

INTELLECT/SEC/2019-20

July 27, 2019

- |                                                                                                                                                                   |                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| 1. National Stock Exchange of India Ltd.,<br>Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex,<br>Bandra (E), Mumbai – 400 051. | Scrip Code :<br>INTELLECT |
| 2. BSE Ltd.<br>1 <sup>st</sup> Floor, New Trade Ring, Rotunda Building, PJ Towers,<br>Dalal Street, Fort, Mumbai – 400 001.                                       | Scrip Code :<br>538835    |

Dear Sirs,

**Sub: Intimation of Annual General Meeting of the Company to be held on Wednesday, 21<sup>st</sup> August, 2019**

Pursuant to Regulations 34,42 and 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you the following updates :-

a) The Annual General Meeting (AGM) of the members of Intellect Design Arena Limited will be held on Wednesday, the August 21<sup>st</sup>, 2019 at 10:30 a.m. at Rani Seethal Hall, 603, 1<sup>st</sup> Floor, Raja Annamalai Chettiaar Memorial Building, Anna Salai, Thousand Lights, Chennai- 600 006

b) The Annual Report of the Company has been sent/dispatched to the shareholders of the Company at their e-mail/ registered address on July 26, 2019 and the same has been enclosed.

c) In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is offering e-voting facility to the members to cast their votes electronically through e-voting services provided by M/s Karvy Fintech Private Limited. The facility for voting through "Insta Poll" shall also be made available to those shareholders who are present at the 08<sup>th</sup> AGM and who have not cast their vote electronically.

d) The Cut-off date for determining the eligibility of the Members to vote by remote e-voting or by Insta Poll at the Annual General Meeting is Wednesday, August 14<sup>th</sup>, 2019. The remote e-voting commences on Sunday, August 18<sup>th</sup>, 2019 at 09:00 a.m. and will end on Tuesday, August 20<sup>th</sup>, 2019 at 05:00 p.m.

e) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the August 09<sup>th</sup>, 2019 to Wednesday, the August 21<sup>st</sup>, 2019 (both days inclusive) and this is for the purpose of Annual General Meeting (AGM) of the Company.

Kindly take the above information on record.

Thanking you,  
for Intellect Design Arena Limited

  
V V Naresh  
Company Secretary and Compliance Officer



**Intellect Design Arena Limited**

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Corporate Headquarters: SIPCOT IT Park Siruseri, Chennai - 600 130, India. | Ph: +91-44-3341 8000  
www.intellectdesign.com

# CONTEXTUAL AND DIGITAL

## LEADING THE TRANSFORMATION AGENDA



**Annual Report 2018 - 19**

# CONTEXTUAL AND DIGITAL

LEADING THE TRANSFORMATION AGENDA



# Contextual First. Digital Foremost.

*Banks aspire to provide their customers the ultimate experience by always being a step ahead of their expectations. And this is possible only if they have a deep understanding of the customer and the contextual setting they come from. The customers' contextual setting can be derived at by understanding their psychology, the way they use a product and doing a deep dive into their digital footprint.*

*At Intellect we distinguish and define it beyond mere black and white. Contextual and Digital is about helping clients understand the customer's use of a product in a rapidly growing digital world.*

*Intellect noticed the Digital trend ahead of others. Our products continuously redefine boundaries by leveraging Big Data, Artificial Intelligence and Machine Learning, thus providing complete contextual solutions. Understanding the customer's psyche, enabling the 'Contextual' connect through Digital technologies has been our strategy to go beyond the expected and ensure customer delight.*

***Welcome to our world where contextual comes first and digital foremost.***



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# About Intellect Design Arena Limited

Intellect Drives Winning Digital Design

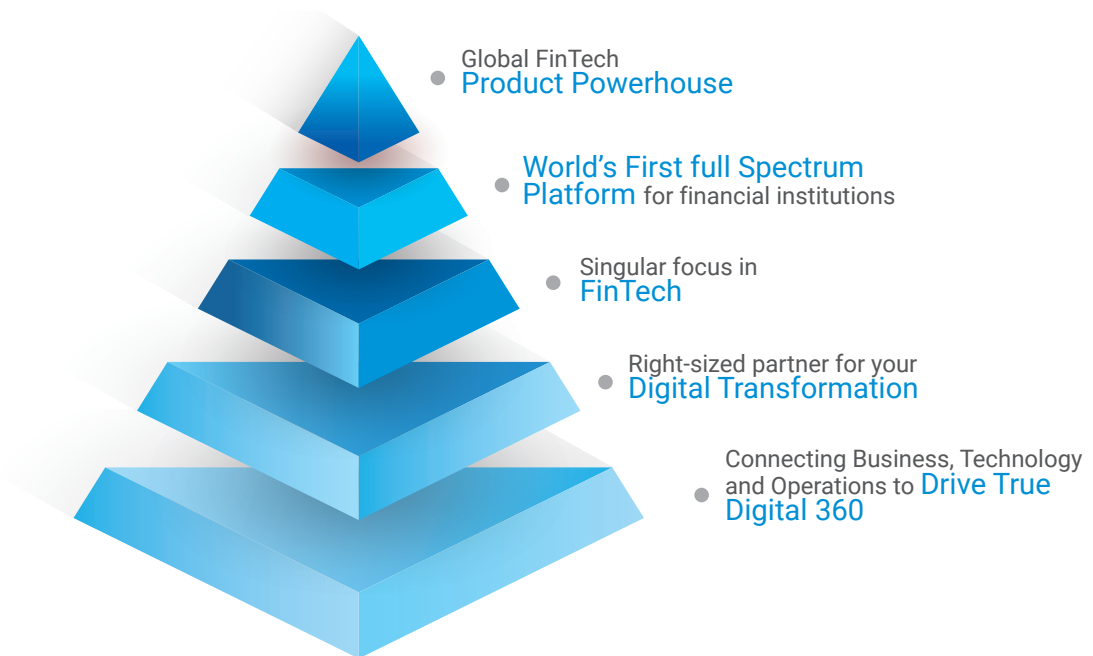
A product company must ask itself, 'What is it that I promise my customers?'. The one unifying promise that binds Intellect is creating value through Design Thinking for the businesses we serve! And we are able to do this through our domain expertise. Our products are built/developed using the principles of Design Thinking which is our key differentiator.

Intellect has a formidable array of sophisticated full spectrum Contextual & Digital products for banking, insurance and financial services.

We have applied Design Thinking in understanding our clients' businesses and the challenges they must overcome; the patterns and anti-patterns that we have evolved from several years of working with clients across

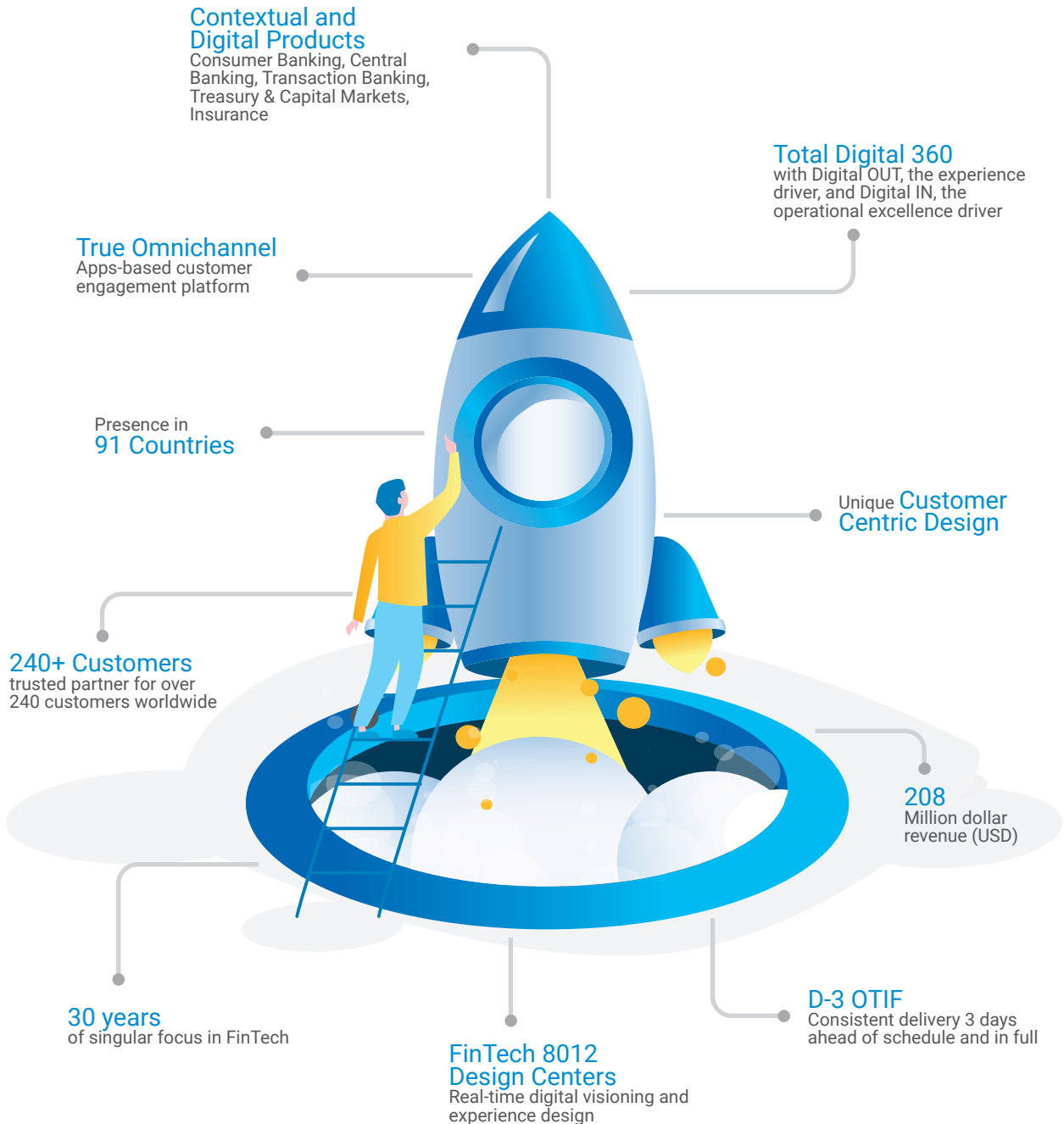
advanced and growth markets, which has been identified by the time and manner of their adoption of financial technology.

We have always maintained to be ahead of the FinTech curve through sustained research and development. Our digital products enable financial institutions to realise their business aspirations through digital transformation. This is made possible through our customer-centric design philosophy, which enables engineering of agile solutions combined with performance assurance.





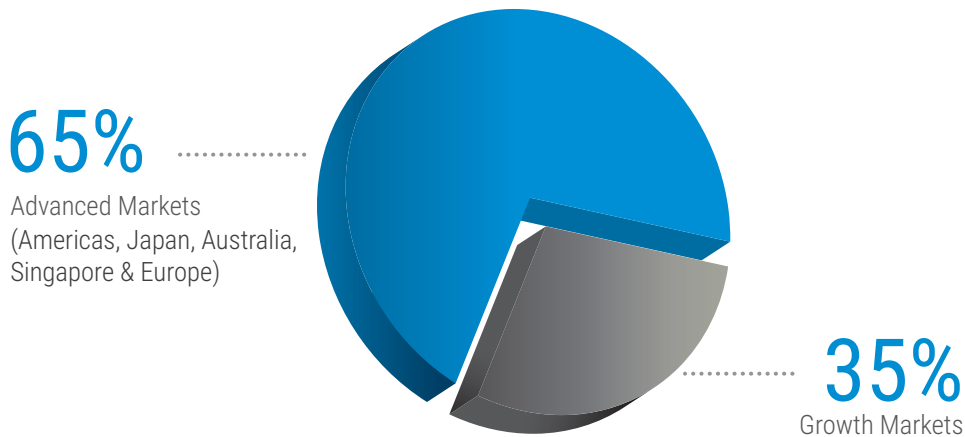
# Global FinTech Product Company



# Numbers That Matter



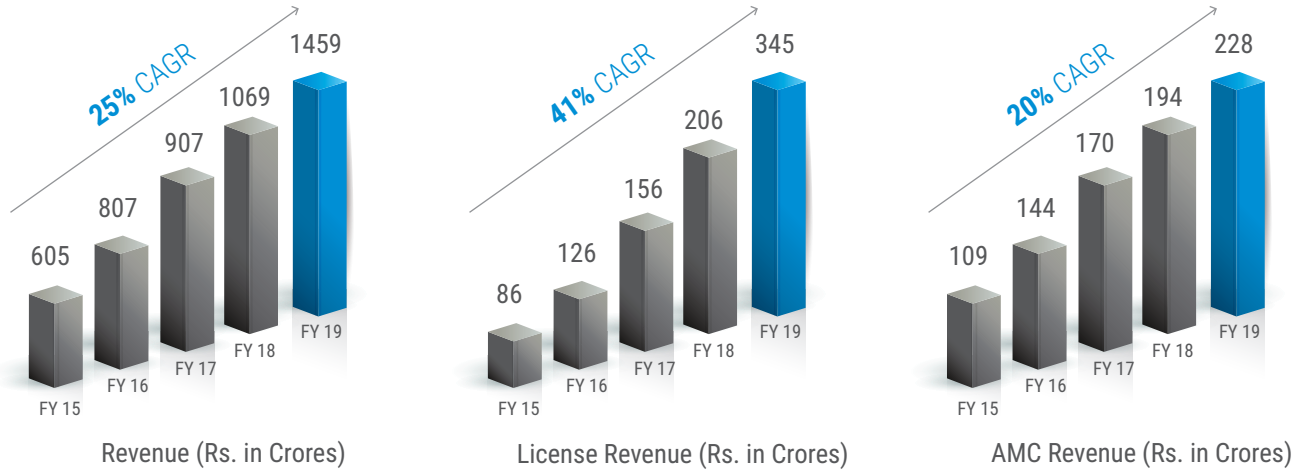
## Focus on Advanced Markets







## Highest CAGR amongst IT Product Companies



Digital led  
**Wins and Implementations**

One of the  
**Top 3 Financial Institutions**

in Advanced/Growth Markets rely on Intellect



# Chairman's Statement



Dear Shareholder,

While concluding my communication to you last year, I had mentioned about the commencement of Intellect 2.0 – the next three-year phase in our journey. We had defined three goals for ourselves during this phase.

1. Industrialisation of our Products and Processes
2. Monetisation of the investments made in our Intellectual Property
3. Making Customer Centricity the central theme of everything we do

Internally, we termed FY18–19 as Intellect 2.1, the first year of this phase. I am delighted to report that the results of this year reflect the realisation of the above goals with definite pointers to scaling greater milestones in the days ahead. Some of the key dimensions of performance are shared below.

