3,048 | 2,335 |
| Benefits paid | (8,488) | (15,589) |
| Net Actuarial (gains)/losses on obligation for the year recognised under OCI | 504 | 19,570 |
| Closing defined benefit obligation | 39,495 | 37,324 |
| D) Changes in fair value of plan assets | | |
| Fair Value of Assets at the beginning of the year | 4,526 | 2,777 |
| Expected return on plan assets | 433 | 363 |
| Contributions | 9,257 | 16,975 |
| Benefits paid | (8,488) | (15,589) |
| Closing fair value of plan assets | 5,728 | 4,526 |
| The major categories of plan assets as a percentage of the fair value of total plan assets are as follows: | | |
| Investments with Life Insurance Corporation | 100% | 100% |
| E) Amount recognized in statement of other comprehensive income (OCI): (gross) | | |
| Remeasurement for the year - Obligation gain | 504 | 19,570 |
| Closing amount recognised in OCI | 504 | 19,570 |
| The principal assumptions used in determining gratuity obligations for the Company's plans are shown below: | | |
| Discount rate | 7.50% | 7.50% |
| Expected rate of return on assets | 6% | 6% |
| Salary rise | 6% | 6% |
| 1. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. | | |
| 2. The expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. | | |
| 33. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 | | |
| Group companies doesn't have any dues to micro and small enterprises as defined under the MSMED Act,2016 for the year ended 31st March 2020. | | |
| 34. Remuneration to Statutory Auditors | | |
| As Auditor | | |
| Statutory audit & Limited review | 950 | 1,509 |
| Total | 950 | 1,509 |

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Notes to Consolidated Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

| Particulars | Year Ended 31.03.2020 | Year Ended 31.03.2019 |
|-------------|--------------------------|--------------------------|
|-------------|--------------------------|--------------------------|

35. Related party disclosures

Names of related parties and description of relationship

| Name of the related party | Relationship |
|---------------------------|---|
| 1. C.K.Shastri | Chairman and Managing Director |
| 2. Jayant Dwarkanath | Wholetime Director |
| 3. Anisha Chidella | Wholetime Director (Daughter of Chairman & Managing Director) |
| 4. Intense Technology FZE | Wholly Owned Subsidiary |
| 5. Intense Technology U.K | Wholly Owned Subsidiary |
| 6. Intense Technology INC | Wholly Owned Subsidiary |

In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, Company's Directors, members of the Company's Management Council and Company Secretary are considered as Key Management Personnel.

List of Key Management Personnel of the Company is as below:

| | |
|---------------------------------|--|
| 1. C.K.Shastri | Chairman and Managing Director |
| 2. Jayant Dwarkanath | Wholetime Director |
| 3. Anisha Chidella | Wholetime Director |
| 4. Tikam Sujan | Director |
| 5. Sarada Devi Vemuri | Director |
| 6. Pavan Kumar Pulavarty | Director |
| 7. Srivat Shanker Rao Kandukuri | Director |
| 8. Vadlamani Shyasunder Mallick | Director |
| 9. H. Madhukar Nayak | Chief Financial Officer |
| 10. K. Tejaswi | Company Secretary & Compliance Officer |

36. Taxes

| | | |
|--|---------------|---------------|
| (a) Current tax | 26,006 | 25,567 |
| Deferred tax charge/ (credit) | (14,327) | (12,823) |
| Total income tax expense recognised in statement of Profit & Loss | 11,679 | 12,744 |

(b) Reconciliation of effective tax rate:

| | | |
|--|---------|---------|
| Profit Before Tax (A) | 103,742 | 97,754 |
| Enacted tax rate in India (B) | 25.17% | 27.82% |
| Expected tax expenses (C = A*B) | 26,110 | 27,195 |
| Addl deduction under Income Tax Act, 1961 | - | (6,201) |
| Expenses disallowed under Income Tax Act, 1961 | (104) | 4,572 |

| | | |
|----------------------------|---------------|---------------|
| Income tax expenses | 26,006 | 25,566 |
|----------------------------|---------------|---------------|

(c) The details of component of deferred tax assets are given under note 7.

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Notes to Consolidated Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

37. Significant accounting judgements, estimates and assumption

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(A) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

(i) Lease commitments - the Company as lessee

The Company has entered into leases for office premises. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the land and office premises and the fair value of the asset, that it does not retain significant risks and rewards of ownership of the land and the office premises and accounts for the contracts as operating leases.

(B) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 33

38. Fair Values

The management assessed that loans, cash and cash equivalents, trade receivables, borrowings, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

39. Financial risk management objectives and policies

Financial Risk Management Framework

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

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Notes to Consolidated Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

Exposure to credit risk:

The carrying amount of Trade receivables represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 343,216 and ₹ 299,021 as of March 31, 2020, March 31, 2019 respectively, being the total of the carrying amount of balances with trade receivables.

Trade receivables:

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Company's exposure to customers is diversified and some customer contributes around 30% of outstanding trade receivable as of March 31, 2018, March 31, 2017 and April 01, 2016, however there was no default on account of those customer in the past.

Before accepting any new customer, the Company uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits of customer. Limits and scoring attributed to customers are reviewed at periodic intervals. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

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 change in market interest rates.

As the Company's debt obligation with Fixed interest rates are in Rupees which is subject to insignificant change, exposure to the risk of changes in market interest rates are substantially independent of changes in market interest rates.

As the company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

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Notes to Consolidated Financial Statements for the year ended 31st March 2020

(All amounts are in Indian Rupees in thousands, except share data and unless otherwise stated)

Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euros, AED and GBP against the functional currencies of the Company.

40. Group information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

| Name | Percentage of equity interest | | |
|------------------------------|-------------------------------|-----------|-----------|
| | Country of incorporation | 31-Mar-20 | 31-Mar-19 |
| Intense Technologies FZE | UAE | 100% | 100% |
| Intense Technologies U.K Ltd | United Kindom | 100% | 100% |
| Intense Technologies INC | USA | 100% | 100% |

As per our Report of even date attached

MSPR & Co.,
Chartered Accountants
Firm Regn.No.010152S

For and on behalf of the Board of Directors of
INTENSE TECHNOLOGIES LIMITED

Madhusudhan Voruganti
Partner
Membership No.208701

C.K. Shastri
Managing Director
DIN : 00329398

Jayant Dwarkanath
Director
DIN : 00329597

Date: 1st July, 2020
Place: Secunderabad

H. Madhukar Nayak
Chief Financial Officer

K. Tejaswi
Company Secretary



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