## A. Business Growth

1. iGTB – The Global Transaction Business – one of the four Business units achieved revenue of Rs. 678 Cr in FY19 – greater than the revenue of Intellect as a whole in FY15
2. Revenue of Rs. 1,459 Cr represents 36% growth over the previous year and 25% Compounded Annual Growth Rate (CAGR) between FY15 and FY19 – 2.4X growth over 4 years
3. License revenue grew 4X between FY15 and FY19 – from Rs. 86 Cr to Rs. 345 Cr – 41% CAGR during this period. Per deal average license revenue also moved up 4X from Rs. 1.5 Cr to over Rs. 6 Cr during this period
4. By deeper engagement in their Digital Transformation agenda, our average revenue with our Top 20 customers grew from Rs. 18 Cr in FY15 to around Rs. 42 Cr in FY19
5. 65% of our revenues are from the Advanced Financial Markets of Americas, Europe, Japan, Australia and Singapore – an assertion of acceptance of our Products by financial institutions in these markets
6. 85% of our revenues are from existing customers – testimony of their confidence in us
7. In 24 countries across the globe – 9 of which are from Advanced Markets and 15 from Growth Markets – one of the top 3 financial institutions of that market is our customer

## B. Profitability

We have equally focussed on profitability as well while driving the growth agenda. A calibrated and carefully chosen investment plan in Product development and Sales & Marketing, while never compromising on Technology investments has ensured that our bottom line is secured while supporting the Growth requirements.

1. We have consistently delivered nearly 50% margins every quarter
2. Our Earnings before Interest, Depreciation and Tax – EBITDA – has more than doubled over FY18 to 148.50 Cr in FY19 and is now over 10% of revenues. Our Profits after Tax also nearly tripled over a year ago to Rs. 131 Cr.
3. SG&A costs are now 31% of Revenues from 35% last year and 44% in 2016-17. Product engineering and research costs are now 14% of revenues as against 18% last year

## C. Deal Pipeline

While the above metrics present highlights of past performance, here are some pointers for sustainability of our performance.

1. We commenced FY20 with a strong order backlog of over Rs. 1,830 Cr.
2. We are in the reckoning in 35+ high value deals, each of over Rs. 20 Cr in value

## D. Inside Intellect

The above data points paint an outside view of Intellect – as is visible to the Investors and market. I wish to briefly touch upon the 'Inside story' – how a structured and calibrated investment in IP led to the above results.

### a. Five Dimensions of Complexity in Financial Institutions

The raison d'être of Intellect's existence is to reduce the immense complexity of Banks and other financial institutions, whom we serve. Intellect has segmented this complexity into five dimensions.

1. Complexity of disparate architectures
2. Complexity of data management and integration across platforms
3. Complexity of innovation and multitude of products
4. Complexity of changing security, regulation and compliance
5. Complexity of multiple generations of technology. Each, by itself, is an unwieldy beast

Using Contextual and Digital technologies, we not only reduce these complexities, but also enable banks and financial organisations to convert their challenges into opportunities.

### b. Investment in Design Thinking

We have been unraveling this complexity and providing holistic technological solutions by leveraging our investment in Design Thinking. Intellect believes in the three cardinal Laws of Design Thinking that have conclusively provided tangible outcomes of Reduced Complexity, Comprehensiveness of Solutions, Managing Continuous Change and Reducing Cost.

### #1 Less is More

Sharply focused solutions with deep expertise that address specific pain points of our customers take priority over providing more and more functionality.

## #2 Last 2% is 200%

All products that a customer has to choose from will meet 98% of his or her needs and expectations. Bridging the last 2% makes all the difference and this very differentiator will yield 200% results.

## #3 Theory of 1000gm, 100gm and 10gm

Our focus will first be on the 1000gm – high impact items that most benefit the customer, followed by 100gm – medium impact and lastly 10gm – low impact items.

### c. Intellect's Design DNA – Development of Frameworks

The application of Design Thinking, as a first step, led to observation of patterns and development of two frameworks that attack the complexity and ensure completeness of our solutions.

The first one is our Knowledge Framework the L0, a tool to catalogue and deep dive into our customer's business architecture in a structured manner. While L0 denotes the landscape of the Business vertical, L1 is connected to specific products of the customer. The L2 level addresses individual User Journeys within the scope of a product and L3 describes the processes within that User Journey. Thus, the journey progresses from Breadth to Depth, Expanse to Detail as we transit across levels.

The other framework is COPARIS, an acronym for the seven dimensions that we identified to benchmark any solution architecture Customer Experience, Operational Efficiency, Performance, Analytics, Risk, Integration and Security an outcome of rigorous study and research of best-in-class patterns and anti-patterns in the solutions that were proposed to address the complexities in our customer's ecosystem across geographies and business life cycle stages. This has now become the de-facto benchmark to validate our products and solutions.

### d. Low Coding Platforms

Another significant insight that emerged from years of experience in supporting our Customer ecosystems was that raw coding was the key source of defects. Therefore, as the next step to creating robust and agile products that could be implemented in an industrialised manner, we created a set of six low coding technologies:

1. Digital Canvas – for rapid design of User Experience layer and analytics in our products; empowers the end user to 'engineer' solution through an intuitive design studio
2. Digital Hub – for design of business logic and workflows for our customers, definition of business rules, workflow routing, and decision matrix. Product configurations are eased by configuration screens rather than by coding
3. Intellect Big Data platform to integrate structured and unstructured data. The platform aggregates data from multiple internal and external sources including the web and social media to provide insights, alerts, and updates for decisioning, rule-based routing of transactions
4. Purple Fabric – Platform for Artificial Intelligence / Machine Learning. The platform aggregates data, validates them for choosing the most reliable source, triaging and presenting a set of data fields which, fed to an algorithm, gives decisions on use cases such as Credit Decision, Insurance Underwriting, and Customer On-boarding

5. Olive Fabric – Platform for integrating our products with other products and solutions in the customer's landscape by providing capabilities for data exchange with options for data conversion, validation, and rule-based processing
6. ARX – For integrated Security and Entitlements Management. This platform has ensured zero security breaches and incidences in Intellect installations apart from enabling complex User or role-based permissions

These platforms facilitate and enable building robust and defect-free products replacing coding with configuration, thus laying the foundation for our suite of Contextual, API-led products that are powered by Artificial Intelligence and Machine Learning.

These products spearhead business outcomes for our clients, delivering 20% reduction in costs and 20% increased business generation. Just as a data point, over 70 of our 240 customers have logged in less than 10 defects in the last six months. This is testimony of the stability and robustness of our Products.

### e. Implementation Certainty

We next addressed effective implementation of these products for our Customers. Our delivery process is now almost algorithmic, powered by the Delivery Excellence Framework. This comprehensive framework is an exhaustive set of seamless processes that include joint Product Walkthroughs with our Customers, Test Walkthroughs, Customer User Journey and Model bank-based implementation. In FY19, we went live in 50 new customer installations, 18 of which are large transformation initiatives. IDC – Intellect Digital Core, our flagship Core Banking product and Exponent/ Risk Analyst products from our Insurance Business have also successfully been deployed on the Cloud.

Products apart, the above frameworks, platforms and the Design Thinking led approach are our differentiators that set us apart from competition to be our customer's first port of call.

### f. Market Recognition

As a testimony to the above efforts, your company's products continue to figure consistently in the top slots in various analyst reports. Four of the 12 products are ranked amongst the Top 2 in their respective categories. The prestigious iGTB Oxford School of Transaction Banking is now a signature event attracting the who's who of Corporate Banking from the world over. The leadership team of our Insurance Business, iSEEC, is repeatedly invited to address Thought Leadership sessions in the advanced markets of the US and Europe.

The results presented earlier are a testimony of the success of Intellect 2.0 agenda – of industrialising our products and processes and accelerating monetisation of our products for higher License realisation, larger deals and greater wallet share with our customers. I look forward to sharing further stories of success as we progress into Intellect 2.2, the second year of Intellect 2.0. We certainly will emerge as a Global Products Company from India. I thank you for your confidence in us and for being part of our journey. I can promise that it will be increasingly exciting and rewarding.

**Arun Jain**  
Chairman & Managing Director



DIGITAL  
TRANSACTION  
BANKING



IDC &  
QUANTUM



TRADE/  
SUPPLY CHAIN  
FINANCE



DIGITAL  
CARDS



CBX



DIGITAL  
LENDING



CAPITAL  
CUBE



LIQUIDITY



WEALTH  
QUBE



PAYMENTS



CAPITAL  
ALPHA



# Largest Suite of FinTech Products for Global Market on Unified Architecture

The full-spectrum FinTech products that we offer, is based on the unified architecture that we have tried, tested and built over the years. Be it our API-based products, modular and pluggable architecture built on open-source software, cloud-native or the robust product processors designed for real-time operations – our unified architecture is what differentiates us from our competitors. Intellect's products provide banks with a seamless experience.



XPONENT



Unified Architecture



Design Thinking



High Technology Performance



Organically Built



Complete Digital 360



Cloud Native



Big Data, Artificial Intelligence and Machine Learning

# Digital Transaction Banking (DTB)

Modular & Open. Omnichannel. Complete Front-to-Back Integration

Digital Transaction Banking (DTB) enables banks to be disruptive in the digital financial industry through its fully integrated transaction banking platform. Leveraging the platform, banks can build solution ecosystems that deliver seamless digital experiences across the corporate financial supply chain.

## Making Business Sense

Transaction banks invest into technology platforms to primarily optimise capital and maximise ROA (and fee income), improve product cross-sell and distribution channel effectiveness, support SME franchise and growth sectors (through working capital provisioning and advisory services); generate operational balances and ensure full regulatory compliance. DTB is an integrated platform that prepares transaction banks to provide for every client and every sector's needs across Cash Management and Trade & Supply Chain Finance.

## Why Intellect?

DTB is the world's first complete Global Transaction Banking platform with wide-ranging products in transaction banking. At the same time, we affirm that one size doesn't fit all. So, we use a model bank approach to tailor our solutions to each buyer's needs. Exhaustive and constantly growing libraries of customer journeys help fine-tune every DTB deployment to each bank, uniquely. Armed with such features and powerful risk mitigation modules, and with the burden of adapting to regulatory agendas at the local and broader level, we ensure that upgrading to DTB is low-risk, even as it supplants legacy structures.

DTB helps banks provide better service to their corporate customers, help their clients grow organically, fulfil their needs through technology, penetrate more client segments, and ultimately become the principal bank for corporations' businesses, great or small.

## Impacting Customers

DTB is a market leader in Growth markets with the top banks as their prominent clients. 40+ banks across Asia, Middle East, India and Africa have shown trust with DTB as their transaction banking digital operating system.

## Future-proof Solution

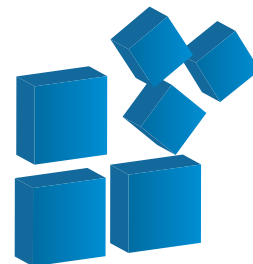
Transaction banking has become a significant factor in bank forecasts to improve the return on equity of their wholesale divisions. The mundane business of helping companies manage their cash flow has quietly become the fastest-growing service of the world's top investment banks. Banks who are looking towards the future are rethinking their role in transaction banking, specifically on how they will add value and how to charge for it. They are looking to develop valuable advisory services to evaluate treasury practices.

In addition, banks are looking to integrate into corporate systems in order to foster greater efficiencies. DTB, which is already prominent in growth markets, is poised to dominate and support banks in this transformational journey.

## Staying Ahead of the Curve

DTB is truly future-proof in its architecture and in consistently bolstering a customer's income from perpetually streamlined operations, workflows and reduced time-to-market, for new features.

The modular, structured and predictable platform of DTB is constantly optimising platform development, configuration and deployments processes to reduce turnaround time in platform go-live timelines and corporate on-boarding processes - all of which help banks generate fees quicker and improve their customer service metrics. As growth market banks mature and banks expand their capabilities from being a dominant local player to a powerful regional bank, DTB will be their partner - ready and invested to power their digital transformation aspirations.



# CBX

## Contextual Banking Experience

CBX, a white label Digital Banking Platform for Cash Management, enables banks to become more 'business aware' and contextual by providing actionable insights, foresight and oversight towards their clients: SMBs, SMEs and larger corporates. Through the use of AI, Machine Learning and Predictive Analytics it anticipates events and translates them to actions or recommendations to a corporate treasurer or CFO, through context-aware informed interaction and decision making.

### Making Business Sense

CBX provides the 400 user journeys that span the full complexity of corporate banking as micro services exposed as Open APIs, and through an Omnichannel UI. This enables banks to accelerate customer self-service and both up-sell and cross-sell their services by providing clients with context-aware recommendations on the best-next action or best-next offer needed to meet their objectives. This helps the banks to become an integral part of the corporate value chain, and to build ecosystems around them. It further equips the bank to anticipate the financial needs of their clients better, leveraging all the data at its disposal to position itself as a trusted advisor.

### Why Intellect?

The lion's share of a bank's tech spend is directed towards driving revenue through streamlined digital transformation. The market leading CBX Cash Management platform is widely installed and addresses all the objectives of any bank's digital transformation initiatives covering the domains of: Payments, Liquidity Management, Virtual Account Management, Collections, Receivables, Escrow and Cashflow Forecasting.

### Impacting Customers

Global banks in America, Canada, Asia and Europe have selected CBX with integrated cash management as the foundation for their digital transformations.

### Future-proof Solution

CBX is a pioneer in future-proofing, cloud native technology, micro services with API end points and leading edge UX/UI in its DNA.

### Staying Ahead of the Curve

The platform is engineered for integration with eco system partners of the bank, and allows bank's developer teams to extend or tailor the platform through industry standard SDKs and API extension points. Since launch, CBX has more than doubled its library of public and private API's, giving banks full freedom to integrate with any fintech, cloud platform and third-party product processors and core banking systems.



# Payments Services Hub

Channel-agnostic, Real-time Solution for > 95% STP and Greater Operational Productivity

Payments Services Hub (PSH) is a force multiplier for payment processing, pre-processing and orchestration. It offers advanced cash management for corporate banking through the loosely-coupled, workflow-connected channel aggregation and orchestration, end-to-end payment processing, and format conversion on a digital portal. Leveraging the power of context, PSH enables routing of payments through the best possible rails based on customer preferences, preset parameters and a host of other contextual cues.

## Making Business Sense

Most banking transactions involve payments. PSH cuts through the complexity of multiple payment gateways, standards and processes by routing each payment through a central hub. It also offers data-rich payments with the remittance repository that automatically siphons off data unreadable to payment engines. It ensures end-to-end orchestration of any payment type, through any channel, to any counterparty, all via a single hub, purpose-built to adapt to every new development in payment standards.

## Why Intellect?

With Payments Services Hub, banks can consolidate multiple channels such as internet banking, mobile banking, corporate portals, social media, etc. through a single integration layer. In addition, they can implement and realise new services swiftly. The solution powers banks to aggregate data from multiple sources and route them to the appropriate CSM. It allows banks to enjoy the power of analytics, transparency, ease of tracking, enhanced operational efficiency and reduced operating cost.

The solution by itself, is a scalable, flexible integration layer capable of handling ever-increasing volumes. Operationally, it enables easy on-boarding and support for multiple formats, minimising processing costs for bank customers.

## Impacting Customers

PSH is powering Payments Modernisation and global banks in America, Canada and Europe have purchased our integrated Digicash and Payments platform.

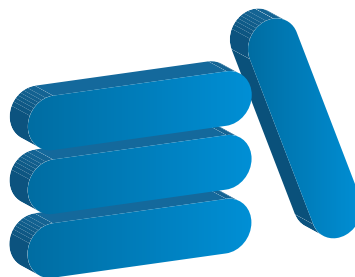
## Future-proof Solution

Payments Services Hub future proofs the bank through:

- A K3 layer that takes care of country regulations in the priority markets
- A solution for Real Time Bank Liquidity Management
- Stand in processing for payments through Funds Control
- Ability to handle POBO

## Staying Ahead of the Curve

Payments Services Hub, powered by the cloud, is equipped with all the necessary APIs and open banking requirements. As a result, every payment is processed through a single platform, irrespective of payment type, currency, value, customer, channel or transaction type. The platform will continue to offer such services in new age API handshakes and open source engines. The architecture also addresses a key pain point of payments – local regulatory structures. It eases multi-country roll-outs, and more importantly, roll-backs.







The Future of FinTech Today

# Liquidity Management Solution

Best-In-Class Algorithmic Contextual Liquidity Management

Intellect Liquidity is perhaps the most powerful liquidity platform in the market. It enables treasurers with not just cash control, but investments, deposit management, forecasts and operational account management. This empowers them to think about strategies and not get trapped executing it.

## Making Business Sense

Intellect's state-of-the-art Liquidity solution is a market leader in corporate liquidity management and has been implemented at blue-chip financial institutions worldwide. It is a comprehensive product that includes product processors for sweeping, notional pooling, inter-company loans as well as real-time fund check and investment sweeps. It also has a world-class digital front-end that delivers a faster, simpler and seamless experience to delight the customer.

## Why Intellect?

Apart from standard features such as physical cash concentration and notional pooling, single country and cross-border sweeps, single or multi-currency structures and others, Intellect's Liquidity solution also delivers investment sweeps, interest reallocation hub, and overdraft limit reporting. As the market-leading Liquidity application, it also offers N-levels of sweep accounts, automated investment sweeps into money-market funds, automated reverse sweeps, geographic specialisation (including Entrust loans) and multiple interest allocation models in its off-the-shelf product.

## Impacting Customers

LMS is active in more than 30 banks and is deployed across 50+ countries.

## Future-proof Solution

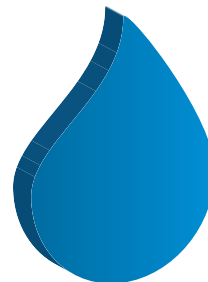
Although the outlook for the International economy is improving, the interest rate environment remains difficult for corporate treasurers. In addition, bank regulation (via Basel III) and changes to money market fund rules have already had an impact on banks and customer behaviour. Taking this into consideration, the fundamental challenge for the corporate treasurer remains the same: to preserve capital and ensure sufficient liquidity to meet business

needs, while at the same time maximise the return on their surplus cash. Intellect Liquidity suite is strongly influenced by this fundamental challenge. The principles of managing cash, apply to all corporate treasurers and our complementary products make effective cash management achievable.

Companies will have their own requirements when it comes to putting a liquidity solution in place. However, the expected outcome, for most, will be the same: reducing costs, maximising opportunity for investments, reducing transaction and administration costs, and improving control and visibility of group cash. Intellect's Liquidity solution will define new mandates in growth and developed markets that need the world's foremost liquidity engine.

## Staying Ahead of the Curve

LMS 2020 is Intellect's new product designed to introduce at the bank level with operational cost savings, contextual analytics and information, technology cost savings, and open banking opportunities. This new product is based on new target state architecture, a wide library of APIs, new user experience and an integrated Liquidity Management product suite.



# Trade & Supply Chain Finance

All in One Platform, On a Single Screen, From Any Channel

Trade and Supply Chain Finance is the first and only integrated platform that enables banks and clients to carry out all trade and supply chain operations from a single place, with integrated limit management. This solution facilitates buyers, who are also sellers, to carry out both operations through a unified interface with ease.

## Making Business Sense

Trade Finance and Supply Chain Finance are two sides of the same coin. iGTB's Trade and Supply Chain (TSC) Finance platform is a unique solution that consciously cuts across the client's supply chain. Strategic partnerships with prominent vendors in artificial intelligence, business intelligence and IoT reinforce Intellect's value proposition. It delivers smart contextual solutions that are designed to contain cost, reduce risk and increase overall competitiveness.

## Why Intellect?

Whilst banks continue to make money from traditional trade finance (letters of credit), the market is moving towards a wider adoption of bank-assisted open account solutions. Intellect takes a holistic approach towards servicing financial solutions. It enables corporates to optimise working capital and minimise the operational costs and risks associated with supply chain processes.

## Impacting Customers

Intellect has a global spread of users across Europe, Middle East and Asia Pacific, including banks that are top rated in trade.

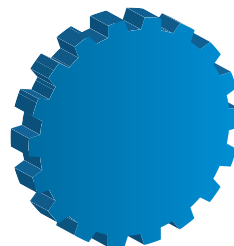
## Future-proof Solution

Last year, trade finance revenues reversed a five-year slump, registering a sharp upturn in growth. Transaction banking revenues hit an eight-year high, with half of the revenue concentrated in APAC. The displacement of traditional trading relationships, coupled with

developments in digital technologies has led to the creation of new business opportunities for banks and corporates alike. Banks are increasingly investing in modern technologies, not only to enhance their competitive positioning, but also to contain cost and manage the burden of regulatory compliance.

## Staying Ahead of the Curve

Traditional trade finance is a very labour-intensive business that continues to be dominated by the manual processing of paper documents. The evolution of the digital trade bank is long overdue, but the drive towards digitalisation has become more and more compelling. Intellect is not only investing in the enhanced usability and extensibility of its application, but is also future-proofing its technology through cloud enablement and the ability to consume open APIs. Strategic partnerships with market-leading Fin Techs are focused on several business benefits including the use of natural language processing for compliance checks, tracking of smart objects to manage operational risk and support the ethical financing of sustainable trade.



# Intellect Digital Core (IDC)

Digital 360. Real-Time. Context Aware

Intellect Digital Core (IDC) is a fully integrated solution across Core, Lending, Treasury, Trade Finance and Cards. IDC presents banks with the best of both worlds, i.e. Customer Experience (Digital 'Outside' or frontend) and Operational Efficiency (Digital 'Inside' or backend). With this IDC offers the truly Digital 360 experience.

## Making Business Sense

Digital has opened new markets, the aggressive entry of non-bank, FinTech players, is a threat of disintermediation. For banks, this is an era of conflicting priorities that calls for a balancing act between customer experience, tech superiority, regulation and inclusion. How do banks remain agile and competitive, and offer the quintessential Amazon experience to their customers? How do they become the primary bank or everyday bank for their customers? Foreseeing the digital trends, Intellect invested passionately in building a comprehensive Contextual Banking suite to help banks accelerate their digital transformation agenda and become integral to their client's life.

## Why Intellect?

With design as our most powerful differentiator, our rich product suite is structured around the powerful 5E proposition to help banks deliver: Experience, Efficiency, Empower, Economies of Scale and Ecosystem. Given Intellect's rich expertise in serving global banks, we understand how most banks were shackled by the complexities arising from globalisation, rampant innovation, multiple generations of technologies, mobility and the prohibitive costs of maintaining their current Core Systems. We leveraged Design Thinking as the paradigm to tackle this complexity, holistically. Our products incorporate an agile framework that enables speed and ease of change. The acid test for any design is its ability to respond to the change by launching a new proposition – purely digital – without rocking the boat. Built on the Digital 360 principle, Intellect Digital Core makes this happen.

## Impacting Customers

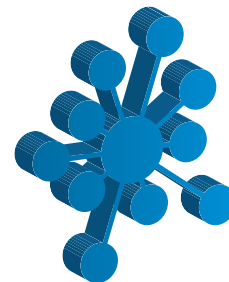
The customers for IDC are spread across Asia-Pacific, Middle East and Africa, with many of them being multi-country implementations. We have also made a remarkable foray into the advanced market with client wins in the UK & ANZ. With banks aggressively having digital modernisation as one of their main growth objectives, IDC is set to see a promising customer expansion in the coming years.

## Future-proof Solution

Built on contemporary technology and working closely with leading banks across UK, Europe and ANZ, we are the partner of choice to drive the digital aspirations and agenda of banks in the region. Our robust growth strategy, backed by a strong understanding of the domain, has equipped us in steadily driving business outcomes with a collaborative approach. Intellect Digital Core is a cloud ready solution that is geared to leverage customer's preference for cloud based implementations.

## Staying Ahead of the Curve

We have a competitive edge on two fronts, viz a truly scalable architecture driven by Design Thinking and 'Fresh' technology. Intellect leverages its 25 yrs of domain expertise and its focused investments in futuristic innovations, such as AI, ML, Bots and Cloud means that we are geared for new and changing needs of banks and end customers alike.



# Digital Lending

Instant Credit. Micro Segmentation. Risk Optimisation.

Intellect Digital Lending is designed on the 'Instant and More' principle. It aims to deliver superior customer experience with in-principle loan approval in 2 minutes and operational efficiency with over 99% STP. The product encompasses a comprehensive Loan Life Cycle Management System that provides end-to-end solutions. It addresses the bank's business objectives from origination, servicing and managing to collections.

## Making Business Sense

Whether it is designer/custom loans, decision-making capability or holistic risk management, the Intellect's lending solution is designed to drive digital transformation in the lending business and spans across Retail, Corporate, SME and unbanked segments. With its modular yet integrated product offerings in the lending space, Intellect offers Credit Origination (COS), Loan Management and Servicing (LMS), Collateral and Limits Management (CLMS) and Debt Management, either as a bundled Lending suite or specific point solutions.

## Why Intellect?

Intellect Digital Lending is designed to meet the ever-changing needs of credit seekers, as well as financial institutions. With pre-loaded expertise gained from marquee customers and well-established use cases, the system is efficient for repeatable implementations with little or no modifications. Product configurability, ready-to-use product templates, intelligent insights, and other such features are some of the capabilities that have helped our customers adopt the solution rapidly, launch new products quickly and manage risks optimally. The all-in-one loan management system enables banks to offer commodity, as well as specialised credit products across all lines of business.

## Impacting Customers

The Digital Lending suite has more than 70 customers across, implemented across the Middle East, Asia Pacific and Europe. The product has made significant business impact with effortless expansion, configurable workflows and business rules delivering complete automation and Straight Through Processing.

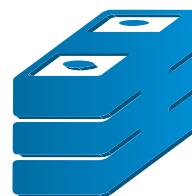
## Future-proof Solution

In the retail lending space, credit is already a commodity in several markets. In a highly competitive market space, lenders are looking at innovative ways to create demand, assess their borrowers with alternate sources of information, and predict customer behaviour with insightful analysis of relationship data. Significant automation that has happened in the retail segment has also had a rub-off on the commercial lending segment – especially small and medium businesses where credit approval in minutes is now a norm. Customers in this segment justifiably expect the same seamless experience as their retail counterparts. Our solution is the most suitable answer to meet these challenges.

## Staying Ahead of the Curve

Intellect Digital Lending suite is designed keeping in mind tomorrow's requirements, today. The new and upcoming Intellect Commercial Loan Origination is built with a cloud-native design, componentised architecture, and container-based deployment approach towards delivering business functions. This ensures readiness for scale, business continuity and a significantly lower total cost of ownership. The solution also offers Machine Learning-based credit analysis that analyses data across financial, reputational, legal and other risk parameters that is extracted from structured and unstructured sources.

The solution enables end-to-end integration with third-party entities, without having to hardwire systems. This empowers third parties to access purpose-built platforms, while banks benefit by zero-lag fulfilment of tasks assigned to them.



# Digital Cards

Continuous Innovation to Empower Customers Become Market Leaders.

Intellect Digital Cards is a comprehensive, fully digital payment solution that addresses all cards business needs across origination, issuing, acquiring, fraud monitoring, loyalty management and delinquency management, along with Front-end Mobility Apps for Customers, Sales and Collections. Compliant to latest EMV standards and supporting VSDC 1.4.1 and MCHIP 4.0 specification, it also supports traditional magnetic stripe cards along with latest chip-based EMV cards.

## Making Business Sense

Banks and retail businesses prefer a one-stop solution for cards as it would be convenient as against having to manage multiple vendors for different line of credit. Intellect Digital Cards is designed to deliver a platform that runs multiple lines of credit on a single account with single account and billing.

The solution is available in both license and cloud models with support for private and public cloud options. Banks, financial and retail institutions can also choose to avail support for managing back-end operations from Intellect, thus getting cost advantage and quick-to-market solutions.

## Why Intellect?

Intellect offers an end-to-end solution from card origination, management, loyalty and fraud management to collections. The system is also equipped with self-service mobile app for a real-time experience for the end customers. The six pillars of the comprehensive solution are multiple lines of credit on single account, transaction level pricing with hierarchical management, integrated, configurable instalment module, flexible loyalty module, real-time fraud management system and customer self-service app.

## Impacting Customers

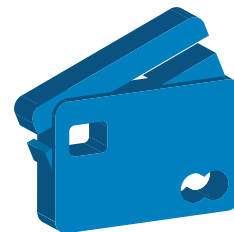
The product has seen wide acceptance especially amongst retails businesses. We also have customers and new opportunities in Asia and South America with many looking at a hosted business model, which lately is the ask in this line of business.

## Future-proof Solution

The product is seeing green shoots in Chile. A recent example is the hosted model implementation at one of the leading retail giant the first among many more implementations coming our way. Smaller retail players who issue credit cards look for processor model service providers with lower TCO. Intellect is the apt solution provider for such requirements.

## Staying Ahead of the Curve

The industry is moving towards contactless payment modes and various other ecosystem models for customers. Our solution is capable of supporting payment methods, such as contactless, NFC and Virtual Cards. The system is designed to integrate with Samsung Pay and Apple Pay payment methods, which gives customers a multi-variant payment option. Implementation and use is the name of the game. Intellect Cards' micro services based architecture enables the system to easily integrate with APIs and web services as required by the client's payment ecosystem.



# Wealth Qube

Advantage 2020: 20% increase in revenue with 20% increase in productivity

Intellect WealthQube-2020 is a state of the art, relationship centric, one-stop digital wealth management solution. It enables straight through processing of variety of investment products from front to back office for in multiple markets. The solution is built for Private Banks, Retail Banks, Wealth Managers, Asset Management firms, Advisory firms, Broker-Dealers, Trusts and IFAs to service client segments across HNI, Mass Affluent individuals and institutions. This platform is built on a design framework of 6 Offices (Functional Units), 23 Desks (Functions) and 130+ tools. It is API based, scalable, Omnichannel and has modern UI/UX providing superior user experience.

## Making Business Sense

In recent years' new opportunities and challenges has emerged for Wealth Management firms. These include expectations of having digital touch-points and new regulations. In addition, there is a real need to meet customer expectation at reduced cost to the customer with maximum returns in a low yield environment.

## Why Intellect?

To meet the dual expectation of high-tech and high-touch service, wealth management players must blend both digital and human capabilities. This has to be done through Hybrid Wealth Management business which combines the power of technology with personal touch brought by the relationship manager.

Intellect Wealth Qube supports hybrid wealth management services and intends to deliver 2020 Advantage i.e. 20% increase in RM productivity and 20% Increase in revenue. Apart from this, customers across various markets leverage Wealth Qube to harness the advantage of Digital first experience and reduced TCO. One of the key features that this solution offers to its users is Contextualised analytics that powers business expansion and performance through actionable insights.

## Impacting Customers

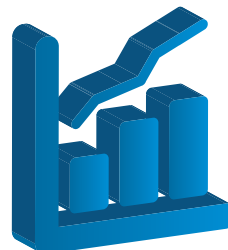
Intellect Wealth Qube is licensed to more than ten clients across geographies; and has chosen Southeast Asia, the Middle East and India as its primary market.

## Future-proof Solution

Wealth management transformation is currently one of the key areas of focus for most banks and is a growing income source in the emerging markets, specifically in APAC, Middle East and Africa. Intellect's wealth management solution is the perfect solution to catalyse transformational requirements.

## Staying Ahead of the Curve

Wealth Qube promise for the prospects is the value proposition of 2020. Wealth Qube enables firms to future-proof their fee-based revenue stream through a combination of RM and client-centric analytics; that allows effective financial decisions thereby generating superior returns while containing risk.





The Future of FinTech Today

# Capital Cube

Single Platform. Real-time. Fuelling Business Growth.

'Capital Cube' an integrated risk & treasury solution, that aids the treasurer to strategically manage the balance sheet, adapt to regulatory regimes, optimise liquidity and leverage risk to maximise profits for the bank. The solution provides updated information on liquidity, funding and exposures. It also assures solvency, protects margins by accurate view of asset and liability positions, effective hedging and performance attributions and provides greater visibility and control to treasury.

## Making Business Sense

The focus of the treasurer today is on maximising profitability, complying with capital adequacy and regulatory requirements, efficient use of funds while strategically managing balance sheet, risk governance with meaningful insights to aid decision making. An ecosystem of disparate and unconnected applications hampers the treasurer's goal of contributing to business growth. The need of the hour is an intelligence-driven, integrated real-time system that aids rapid decision making with compliance to evolving regulations.

## Why Intellect?

Capital Cube enables greater strategic planning and execution by bringing together the six key business levers for today's treasury: Integrated front, Mid & Back Office treasury, ALM, Capital Adequacy, CBX-FX, Risk Management and Analytics. This solution is an outcome of more than a decade's risk and treasury domain expertise while adapting to changing market, regulatory and tech developments.

The product is functionally rich, designed on a tech architecture meant for zero down time.

## Impacting Customers

The journey that started with a Funding Desk transformation for a G-SIB\* in 20 countries covering Europe, Japan, North America and Canada continued with marquee clients in India and across the globe. The American story progressed with this G-SIB's New York and Canada regions going live last year with Capital Cube bringing together 16 legal entities on a single platform, covering cash flows of USD 220 + Billion across 10 currencies.

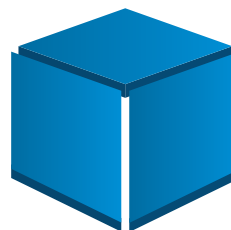
For this solution, we have 50+ Treasury clients across the globe and partnered with 25+ commercial banks in India in addition to premier commercial banks in APAC, Africa and Middle East. We have also extended our offering to prominent Central Banks, NBFCs and Insurance companies.

## Future-proof Solution

The increased thrust on linking treasury and ALM closely would help banks manage their resources better and align strategy with risk appetite and limits. This makes Capital Cube an ever-green solution with massive market potential and, indeed, a differentiated offering. The flexibility in addressing a wide spectrum of client segment enhances the opportunity landscape.

## Staying Ahead of the Curve

Capital Cube is modular solution-based on open architecture. This enables greater cost-effective operations and compliance, creates agility to support future growth, lowers TCO and helps reduce ongoing maintenance cost. It reduces manual intervention and increases operational stability. The technology has a business rule engine that allows changes related to business processes to be implemented in a time-efficient manner. The solution's design enables it to be scalable vertically and horizontally and provides for easy deployment.



# Capital Alpha

Broker in a Box. Multi-Asset. Multi-Exchange.

Capital Alpha is a multi-asset, multi-exchange, multi-channel, multi-currency, multi-lingual integrated front to back solution. It provides an Omnichannel trading experience backed by contextual research and analytics.

## Making Business Sense

The securities trading landscape is rapidly changing. Digital disruptions provide opportunities for firms to branch on to hitherto unknown territories. There is pressure on margin and on keeping up to pace with newer products and markets. The tech-savvy investor community wants trading decisions to be carefully analysed and all self-help tools readily available on the go. The need, therefore, is to provide a differentiated solution to customers in terms of Omnichannel consistent experience, ease and speed of trading, contextual research and analytics on fingertips, and provision of an e-marketplace across markets and asset classes. To support the same efficiently, an integrated real-time risk management and a robust back-office is important.

## Why Intellect?

Digital is the name of the game. Capital Alpha is the quintessential 'Broker-in-a-Box' solution that provides Omnichannel trading experience through contextual trading. This is backed by research and analytics. It also ensures compliance through real-time and integrated pre- and post-trade risk management.

Capital Alpha is a single platform that powers customers to increase their client footprint rapidly and improve STP index significantly through speed and by leveraging multi-asset, multi-market trading, risk management and back-office on an integrated platform. The integrated front to back office helps increase leverage and manage risks better across the trade life cycle.

All these on the same platform, enable firms to achieve platform economy, by reducing technology upkeep cost and provide a consistent experience to customer and internal staff across channels

## Impacting Customers

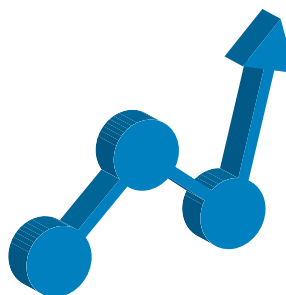
Capital Alpha has been implemented across India, APAC and Europe. The solution has been deployed as an on-premise enterprise brokerage solution and has also been implemented on a private cloud for a Stock Exchange.

## Future-proof Solution

Intellect sees emerging markets as the key marketplace, especially APAC. Initiatives around stock exchange revivals and increased focused on regional economies is opening the market for new opportunities for brokerage firms, and in turn for Capital Alpha. Single platform which provides access to domestic and cross-border markets with investment options across exchange traded and distributed products. Our initial interactions with practitioners and analysts corroborate our market study findings.

## Staying Ahead of the Curve

The future lies in the ability to launch any product in new market for the investor from the same platform, provided regulations and standard protocols for seamless connectivity exist. Capital Alpha is already providing a multi-asset, multi-market platform that can easily be extended to cover other asset classes and market as per market and regulatory environment. Artificial Intelligence-based sentiment analysis, voice-activated chat bots and robotic process automation for back-office processes are some of the key areas where Capital Alpha embraces the technology of the future to provide benefits today.







The Future of FinTech Today

# Xponent

Data. Machine Learning. Orchestration

Leveraging the power of Intellect Fabric, Intellect's insurance division has built many robust applications to serve property and casualty insurance sectors. One of them is Intellect Xponent, a complete underwriting workstation for managing complex commercial specialty risks. This highly configurable solution utilises big data and risks analysis frameworks to deliver intelligent insurance workflows that facilitate risk analysis, underwriting, policy life cycle management, and more.

Harnessing the latest exponential technologies to Insurance, Xponent provides underwriters with an efficient way to assess risk impact. For agents, it offers a faster and seamless experience to retrieve application status and a quick turnaround time for customers.

The solution also incorporates cognitive process automation and voice and text-based human-machine interactions. Many insurance carriers are utilising Intellect Xponent to streamline their underwriting processes. One of them is a leading commercial lines carrier that has comprehensive insurance products for construction, manufacturing, and healthcare industries.

## Making Business Sense

In an extremely competitive Insurance market, characterised by high capacity and low margins, insurance carriers have an imperative advantage by embracing new technology platforms that leverage Big Data and Artificial Intelligence. The industry has historically operated on incomplete information, and inefficient home-office processes to analyse and accept submitted risks on their books. This ensures adverse operational impact, such as spending 70% of resource time on low value tasks, high friction in distribution channel, high dependence on manual processes, and premium leakage and higher loss incidence. However, technology today can reduce the gap between the quality and quantity of information, as well as the intelligence to process the information in a way that results in consistent and effective decision-making for accepting / rejecting risks.

## Why Intellect?

Intellect Xponent is a cloud-native underwriting platform. It provides insurance carriers the ability to consume submitted data with no manual effort, enrich risk data

from both structured and unstructured data sources and orchestrate intelligent decisioning. Intellect's customers implement Xponent because it allows them to leapfrog technologies and adopt a cloud-native system that can be configured and deployed in a short span of time. It also provides them an edge of precision in their underwriting processes.

## Impacting Customers

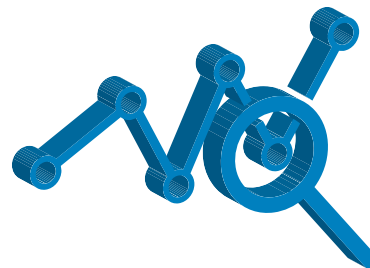
Our customers are spread across North America and UK. We currently have six customers in our target segment and are looking to grow to 15 - 20 in two years.

## Future-proof Solution

Given the changing expectations from a commercial lines underwriter and a significant gap in technology and rich data capabilities in our target segments, we see Xponent as a significant revenue contributor to our business. Xponent provides our customers reduced premium leakage, the power of account-centric underwriting and improved underwriter utilisation and efficiency.

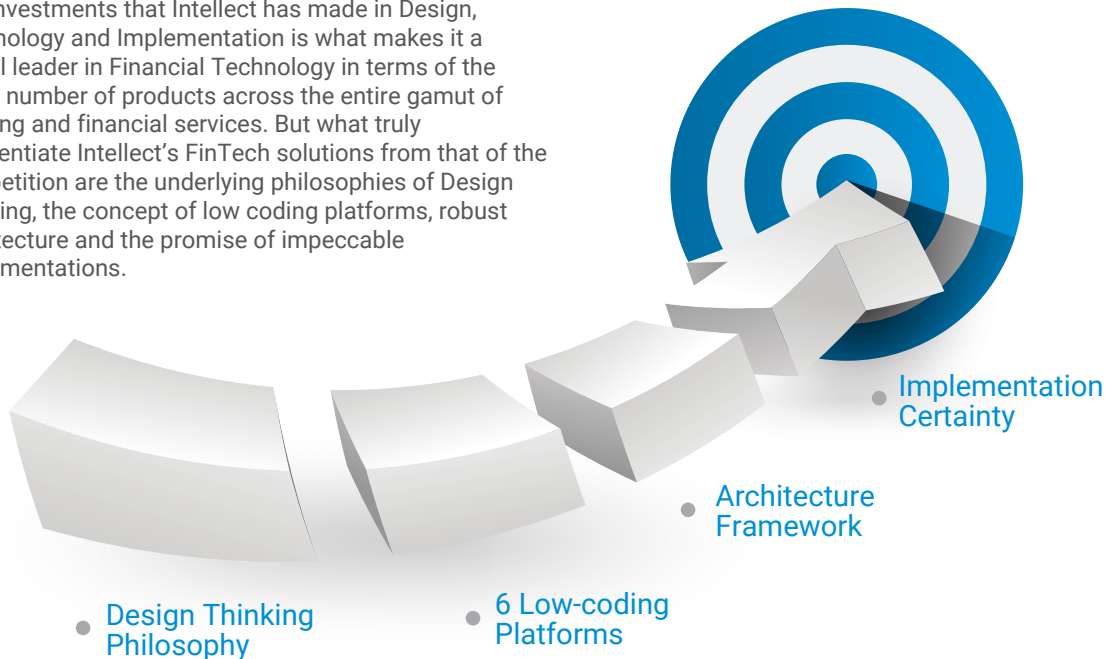
## Staying Ahead of the Curve

Xponent is a cloud-native platform, leveraging AI/ML and Big Data to deliver superior results to our customers. We intend to continue to invest in these technologies to maintain an edge over our competition. We also intend to develop patented algorithms and proprietary IoT data aggregation frameworks that will allow us to stay ahead of the competition while we continue to deliver strong value to the underwriting operations of our customers.



# What Makes Intellect Products Superior to Competition?

The investments that Intellect has made in Design, Technology and Implementation is what makes it a global leader in Financial Technology in terms of the sheer number of products across the entire gamut of banking and financial services. But what truly differentiate Intellect's FinTech solutions from that of the competition are the underlying philosophies of Design Thinking, the concept of low coding platforms, robust architecture and the promise of impeccable implementations.



## Design Thinking Philosophy

The DNA of Intellect's FinTech products is Design Thinking, which connects the dots between business, technology and operations to unleash unprecedented value for customers. The deep design differentiation results in superior architecture, smarter applications and definite outcomes.

8012 FinTech Design Center is the physical manifestation of Intellect's commitment to design. The first such facility of its kind in the industry was set up in Chennai, India, and opened for collaborative workshops in 2013.

Intellect steadfastly believes in the three core Laws of Design Thinking:

**#1 Less is more.** Intellect believes that for products to be successful, quality takes priority over quantity. At Intellect, we focus on solutions with deep expertise that address specific pain points of our customers, take priority over providing more and more functionality. The stronger the products, the more sustainable it is, quantity does not matter.

**#2 Last 2% is 200%.** 98% of the products that all the companies create are similar; this is the universal truth. What makes the difference is the last 2% and that very differentiator will yield you 200%.

**#3 Theory of 1000gm, 100gm and 10gm.** Whenever an implementation is done, every item should be prioritised on a scale of 1000gm (highest priority), 100gm (moderate priority) and 10gm (low priority), based on what is important for the customer.

Together, these laws address the four Cs of Complexity, Comprehensiveness, Continuous Change and Cost.

# Six Low-Coding Platforms

Developing robust products is a complex process. One of the biggest challenges in designing robust products is coding. Bad coding leads to defects, instability and product rigidity. Coding complex engines such as a bank's core applications is a delicate task, where even minor defects can have overbearing consequences. Intellect took this as a challenge to design a coding practice where 90% is system generated and only 10% would be manually coded.

On the other side, banking products should also be agile; configuring and coding agile products is yet another challenge.

Intellect's investment in low coding platforms has now materialised itself into six key low-coding banking technologies on which we have built our products. These products are robust and agile.



**06 ARX for Integrated Security & Entitlements**  
This is our one-stop security system platform which ensures zero security breaches and incidences in Intellect installations. Any system that goes live has to pass through ARX

**05 Olive Fabric for Integration**  
Olive Fabric is an architecture that enables users to define set of rules/principles for integrating numerous applications together. With Olive, we can integrate different applications by putting a communication bridge between them, providing capabilities for data exchange with options for data conversion, validation, and rule-based processing

**01 Digital Canvas Technology for User Interface and Analytics**  
Canvas Technology helps design superior user interface. It is the basis of the external aspect of digital - what Intellect calls Digital 'Out'. Canvas technology is considered ahead time as it enables accelerated configuration of services while retaining complete control over user experience and change management

**02 Digital Hub Technology**  
Digital Hub is the inner core of Intellect's digital offerings as it drives agile application building with zero coding. It comes with complete support for building applications, with several robust pre-built solutions

**03 Intellect's Big Data Platform**  
This platform is designed to integrate structured and unstructured data, handle real-time company and person engine; Commercial IoE, Wellness IoE, AI and Deep Learning. The platform also aggregates data from various internal and external sources

**04 Purple Fabric for Machine Learning**  
'Purple Fabric', a component of our reference architecture, powered by Big Data, AI, ML and this layer feeds contextual intelligence to every aspect of banking. "Intelligent Hive" is a part of this layer which has the ability to use both structured and unstructured data snippets, to profile, identify, arrive at specific insights, analyse sentiments, enrich and help achieve intended outcomes to support evolving business models. It is the perfect blend of domain-awareness and data

# Observing Patterns and Developing Frameworks - Architecture and Knowledge

Using the principles of Design Thinking, we were able to design frameworks that have proven to be invaluable to attack complexity and simplify the client's landscape. This has translated into COPARIS (Architecture Framework) and the L0/L1 (Knowledge Framework).

## Architecture Framework - COPARIS

At Intellect, we consistently work towards leveraging technology to improve customer experience. With our focus on customer centricity, our research on 'how to measure customer experience' crystallised into seven dimensions and we formed the rigorous COPARIS framework (classified under 4 business and 3 enabling architectures). The harmonisation of these architectures has resulted in exponentially enhancing throughput.

The application of Design Thinking in the COPARIS framework has led to the COPARIS index that drives outcome based measure in each of the seven dimensions. The seven labs at the Design Center have focussed on clustered problem solving, doubling the throughput and addressing customer challenges in a holistic manner. This framework has enabled faster product design with more lean and agile operations.

## The COPARIS dimensions

<b>C</b>	Customer Experience
<b>O</b>	Operations Design
<b>P</b>	Performance of the Applications
<b>A</b>	Analytics and Data Design
<b>R</b>	Risk Management
<b>I</b>	Integration within Financial Ecosystems
<b>S</b>	Security of Applications and Infrastructure

## Knowledge framework - L0/L1/L2/L3

Intellect's Knowledge Framework is a granular appreciation of business domains – a comprehensive domain decomposition. The L0 is an abstraction of all the processes in a periodic table like framework connecting businesses & technology making cross functional conversations more meaningful. The L0 schema has been a vivid demonstration of knowledge shelving and wiring.

Over time, L0 has become the elemental process level and its deeper end process and technical drill down moved on to be converted as the L1 level.

As part of knowledge building, the framework has now expanded to L2 and L3 levels. The L2 has focused on simplifying the functionality in the form of 'User Journey' (tracing the user's journey in the workflow/product), taking into account the customer desirability cutting across various processes.

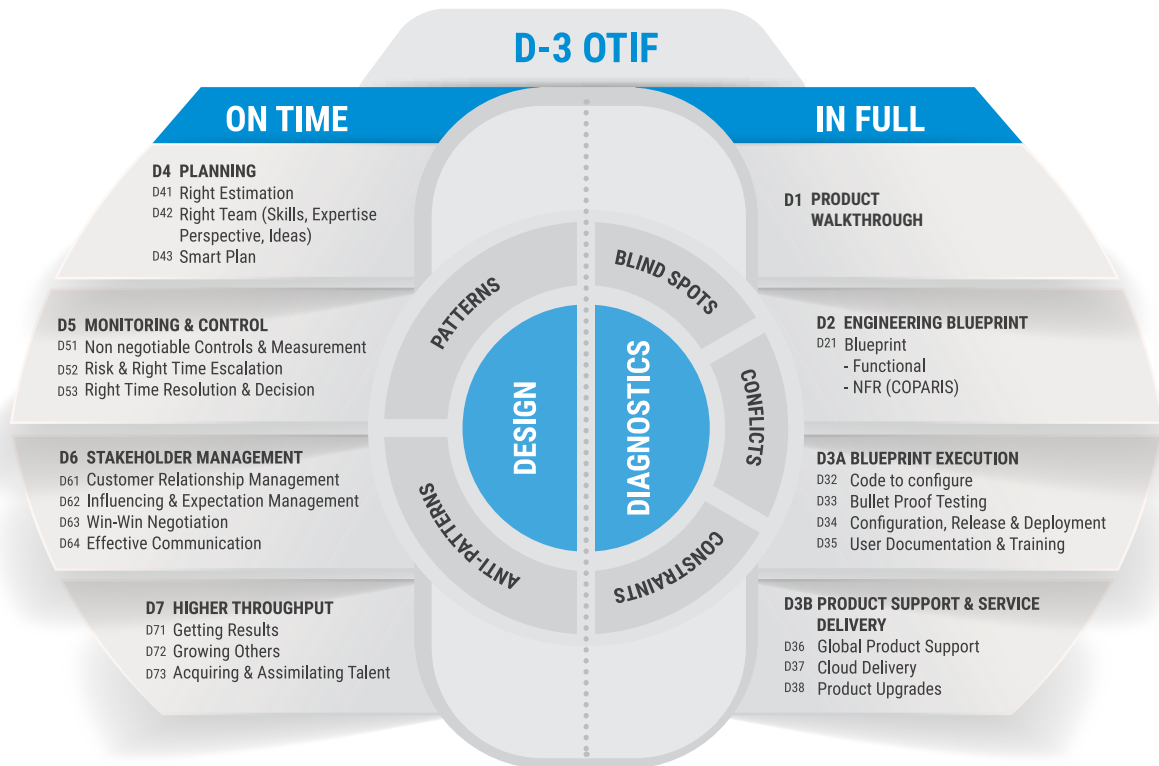
L3 is the next level of knowledge capture in the form of a collaborative platform called 'Confluence', a compilation and repository of knowledge in the form of processes, diagrams, engineering blueprint, etc, that resides with the customer or the teams within the organisation.

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*The L0 is our proprietary knowledge shelving and wiring framework. Using a masonry construct we decomposed over 5,000 business processes into a simplified structure of columns, beams and bricks that enables a common domain understanding.*

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# Impeccable Implementation: The Last Mile in Delivering Customer Delight



Design Thinking is hardwired into the Intellect DNA to deliver absolute implementation certainty. Our aggressive delivery excellence program is called D-3 OTIF wherein we reinforce our promise on implementation certainty by looking at delivering 3 days ahead of time and in full –the ultimate test of customer centric design.

2 foundational pillars of the Delivery Excellence methodology that drive all product deliveries

- DESIGN - To Deliver not just ON TIME, but AHEAD OF TIME (D-3)
- DIAGNOSTICS - Deliver complete scope with zero defect quality (IN FULL)

3 dimensions relate to “In Full” driving implementation behaviour (Product Walkthrough, Engineering Blueprint, Blueprint Execution and Support)

4 “On Time” dimensions focus on planning, monitoring and control, stakeholder management and people

Consistent performance requires high performance engines around domain efficiency, technology efficiency, process efficiency, customer knowledge, re-usability, IP innovation, and people energy. Deep diagnostics unearth blind spots. Design principles engineer for predictability. Chemistry is the secret sauce that makes D-3 OTIF possible.

# Brand Beacons

Visibility to the enterprise brand and cutting edge products of Intellect have been amplified manifold through product launches, thought leadership in global events and forums; recognition through awards and exposure through media features.

## AWARDS

Intellect rated as strong performer and among Top 5 in 2018 Global Digital Banking Platforms of Forrester - August 2018

Intellect recognised as a "Leader" in Gartner's Magic Quadrant for Global Retail Core Banking Report - June 2018

## EVENTS

**Payments Canada Summit – May 9-11, 2018**  
Uppili Srinivasan – Chief Operating Officer, iGTB spoke on 'Make the who, what and why of Payments benefit both banks and business' by showcasing iGTB's CBX



**Finovate Fall – September 24, 2018**  
iGTB's CBX went Live at Finovate targeting customer dissatisfaction with the current, traditional corporate banking experience using APIs, AI, Machine Learning, "best-next action" recommendations and "best next offer" point-of-need bank product offerings

## LAUNCHES



**Capital Cube – January 14, 2019**  
An integrated Treasury and Asset & Liability Management (ALM) solution by Intellect



**Wealth Qube-2020 – March 18, 2019**  
An Enterprise Wealth Management Solution that puts Relationship Manager at the center, launched at the Intellect User Meet in Dubai

## MEDIA

**Bloomberg Business – October 24, 2018**  
iGTB Oxford School of Transaction Banking becomes a huge success on its first-time visit to Asia

**Banking Technology – November 5, 2018**  
iGTB chose Everis as Sales & Implementation partner to make Digital Transformation in Transaction Banking a Reality in Western Europe

Intellect named Treasury and Trade Transformation Winner for the 2018 IDC Real Results Awards - September 2018

Intellect SEEC RPA (Robotic Process Automation) case study of Large UK Retirement and Wealth Management firm was featured in an Aite Report. "This project is ongoing, and the benefits are increasing daily. The key performance metrics are meeting expectations and continues to improve as systems learn and advance" - November 2018

Intellect named as a Leader in IDC MarketScape: Worldwide end-to-end corporate banking solution - March 2019



**Sibos – October 22-25, Sydney, 2018**  
Showcased Contextual Banking and how it surpasses current, traditional approaches to Transaction Banking

**Intellect User Meet – March 18 -19, 2019**  
The first ever Intellect User Meet centered around the theme 'Banking on Reimagination', witnessed the confluence of products and future technologies. The keynote address of Brett King, CEO of Moven, was on the topic 'Bank 4.0 - Banking everywhere, but not at a bank'



**Oxford Leadership program – March 19-23, 2019**  
35 senior leaders across various functionalities in the organisation came together at Oxford to hone their leadership skills. The theme of the program was 'Create leaders of tomorrow, today'



**Finextra – February 19, 2019**  
BBK partners with Intellect's Digital Transaction Banking for Digital Transformation of its Transaction Banking Business

**The Hindu Business Line – February 21, 2019**  
Intellect announces a large destiny deal win from HUDCO, a wholly owned government company under the Ministry of Housing and Urban Affairs (MoHUA)

**Innovation Insurance – April 16, 2019**  
AmeriTrust Group, Inc., a leading specialty commercial insurance company based in the U.S., has chosen Xponent Underwriting Workstation from Intellect SEEC

# • Clients Rate our Delivery Very Highly



iGTB's in-depth domain knowledge and expertise made it our partner of choice to create a best-in-class digital Transaction Banking platform that will strengthen our capability to respond to evolving business needs. Clients are at the centre of our digital transformation journey and this platform will enable our clients to seamlessly manage all aspects of working capital management, with enhanced visibility and data analytics.

## Sumit Aggarwal

EVP & Group Head, Transaction Banking Services, Emirates NBD



We cannot expect underwriters and agents of today to be burdened with paperwork, while trying to develop optimal solutions for the end client. We chose Xponent to provide a common platform for our agents and underwriters. It will enable enhanced collaboration to improve the underwriting process, while accelerating turnaround time for our common clients, the insureds. This tool increases our ability to use predictive analytics, generating assessments of expected losses based on customer demographics and internal data, within minutes.

## John Baird

AmeriTrust's President of Admitted Carriers



The implementation of an integrated enterprise-wide core banking system in partnership with Tech Mahindra and Intellect Design Arena will allow us to accelerate our digital banking transformation journey and see us achieving our ambition of obtaining a full commercial banking license and become a State Bank. This digital system will make Ithala one of few players in the South African market to have a fully digital banking system.

## Danny Zandamela

CEO, Ithala SOC Limited



We wanted to revamp and modernize our securities trading business. Our goal is to become one of the premier securities brokerage firms in the Philippines by providing online trading services for local and international stocks to investors. Intellect was the only technology partner to have successfully demonstrated an integrated seamless data flow between Front Office (FO), Mid Office (MO) and Back Office (BO) management. We are sure that the solution will help with the firm's 10X growth aspirations in three years.

## Koichi Katakawa

President, BDO Nomura



This implementation gives us a one-stop solution to answer our corporate clients' or customers' needs – meaning they no longer need to worry about switching between different portals, or aggregating data from several sources. iGTB's DTB suite is flexible enough to accommodate user demands of all kinds, and we are sure our customers will be delighted by the benefits in terms of efficiency and user experience.

## Jayaprawirya Diah

Head of Digital Innovation Solution, BCA







# Intellect Executive Council



**Arun Jain**  
Chairman &  
Managing Director



**Manish Maakan**  
Chief Executive Officer  
Intellect Global Transaction Banking



**Rajesh Saxena**  
Chief Executive Officer  
Intellect Global Consumer Banking



**TV Sinha**  
Head – Treasury and  
Capital Markets



**Pranav Pasricha**  
Chief Executive Officer  
Intellect SEEC



**Andrew England**  
Director and Head – Strategy  
Intellect Global Transaction Banking



**Michel Jacobs**  
Global Head of Sales and  
Head of Digital & Payments,  
Global Transaction Banking



**K Srinivasan**  
President, Global Sales,  
Consumer & Central Banking,  
Treasury, Wealth Solutions & eGov



**Banesh Prabhu**  
Chief Strategy Advisor  
Intellect Global Consumer Banking



**Govind Singhal**  
Chief Human Resources and  
Group Enablement Officer



**Venkateswarlu Saranu**  
Chief Financial Officer

# Board of Directors



**Arun Jain**  
Chairman &  
Managing Director



**Anil Kumar Verma**  
Whole Time Director



**V Balaraman**  
Independent Director



**Aruna Krishnamurthy Rao**  
Independent Director



**Andrew England**  
Additional Director



**Vijaya Sampath**  
Additional Independent Director



**Arun Shekhar Aran**  
Independent Director



# Global Offices

## REGISTERED OFFICE

INTELLECT DESIGN ARENA LIMITED  
No. 244, Anna Salai, Chennai – 600 006, India  
Phone: +91 44 3987 4000, Fax: +91 44 3987 4123

## CORPORATE HEADQUARTERS

NxT Lvl  
INTELLECT DESIGN ARENA LIMITED  
Plot No.3/G-3, SIPCOT IT Park,  
Siruseri, Chennai – 600 130, India  
Phone: +91 44 3341 8000

# AMERICAS

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## USA

INTELLECT DESIGN ARENA INC  
20 Corporate Place South Piscataway,  
New Jersey 08854, USA  
Phone: +1 732 769 1062

INTELLECT DESIGN ARENA INC  
135 West, 41st St, NY 10036, USA

## CANADA

INTELLECT DESIGN ARENA INC  
Suite 400, 181 University Avenue,  
Toronto, ON M5H 3M7, Canada  
Phone: +416 800 0216

## CHILE

INTELLECT DESIGN ARENA LTDA  
Monseñor Sotero Sanz N° 161, Piso 8,  
Providencia, Santiago, Chile  
Phone: +56 2 2796 55-30

# ASIA PACIFIC

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## SINGAPORE

INTELLECT DESIGN ARENA PTE LIMITED  
No 10, Ubi Crescent, #04-48 Lobby C, Ubi Tech Park,  
Singapore - 408564  
Phone: +65 6848 2870, Fax: +65 6333 1431

## INDONESIA

PT. INTELLECT DESIGN ARENA  
Menara BCA 50th Fl, Jl MH. Thamrin No.1,  
Jakarta 10310, Indonesia  
Phone: +62 21 2358 4400, Fax: +62 21 2358 4401

## VIETNAM

INTELLECT DESIGN ARENA CO. LTD  
M Level, HSC Tower, 162B Dien Bien Phu Street,  
Ward 6, District 3, HCMC, Vietnam  
Phone: +84 4 3941 3076, Fax: +84 4 3941 2991

## Sales Office

Unit 2122 - 2123, 21st floor, Capital Tower,  
109 Tran Hung Dao Street, Hoan Kiem District,  
Ha Noi City, Postal Code 10000, Vietnam  
Phone: +84 4 3941 3076, Fax: +84 4 3941 2991

## PHILIPPINES

INTELLECT DESIGN ARENA PHILIPPINES INC  
LKG Tower, 37th Floor, 6801 Ayala Avenue,  
Makati City 1226, Philippines  
Phone: +63 2 859 2810

## THAILAND

INTELLECT DESIGN ARENA LIMITED  
100/42, Sathorn Nakorn Tower, 23rd Floor,  
North Sathorn Road, Bangkok 10500, Thailand  
Phone: +66 2 026 2311

## JAPAN

INTELLECT DESIGN ARENA LIMITED  
4-14-14-201, Chambre de Nishi Azabu, Nishi Azabu,  
Minato-ku, Tokyo, Japan 106-0031

## Sales office

5-13-1-7F, Toranomom 40MT Building, Toranomom,  
Minato-ku, Tokyo, Japan 105-0001  
Phone: 813-4530-9888

## MALAYSIA

INTELLECT DESIGN ARENA, SDN BHD  
Suite 1007, 10th Floor, Wisma Lim Foo Yong,  
No. 86, Jalan Raja Chulan, 50200,  
Kuala Lumpur, Malaysia

## Sales Office

INTELLECT DESIGN ARENA LIMITED  
Suite 5, Level 21, Block 3B, Plaza Central,  
Jalan Stesen Sentral 5, 50470,  
Kuala Lumpur, Malaysia  
Phone: +60 3 2773 5636

# ANZ

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## AUSTRALIA

Registered office / Sales office  
INTELLECT DESIGN ARENA PTY LTD  
Level 25, Tower 3, 300 Barangaroo Avenue,  
Barangaroo, NSW 2000 (Sydney), Australia  
Phone: +61 2 8277 4512

## Branch

Level 24, 570 Bourke St Melbourne 3000, Australia

# EUROPE

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## UNITED KINGDOM

INTELLECT DESIGN ARENA LIMITED  
Level 21, 25 Canada Square,  
London, E14 5LQ, United Kingdom  
Phone: +44 20 39729486, Fax No: +44 20 39729490

## SWITZERLAND

INTELLECT DESIGN ARENA S.A.  
Avenue de la Gare 49, Case Postale, 2067,  
CH 2001, Neuchatel, Switzerland  
Phone: +41 32 7221990, Fax:- +41 32 7221999

## FRANCE

INTELLECT DESIGN ARENA LIMITED  
30 bis, Rue du vieil abreuvoir, 78100,  
Saint-Germain En-Laye, France  
Phone: +33 146946666, Fax: +33 146378788

## SWEDEN

INTELLECT DESIGN ARENA SWEDEN  
Filial Wallingatan 38, 4 tr, S – 111 24  
Stockholm, Sweden  
Phone: +46 855113690, Fax: +46 733585313

## SPAIN

INTELLECT DESIGN ARENA LIMITED  
Sucursal en Espana Avenida de Aragan  
330 Praque, Empresarial Las, Mercedes, Edificio 5,  
Planta 3, Madrid 28022, Spain  
Phone: +34 917932982, Fax: +34 915627873

## GERMANY

INTELLECT DESIGN ARENA LIMITED  
German Branch, Herriotstrasse 1,  
Frankfurt Am Main, 60528, Germany  
Phone: +49 69 6773 3000

## AUSTRIA

INTELLECT DESIGN ARENA LIMITED  
Fleischmarkt 1 Vienna A 1010, Austria  
Phone: +43 1 23060 3110

# IMEA

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## INDIA

INTELLECT DESIGN ARENA LIMITED  
Silver Metropolis, Unit No. 801, 802, 901, 902, 1001,  
1002, 8th, 9th & 10th, CTS No. 213/A/2 & 214,  
Jay Coach Western Express Highway, Goregaon (East),  
Mumbai – 400 063, India  
Phone: +91 22 6780 1500

INTELLECT DESIGN ARENA LIMITED  
Lotus Corporate Park, 11th Floor, F-Wing,  
Unit No. 1101 & 1102, Goregaon (East),  
Mumbai – 400 063, India  
Phone: +91 22 6252 3572

INTELLECT DESIGN ARENA LIMITED  
Unit 35-A, SDF II, Unit 174-C & 175-C, SDF VI,  
SEEPZ-SEZ, Andheri East, Mumbai – 400 096, India  
Phone: +91 22 3981 5600/6252 5000/4202 8100

INTELLECT DESIGN ARENA LIMITED  
Unit No. A/1, 8th Floor, Ashar IT Park,  
Road No. 16/Z, Wagle Estate,  
Thane (West) – 400 604, India  
Phone: +91 22 6252 1000

INTELLECT DESIGN ARENA LIMITED  
Marisoft III, 6th floor, West Wing,  
Kalyani Nagar, Pune - 411014, India  
Phone: +91 20 6748 3300

INTELLECT DESIGN ARENA LIMITED  
'Intellect Towers', Plot No. 249,  
Udyog Vihar Phase IV, Gurgaon – 122 001, India  
Phone: +91 11 2261 1719

INTELLECT DESIGN ARENA LIMITED  
SEEC Towers, Adj. to BSNL Office, Plot No. 6,  
APIIC Layout, Hi-Tech City, Madhapur,  
Hyderabad – 500 081, India  
Phone: +91 40 4463 1000

INTELLECT DESIGN ARENA LIMITED,  
5th Floor, N Heights, Plot No. 38,  
Phase II, Software Units Layout, Hi-Tech City,  
Madhapur, Hyderabad – 500 081, India  
Phone: +91 40 4463 1000

## SRI LANKA

INTELLECT DESIGN ARENA LIMITED  
No. 62, Havelock Road, Colombo 05, Sri Lanka  
Phone: +94 112555456

## SOUTH AFRICA

INTELLECT DESIGN ARENA EXTERNAL COMPANY  
The Business Centre 377, Rivonia Boulevard, Sandton,  
Johannesburg 2128, Republic of South Africa  
Phone: +27 11 593 2000

## BANGLADESH

35, Kemal Ataturk Avenue, 7th Floor, Abedin Tower,  
Banani C/A Dhaka – 1213, Bangladesh  
Phone: +880 966 691 0800

## UAE

INTELLECT DESIGN ARENA FZ LLC  
Building No. 14, Office 118-120,  
Dubai Internet City, Dubai, UAE  
Phone: +971 4 4369 461, Fax: +971 4 369 7459

## KENYA

INTELLECT DESIGN ARENA LIMITED  
#1, 10th Floor, Tower 3, 'The Mirage' Waiyaki Way,  
Westlands Nairobi, Kenya

# **INTELLECT DESIGN ARENA LIMITED**

Annual Report for the year ended March 31, 2019

## **FINANCIAL REPORT**

## FINANCIAL REPORT

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### Bankers

Citibank N.A  
HSBC Ltd.  
HDFC Bank Ltd.  
IDFC Bank Ltd.  
Axis Bank Ltd.  
Barclays Bank  
Bank of America

### Auditors

**M/s. S.R.Batliboi & Associates LLP**  
6<sup>th</sup> & 7<sup>th</sup> Floor, A Block  
(Module 601, 701 – 702), Tidel Park, No.4,  
Rajiv Gandhi Salai, Taramani,  
Chennai – 600 113. India.

## **DIRECTORS' REPORT**

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**DIRECTORS' REPORT**

To the members,  
We are pleased to present the 8th Annual Report on our business and operations for the year ended 31st March 2019, of Intellect Design Arena Limited ("Company"). This is our Fifth year of business operations.

**1. Results of operations** (In Rs. Lakhs, except EPS data)

Description	Standalone		Consolidated	
	Year ended March 31		Year ended March 31	
	2019	2018	2019	2018
Income (Including Other Income)	992,76.27	706,73.77	1,512,27.51	1,113,96.89
Expenses (Including exceptional items)	803,62.22	632,65.78	1,322,03.34	1,014,90.89
<b>Profit/(Loss) before Interest, Depreciation &amp; Tax (PBITDA)</b>	<b>189,14.05</b>	<b>74,07.99</b>	<b>190,24.17</b>	<b>99,06.00</b>
Finance Charges	11,40.46	13,73.13	11,44.24	13,82.62
Depreciation & amortization	34,93.67	25,14.33	41,55.71	26,53.49
<b>Net Profit/(Loss) Before Tax</b>	<b>142,79.92</b>	<b>35,20.53</b>	<b>137,24.22</b>	<b>58,69.89</b>
Provision for tax including Deferred Tax	5,71.12	2,20.43	8,94.71	7,02.98
<b>Net Profit/(Loss) after tax</b>	<b>137,08.80</b>	<b>33,00.10</b>	<b>128,29.51</b>	<b>51,66.91</b>
Add / (Less): Share of Profit / (Loss) on Associate Companies	-	-	2,96.55	5,04.05
<b>Net Profit / (Loss)</b>	<b>137,08.80</b>	<b>33,00.10</b>	<b>131,26.06</b>	<b>56,70.96</b>
Re-measurement gains/(losses) on defined benefit plans	(1,64.74)	(19.90)	(1,64.41)	(11.99)
Exchange differences on translation of foreign operations	-	-	1,01.92	13,33.54
Net movement on cash flow hedges	(5,54.22)	(18,14.18)	(5,54.22)	(18,14.18)
<b>Other comprehensive income for the year, net of tax</b>	<b>(7,18.96)</b>	<b>(18,34.08)</b>	<b>(6,16.71)</b>	<b>(4,92.63)</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>129,89.84</b>	<b>14,66.02</b>	<b>125,09.35</b>	<b>51,78.33</b>
Attributable to : Equity shareholders of the Parent	129,89.84	14,66.02	125,17.82	41,79.99
<b>Non Controlling Interest</b>	<b>-</b>	<b>-</b>	<b>(8.47)</b>	<b>9,98.34</b>
<b>EPS</b>				
Basic Rs.	10.63	2.81	10.18	3.97
Diluted Rs.	10.39	2.73	9.95	3.87

**Table No. 1.1****Function wise classification of statement of consolidated Profit and Loss**

(In Rs. lakhs)

PARTICULARS	Year Ended	
	March 31, 2019	March 31, 2018
<b>INCOME</b>		
Income from software product license and related services	<b>1,458,73.25</b>	<b>1,069,47.92</b>
<b>EXPENDITURE</b>		
Software development expenses	737,17.60	548,98.30
Selling and marketing & General and administrative expenses	455,26.45	376,62.45
Research & Engineering expenses	100,39.81	72,44.46
Provision for Debts and Write Offs	17,39.16	10,60.48
<b>Total Expenditure</b>	<b>1,310,23.02</b>	<b>1,008,65.69</b>
<b>EBITDA</b>	<b>148,50.23</b>	<b>60,82.23</b>
Depreciation / Amortisation	41,55.71	26,53.49
Hedge Impact	(9,16.32)	17,81.15
Finance Charges	11,44.24	13,82.62
<b>Profit / (Loss) before other income / minority interest</b>	<b>86,33.96</b>	<b>38,27.26</b>
Other Income including exceptional items	50,90.26	20,42.65
Share of profit / (loss) of Associate Companies including Minority Interest	3,05.03	(4,94.29)
<b>Profit / (Loss) before tax</b>	<b>140,29.25</b>	<b>53,75.62</b>
Provision for taxation	8,94.71	7,02.98
<b>Profit / (Loss) after tax</b>	<b>131,34.54</b>	<b>46,72.64</b>

**Table No. 1.2****2. State of Company's affairs**

The consolidated revenue of the Company for the year ended March 31st, 2019 stood at Rs.1,458,73.25 lakhs as against Rs.1,069,47.92 Lakhs for the previous year and delivered a growth of 36.40%. The consolidated Net Profit/(Loss) for the fiscal year ended March 31st, 2019 stood at Rs.131,26.06 lakhs as against the previous year's Net Profit/(Loss) of Rs.56,70.96 Lakhs. The Consolidated Reserves and Surplus as of 31st March 2019 stood at Rs.953,84.59 Lakhs as against Rs.739,15.37 Lakhs as of March 31st, 2018. For the financial year ended 2018-2019 the Company has not transferred any amount to the reserves.

**3. Material Changes and Commitments**

There were no material changes and commitments from the end of the financial year till the date of this report.

**4. Subsidiaries****Details of Subsidiary Companies, Joint Ventures and Associate Companies, and their financial position.**

Your Company has 21 (11 direct, and 10 step down) subsidiary companies and 3 Associate Companies for the financial year ended on March 31st, 2019. The information as required under the first proviso to sub-section (3) of Section 129 is given in Form AOC-1 in Annexure [1].

**5. Cash & Cash Equivalents**

Your Company has cash reserve of Rs.108,45.50 lakhs.

**6. Share Capital**

The paid-up Capital of the Company was increased to Rs.65.89 Crs through share allotments made against exercise of Options (1,036,773 equity shares) under the ASOP Schemes, preferential issue (5,208,330 equity share) and shares issued pursuant to merger of Subsidiary into the Company (528 equity shares) comprising of 131,774,715 equity shares of Rs.5/- each as on March 31st, 2019.

The details of all the stock option plans, including terms of reference, and the requirements are set out in Annexure 2.

**7. Corporate Governance**

Your Company has been complying with the provisions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). A separate report on Corporate Governance along with Auditors' certificate on compliance of the Corporate Governance norms as stipulated under Chapter IV of the Listing Regulations and Management Discussion & Analysis forming part of this report are provided elsewhere in this Annual Report.

**8. Transfer to Investor Education and Protection Fund**

As required under the provisions of Section 125 and other applicable provisions of Companies Act, 2013 (hereinafter "the Act"), dividends that remain unpaid/unclaimed for a period of seven years, are to be transferred to the account administered by the Central Government viz: Investor Education and Protection Fund ("IEPF"). Any person claiming to be entitled to the amount transferred to IEPF may apply to the Investor Education and Protection Fund Authority (IEPF Authority) by submitting an online application in Form IEPF-5 available on the website www.iepf.gov.in along with fee specified by the IEPF Authority. The Company had not declared any dividend so far, hence the above provisions are not applicable to our Company. Keeping in view of the growth of the business, your Directors do not recommend any dividend for the financial year ended 2018-2019.

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

The particulars as prescribed under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out in the Annexure 3 to this Report.

**10. Particulars of employees**

(a) The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 does not form part of this report. In terms of Section 136 of the Act, the same is open for inspection during working hours at the Registered office of your company. A copy of this statement may be obtained by the members by writing to the Company Secretary of your Company.



(b) The Ratio of remuneration of each director to the median remuneration of the employees of the company and other details in terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forming part of this report as Annexure 4.

#### **11. Directors' responsibility statement as required under Section 134 (5) of the Companies Act, 2013**

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013 the Directors of your company confirm that:

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the Annual Accounts on a "going concern basis".
- e) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **12. Board Meetings, Board of Directors, Key Managerial Personnel & Committees of Directors**

##### **(a) Board Meetings:**

The Board of Directors of the Company met 8 times during the year 2018-19. The details of various Board Meetings are provided in the Corporate Governance Report. The gap intervening between two meetings of the board is as prescribed in the Act.

##### **(b) Changes in Executive Directors, Non- Executive Directors & Key Managerial Personnel**

During the year under review, the following changes have been made and the details are as under:-

Mr. S. Swaminathan, Chief Financial Officer had expressed his desire to retire from the services of the Company from the closing hours of June 30, 2018. The Board placed on record its deep appreciation for the contributions, assistance and guidance provided by Mr. S. Swaminathan during his tenure as CFO of the Company.

Mr. Venkateswarlu Saranu has been appointed as the Chief Financial Officer of the Company with effect from July 01, 2018.

Mr. Andrew Ralph England was appointed as an Additional Director (Non-Executive Director) of the Company at the Board of Directors Meeting held on 25.10.2018, who shall hold office till the ensuing Annual General Meeting of the Company.

##### **(c) Re-Appointment**

As per Article 34(l) of the Articles of Association of the Company, one third of the Directors are liable to retire by rotation at the Annual General Meeting of the Company. Mr. Anil Kumar Verma, Director is liable to retire by rotation and offers himself for re-appointment

##### **(d) Independent Directors**

Mr. V. Balaraman was re-appointed as Independent Director at the 6th AGM held on 21st August, 2017 for a period of two (2) years and his second term as an Independent Director will end on the conclusion of 08<sup>th</sup> Annual General Meeting of the Company.

Ms. Aruna Krishnamurthy Rao was re-appointed as Independent Director at the 6th AGM held on 21st August, 2017 for a period of three (3) years.

Mr. Arun Shekhar Aran was appointed as independent director at the 5th AGM held on 21st July 2016 for a period of three (3) years, till the conclusion of 8th

Annual General meeting. His term would be expiring on the conclusion of the 8th Annual General Meeting. Based on the recommendation of Nomination and Remuneration & Compensation Committee and the Board, it is proposed to re-appoint Mr. Arun Shekhar Aran as an Independent Director for a second term of 5 years in the ensuing AGM.

Ms. Vijaya Sampath was appointed as an Additional Independent Director of the Company at the Board of Directors' Meeting held on 25.10.2018, who shall hold office till the ensuing Annual General Meeting of the Company. She was appointed as an Independent Director subject to the approval of the members in the ensuing Annual General Meeting for a period of 5 years w.e.f from 25.10.2018 till the conclusion of 12<sup>th</sup> Annual General Meeting.

No Directors resigned during the year 2018-2019.

The Company has received necessary declarations from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as laid down in Section 149(6) of the Act. Further, no Independent Director is not a non-Independent Director of another Company on the Board on which any non-independent Director of the listed entity is an Independent Director

**(e) Details of remuneration to Directors:** The information relating to remuneration of directors as required under Section 197(12) of the Act, is given elsewhere in the report.

##### **(f) Board Committees**

The Company has the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration & Compensation committee
3. Stakeholders' Relationship committee
4. Corporate Social Responsibility committee
5. Risk Management Committee

##### **Sub-committees:**

1. Share transfer Committee

The composition of each of the above Committees, their respective role and responsibility is as detailed in the Report of Corporate Governance.

The policy framed by the Remuneration and Compensation Committee under the provisions of Section 178(4) of the Act, is as below:

##### **(g) Remuneration policy**

The remuneration policy of the Company has been so structured in order to match the market trends of the IT industry. The Board in consultation with the Nomination and Remuneration & Compensation Committee decides the remuneration policy for Directors. The Company has made adequate disclosures to the members on the remuneration paid to Directors from time to time. Remuneration/ Commission payable to Directors is determined by the contributions made by the respective Directors for the growth of the Company.

The remuneration policy of the Company and other matters as required under Section 178 sub-section 3 of the Act is available. There has been no change in the policy since the last fiscal year. We affirm that the remuneration paid to the Directors are as per the terms laid out in the remuneration policy of the Company.

Weblink of the Nomination and remuneration policy  
<https://www.intellectdesign.com/investor/corporate-governance.asp>.

##### **(h) Board Evaluation**

As required under the provisions of Section 134(3)(p) and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and that of its committees and individual directors and the manner in which such performance evaluation was carried out is as under:

The performance evaluation framework is in place and the performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as exercise of responsibilities in a bona fide manner in the interest of the Company, striving to attend meetings of the Board of Directors / Committees of which he/she is a member / general meetings, participating constructively and actively in the meetings of the Board / committees of the Board etc.

In a separate meeting of independent directors, performance of non-independent directors, the Chairman of the Company and the board as a whole was evaluated.

**(i) Vigil Mechanism**

The Company has established a whistle-blower policy and also established a mechanism for directors and employees to report their concerns. The details of the same is explained in the Corporate Governance Report.

**(j) Related Party Transactions**

All related party transactions that were entered during the financial year were on arm's length basis and were in the ordinary course of business. There are no other materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The details of the related party transactions as required under Section 134(3)(h) r/w Rule 8 of the Companies (Accounts) Rules, 2014, is attached as Annexure [5].

**13. Auditor reports and auditors**

**Statutory Auditors:** S.R. Batliboi & Associates LLP, Chennai, Chartered Accountants who are the Financial Auditors of the Company hold office as statutory auditors until the conclusion of the 8th Annual General Meeting of the meeting to be held in the Calendar year 2019. There are no qualifications or adverse remarks in the Auditor's Report for the financial year ended 31st March 2019.

Based on the recommendation of Audit Committee and the Board, it is proposed to reappoint M/s. S.R. Batliboi & Associates LLP, Chennai, Chartered Accountants for a second term of five years from the conclusion of 08<sup>th</sup> Annual General Meeting until the conclusion of 13<sup>th</sup> Annual General Meeting subject to the approval of the members at the ensuing Annual General Meeting.

**Secretarial Auditors:** Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit has been carried out by M/s SAE & Associates, LLP, Practising Company Secretaries, and their report is annexed as Annexure [6]. There are no qualification or adverse remarks in the Secretarial Audit report for the financial year ended 31st March 2019.

**Cost Records and cost Audit:** Maintenance of cost records and requirements of cost audit as prescribed under Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

**14. Fixed Deposits**

Our Company has not accepted any deposits during the financial year and as such, no amount of principal or interest was outstanding as on March 31, 2019.

**15. Social Connect**

**Ullas Trust**

A Social initiative started in 1997 with an aim to integrate associates with the larger community to enable them to enjoy the bliss of working with young minds in the country continues to grow into a movement exemplifying the power of inclusive CSR. A seed of an idea sowed in 1997 to "ignite Young Minds" has grown into a movement across 5 states in the country powered by belief that we are making a difference! In its 21 year journey the Ullas movement has grown beyond our associate community to include committed partners to the cause of igniting young minds. These partners include family and friends of our associates, associates from our clients, Civil Society Organizations, and youth from colleges in the districts of Tamil Nadu all united by the common purpose of shaping the thinking of adolescent young students.

Over the 2 decades, Ullas has awarded merit scholarships to more than 76,000+ students across Chennai, Delhi, Hyderabad, Mumbai and Pune. While the merit scholarships recognize their academic excellence, these "Young Achievers" as they are called, receive weekend enrichment programs aptly titled as SUMMIT, delivered by our associate community – through packaged modules of 5 interventions of 3 hours each - 15 magical hours per year over the four year period of the child's association with Ullas. This academic year, over 6,320 children from Corporation, Government and Government-Aided schools in five cities – Chennai, Delhi, Hyderabad, Mumbai, and Pune attended these intervention programs – that aid not just with life skills but also in designing their thinking. Under the rural re-connect program "Touch The Soil", 2.62 lakh young minds were ignited with the power of "CAN DO" and "Planning" with the active engagement and support of over 1500 volunteers across 1014 schools, in 107 districts in 5 states.

In Ullas's quest to scale and reach many more young minds, this academic year a new partnership was forged with NSS so that NSS Volunteers in colleges can deliver Ullas enrichment programs to schools near their neighborhood as part of their outreach program, and in line with the NSS motto "Not me, But you!". This partnership enabled 2 prestigious institutions to conduct the "Can Do" workshop in their auditoriums triggering the aspirations of young grade 9-ers from 5 schools. Post the "Can Do" workshop the NSS volunteers were trained by Ullas to deliver the enrichment program directly in the school. A great learning opportunity as shared by the NSS volunteers and the young minds. In parallel Ullas expanded into the districts through college connect in Guntur District, AP, and in Wardha, Maharashtra connecting 16 Government schools to 4 colleges (1 University, 1 Engineering College and 2 Social Work Colleges). A year where Ullas engaged deeply with the youth in colleges bringing together inspired youngsters and aspiring young minds.

**Ullas – Chennai**

Ullas Trust celebrated its 21<sup>st</sup> Annual workshop on Aug 25th, 2018 at Music Academy, in Chennai. The workshop was all about sowing the "Can Do" sprit in young minds. The workshop saw over 1260 grade IX Ullas Young Achievers from over 200 - Corporation, Government and Government-Aided schools, who not only participated in the aspirational "CAN DO" workshop but also were awarded the Ullas Young Achievers Merit Scholarships. The workshop saw real life role models IAS Officer Mrs. Lakshmi Priya (Joint Commissioner, Commercial Taxes) and Shri. Kaliyamurthy (Former Superintendent of Police) – share their life journey - events and incidents that shaped them, inspire and interact with the students. Continuing its endeavor of recognizing and Encouraging Excellence in Education (EEE), 3 schools one each from corporation, government, and government aided were awarded the EEE award. Friends of Ullas conducted the weekend enrichment program (SUMMIT) across 7 venues in the city (including our corporate offices) covering over 3,824 young achievers from grade 9-12 in 291 schools. As part of the Touch The Soil program, over 350 volunteers visited 454 schools in the 32 districts of TN, igniting over 1.72 lakh grade 9-12 students, conducting the Diary of Dreams and Planning workshop. A total of 4370 scholarships were given to toppers in grade 9 and 10 in the district schools. During this academic year Ullas inducted 52 Higher Education Scholars (a mix of Professional and Arts & Science) while continuing to support an overall of 185 Higher Education Scholars who come back as co-mentors to the incoming Ullas Young Achievers. These Higher Education Scholars not only inspire their juniors but also dazzle the associate mentors with their commitment and thirst to pay it forward! Ullas continues to sponsor Easy Learning English (ELE) program of Vidyarambam Trust (VT) for grade 8 students in 26 schools in 5 districts of TN. Vidyarambam Akkas also deliver our SUMMIT interventions to over 1,500 grade 9 and 10 students in 19 schools, further extending the engagement with these young minds! In the spirit of partnering with likeminded partners to reach as many young minds in schools, Talent Quest for India Trust (TQI) a student volunteer body movement has taken the SUMMIT Level 1, 2, 3 and 4 interventions to over 10,000 students (grade 9, 10, 11 and 12) in 27 schools, across 21 districts of TN, through their army of over 350 college student volunteers from nearly 50 different colleges. The fourth edition of Ullas Confluence was held in Feb 2019, to celebrate and recognize the youth (TQI, NSS and Other colleges that Ullas engages with) across the districts who are giving back selflessly. Common purpose and intent unites these partners with Ullas in reaching not just the students from the urban schools but also rural schools enabling dreams and aspirations!

**Ullas – Mumbai**

Mumbai Ullas chapter conducted the “CAN DO” workshop on 1<sup>st</sup> December, 2018 at Mahakavi Kalidas Natyamandir, celebrating over 550 young achievers from 24 BMC and Govt-Aided schools. Our Guest of Honor Shri. Sashikant Vyas, Founder Director of Panoram Nishad engaged with the young minds in Marathi sharing his life lessons and his inspiration. The interactive workshop encouraged the students to dream big, and dream big with conviction. Associate volunteers including over 50 volunteers from our client partner - Morgan Stanley conducted SUMMIT in the 24 chapter schools during the weekends – reaching out to a total of 1043 students between grade 9 and 10. As part of the Touch The Soil program, 98 volunteers visited 171 schools in 15 districts covering 21,896 grade 9 and 10 students with 1474 scholarships for the toppers in 9<sup>th</sup> and 10<sup>th</sup>, and conducting the Diary of Dreams and Planning workshop for the young minds.

**Ullas – Hyderabad**

In Hyderabad, over 300 students enthusiastically participated in the Annual “CAN DO” Workshop on January 5<sup>th</sup>, 2019. The Young Achievers enthralled everyone with their rendering of Saraswathi Vandanam and cultural performances. The Diary of Dreams workshop was very interactive and enabled students to share their aspirational dreams. Our Guest of Honor Swami Bodhamayananda (Director, Vivekananda Institute of Human Excellence) set the tone for the young minds about a life filled with truth and self belief. SUMMIT classes also saw our associate volunteers conduct the weekend intervention program for 305 grade 9 students and 288 grade 10 students at 9 school chapters. As part of the Touch the Soil initiative, Friends of Ullas went in teams to 260 schools in 34 districts conducting the “CAN DO” and Planning workshop for 40,867 students, along with 2408 merit scholarships for deserving grade 9 and 10 students. Over 135 Friends of Ullas participated and engaged actively in the various programs.

**Ullas – Delhi**

Ullas NCR chapter conducted the Annual CAN DO workshop on 3<sup>rd</sup> November 2018, at Chinmaya Mission, New Delhi. 250 grade 9 young achievers from 20 government and government-aided schools were inducted into the portals of Ullas Trust. Our inspiring Guest of Honor Major Devendra Pal Singh (Retired Officer from the Indian Army, a proud Kargil war veteran, and India’s first blade runner) quite simply bowled over not just the young minds but also the teachers, principals and the Friends of Ullas with stories of valor, self belief and conviction that “Yes, I CAN” to become India’s first blade runner. The workshop also saw more than 60 associate volunteers who cheered and supported the young achievers. The weekend enrichment program – SUMMIT was conducted by our associate volunteers in school chapters and our corporate office for over 830 young achievers (grade 9 to 12) and was received very well by the students and their school authorities (26 schools across 3 cities – Delhi, Noida, Gurgaon). As part of the Touch The Soil initiative, 31 volunteers travelled to 16 districts (in Haryana, UP, HP and WB), reaching 14,502 students of grade 9-12 from 52 schools inspiring and igniting young minds delivering the Diary the Diary of Dreams workshop and Planning workshop, and also with a merit scholarship to 455 toppers in 9<sup>th</sup> and 10<sup>th</sup>.

**Ullas – Pune**

Ullas Pune Chapter continued its engagement with 4 schools this year. The Annual Diary of Dreams workshop was conducted on Nov 24<sup>th</sup> and Dec 8<sup>th</sup>, 2018 for the incoming young achievers, covering over 300 eager students across two school venues. Over 70 scholarships were awarded in the urban schools as part of the SUMMIT program. Associate volunteers along with family and friends conducted the subsequent weekend enrichment programs in the schools over 8 weekends, covering over 300 grade 9 and 10 students. As part of the Touch The Soil initiative, 73 volunteers went to 8 districts covering 77 district schools, reaching 13,180 students from grade 9 and 10 with the diary of dreams and planning workshop. 711 scholarships were given to 5 toppers each from grade 9 and 10 in these 77 schools.

Stepping into its 22<sup>nd</sup> year, the Ullas movement continues to scale through strong like-minded partners – Educational Institutions and their NSS Volunteers / Social Club, Corporates and Civil Society Organizations – all driven by the common purpose of “igniting young minds” and seeding the “CAN DO” spirit across the country.

**16) Audit Committee Recommendation**

During the year all the recommendations of the Audit Committee were accepted by the Board. The Composition of the Audit Committee is as described in the Corporate Governance Report.

**17) Extract of Annual Return**

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as Annexure [7].

**18) Significant & Material Orders passed by the Regulators or Courts**

During the Financial Year 2018-19, no order has been passed by any regulatory authorities or Courts.

**19) Particulars of Loans, Guarantees and Investments u/s 186\* Investments made during the year 2018-19: NIL**

\* The Company has not granted Loans and Guarantees under Section 186 of the Companies Act, 2013

**20) Risk Management Policy**

Being a pioneer in the Intellectual property led Business in India, the company is continuously focusing and committing itself to have a Risk Management system suited for the Products business.

Towards this, the Board has formed a Risk Management Committee with Directors, the Chief Financial Officer & the Chief Risk Officer as members of the committee. The Committee works to mitigate any inherent risks faced by the Business and to meet the increasing demand of Customer’s liability through different means within the overall framework listed below.

**Risk Management Framework****Objective**

The Organization is subject to certain risks that may affect our ability to operate, may disrupt our business model due to changes in competitive landscape, changes in Technology which may render our capabilities obsolete, and thus hamper our ability to serve our customers and protect assets. These risks could adversely affect Customer projects, Employees, Shareholders, liability to Third Party and risks to Property among others. Controlling these risks through a formal process is necessary for the well being of the Organization and its stakeholders.

The organization’s Risk policy identifies these Risks on a continuous basis and proposes mitigation measures. Our risk policy aims to minimize adverse impact of these risks on Company’s growth, Profit margins and People engagement besides Regulatory Compliance. Risk Management has been made an integral part of the Organization by encouraging Risk Awareness among employees.

**Risk Management Framework**

The Audit Committee of the Board of Directors oversees the Risk Management process done by the Risk Committee under the overall direction of the Board of Directors. The Risk Management Committee consists of the Board Members, Chief Financial Officer & the Chief Risk Officer. There is dedicated Chief Risk Officer who monitors risk through various checks and balances as well as Internal Business Audit.

**Risk Management Process**

Risk Management is a continuous and developing process which runs throughout the Organization’s strategy and the implementation of that strategy. The Risk Management helps the organization to proactively manage uncertainties in the internal and external environment and to limit the negative impacts and benefit on the opportunities.

Some of the Major risks and risk mitigation measures can be grouped in the following five categories:

1. Business Risk	2. Operational Risk	3. Financial Risk	4. Legal & Compliance Risk	5. Risks Emanating from Data Privacy & Regulations
Business Segment Concentration	Recruitment - difficulty in finding specialized skill	Foreign Exchange	Geo Subsidiary Compliance Reporting	Data Protection & Privacy
Business Model	New Country Entry Risk	Risk due to Large Order to Cash cycle and Liquidity Risk	Intellectual Property Protection Risk	
Geography Concentration	Use of "Open Source" Software		Internal Financial Control (IFC) implementation	
Competition	Implementation Challenges		Contractual Compliance	
	Large Cycle Time for Sales & Implementation			

Table No. 1.3

**1. Business Risk**

**1.1. Business Segment Concentration**

The company is specialized in BFSI space and could face the risk of concentration in a single space. However, this risk is mitigated to a large extent because the company has presence in all the 4 sub segments of BFSI namely Corporate Banking, Retail Banking, Capital Markets and Insurance. These 4 sub segments have different boom and bust cycle and therefore protect the company.

**1.2 Business Model**

Our Revenue model is based on Products Business with its License and AMC revenues. There is a possibility that increasing share of business starts to come from Cloud Model rather than License & AMC Model. This may pose a risk to our Business Model.

The Company keeps a close eye on the changing business scenario. A certain portion of our revenue is already derived from the Cloud model. Should Cloud model get precedence over License model, the company has the wherewithal to shift the business model.

**1.3 Geographic Concentration**

Intellect is present across different Geographies which we internally classify as World I, World II, World III countries. World I is Rich countries, World II is Middle Income countries and World III is the Emerging world. The risk gets mitigated by being present in all the three worlds as the demand from these countries varies across segments and balances the cyclic nature of business.

**1.4 Competition**

The company faces competition from large Multinational companies, local companies in the geography in which we operate and Indian Product companies. While many of these companies are established companies, the start ups may also disrupt our business.

With a view to stay ahead of the competition, an analysis of these competitions in the 4 sub-segments and the 3 Worlds is done on a continuous basis. Another lever to mitigate this risk is the Investments made in R&D which helps us to remain ahead in the innovation curve.

**2. Operational Risk**

**2.1 Recruitment**

The company operates in niche BFSI product space which requires people with specialized skill, as against mass recruitment that was followed in Services business. The Company minimizes the risk through in-depth in-house training & recruitment from top end Engineering colleges and B Schools.

Background Checks (BGC) is mandated for all new hirers and is audited from time to time.

**2.2 New Country Entry Risk**

For any new business opportunity in a new country, a Country risk assessment clearance from the Risk Department is a must. Country risk assessments during entry and subsequent mitigation measures help in developing a robust knowledge platform and also to understand the local conditions and business culture at the early stages of the business.

**2.3 Use of "Open Source" Software**

"Open Source" Software may be used in some of our solutions. Failure to abide with the terms of the open source licenses could have a negative impact on our business.

**2.4 Implementation Challenges**

Delays in implementation could hamper our delivery capabilities leading to multiple risks such as delay in Collection, Contractual commitments, Penalties and Brand image.

**2.5 Large Cycle Time for Sales & Implementation**

Our businesses have large sales & implementation cycles. Often they involve significant capital commitment by the Company. Resources are utilized to meet the customer's requirements like completing Proof of Concept or customization. All this entails significant resources before full revenue is realised. In the event the Client opts out during the process of evaluation, this could have adverse effect on our operations.

**3. Financial Risk**

**3.1 Foreign Exchange**

The company earns a large portion of its revenue in foreign currencies and is exposed to the risk of currency movements. To mitigate this risk, the company follows a 2 step strategy.

- As the first step, quotation in foreign currencies is restricted to few selected major currencies. Quotation in any other currency is highly controlled.
- The second leg of this strategy is to hedge the foreign earnings after subtracting the local expenses.

**3.2 Larger Order to Cash cycle and Liquidity Risk**

Our customer being large Banks and Financial Institutions, the credit worthiness is in comfort even though the cycle is long. The percentage of bad debts is also minimal. Since the Products business has a long order to cash cycle, the company has identified Liquidity Risk as an area to monitor. The Finance organization headed by the CFO monitors the liquidity position consisting of cash and near cash instruments on a continuous basis.

**4. Legal & Compliance Risks**

**4.1 Subsidiary Compliance Reporting**

A well structured framework has been instituted in UnMail, the Company's Enterprise Social Network for Subsidiary Compliance Reporting. The respective Operations Directors ensure uploading of the Compliance reports (suitably customized for each Subsidiary) on a quarterly basis. This process enhances the control and improves statutory compliance in each jurisdiction.

**4.2 Intellectual Property Protection Risk**

Difficulties in protecting IP in some countries that are pivotal for generating revenues are mitigated by registration of the IP in countries that have safe IP protection laws.

**4.3 Internal Financial Control (IFC)**

The company has to comply with additional controls enforced by Section 134 of the Companies Act 2013. This is to report on the Internal Financial Control in the Directors Report and also by the Statutory Auditors. To comply with this, the company appointed a reputed Chartered Accountant firm to assess the existing control environment and ensure that the requirements are complied.

**4.4 Contractual Compliance**

Product development companies are exposed to legal risk arising from Infringement of IP right and Non performance of contractual obligation. The company has established a strong process to review and appraise all contracts.

As a policy it restricts its obligation under each contract. The company has adequate Insurance to mitigate against risk of Errors and Omissions, Commercial General Liability.

## 5. Risks emanating from Data Privacy & Regulations

### 5.1 Data Protection & Privacy

New Regulations such as GDPR are evolving and may have impact that we cannot foresee today. Courts of different countries may interpret these laws differently. These may pose new type of risks for our business.

Countries such as US & India are in the process of developing regulations like GDPR. Full impact will be known in the coming years.

### Risk Mitigation through Insurance

The company has appointed a Global leader for Risk & Insurance advisory to advice on the risk and insurance coverage. The following Insurance coverage is taken to mitigate risks.

1. Errors & Omissions Insurance – To safeguard against any loss arising of an error, negligent act or omission which would result in failure in performing the professional services or duties for others.
2. Cyber Liability Insurance - To safeguard against any loss arising out of a security breach and or privacy breach that would result in sensitive or unauthorized data or information being lost or compromised.
3. Crime Insurance - To safeguard against any direct financial loss of property, money or securities arising out of the fraudulent activities committed by the employee or in collusion with others.
4. Directors & Officers Liability Insurance - To safeguard against any loss arising out of a wrongful act made by the Directors, Officers and Employees of the organization with reference to the company's business operations and activities.
5. Commercial General Liability Insurance - To safeguard against Third Party bodily injury or property damage arising out of our business operations.
6. Standard Fire & Special Perils Insurance - To protect the company's Assets (movable & immovable Assets) from the risk of Fire or Perils.

### 21) Corporate Social Responsibility

Company has formed Corporate Social Responsibility Committee on October 15th, 2014 and following are the members to the Committee :-

- a) Mr. Anil Kumar Verma – Chairman of the Committee
- b) Ms. Aruna Rao – Member of the Committee
- c) Mr. Arun Jain – Member of the Committee
- d) Mr. V. Balaraman – Member of the Committee

The Company is not required to contribute towards Corporate Social Responsibility (CSR), as the average profits of the previous three financial years is negative. However the Company as a responsible corporate citizen has emerged itself to make contributions in the area of education, to Ullas Trust. The Company for making upto 2% of license revenue as contribution to Ullas Trust, had sought the approval of the shareholders in its AGM held on 21st July 2016 and the same was approved by the shareholders. The details of the policy

developed and implemented by the Company is given as a part of annual report on CSR as Annexure 8

### 22) Secretarial Standards

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

### 23) Disclosure as required under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee ("ICC") has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of the complaints received and disposed off during the financial year 2018-19:

- a) No. of complaints filed during the year : 3
- b) No. of complaints disposed during the year: 3
- c) No. of complaints pending as on end of the financial year: NIL

### 24) Listing Fees

The Company confirms that it has paid the annual listing fees for the year 2019-20 to both National Stock Exchange of India Limited and BSE Limited.

### 25) Certifications

Your Directors would like to appreciate the achievements of the Quality Department, which enabled your company to get certified at CMMI level 5 BY CMMI Institute USA for its Global Consumer Banking (iGCB) business. Your directors would also like to appreciate the achievements of Cards Business team and Corporate Security Group for PCI - DSS certification and the achievements of ISEEC business team and Corporate Security Group for SOC 2 certification for Insurance products.

### 26) Acknowledgment

Your Directors take this opportunity to express the gratitude to all investors, clients, vendors, bankers, Regulatory and Government authorities, Stock Exchanges and business associates for their cooperation, encouragement and continued support extended to the Company. Your Directors also wish to place on record their appreciation to the Associates for their continuing support and unstinting efforts in ensuring an excellent all round operational performance at all levels.

By Order of the Board  
For Intellect Design Arena Limited

Place: Chennai  
Date : May 02, 2019

**Arun Jain**  
Chairman and Managing Director  
DIN: 00580919

## Annexure 1

## Form AOC - 1

Statement (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries as on 31st Mar 2019

## PART "A" : Subsidiaries

In Rs Lakhs

Sl No	Name of the Subsidiary	Reporting Period	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary	Turnover	Profit before Tax	Provision for Tax	Other Comprehensive Income	Profit after Tax - YTD-Mar 19	Proposed Dividend	% of Holding
1	Intellect Design Arena Pte Ltd.,Singapore (+)	April-March	SGD	51.04	2,355.42	3,117.25	10,154.23	4,681.56	-	12,837.21	1,182.95	69.43	105.42	1,218.94	Nil	100.00%
2	Intellect Design Arena Limited., United Kingdom (+)	April-March	GBP	90.53	617.50	8,749.14	28,223.57	18,856.93	-	49,841.77	83.38	(210.97)	(179.40)	114.95	Nil	100.00%
3	Intellect Design Arena SA,Switzerland (+)	April-March	CHF	69.43	112.76	4,104.23	4,490.04	273.06	-	1,461.28	503.90	89.64	39.56	453.82	Nil	100.00%
4	Intellect Design Arena,PT Indonesia**	April-March	IDR	0.0049	145.10	(329.12)	917.03	1,101.04	-	399.22	(86.92)	(0.66)	3.28	(82.98)	Nil	100.00%
5	FT Grid Pte Ltd, Singapore**	April-March	SGD	51.04	0.04	(1.48)	0.05	1.49	-	-	-	-	-	-	Nil	100.00%
6	Intellect Design Arena Ltda. Chile*	January - December	CLP	0.10	5.02	(1,325.71)	1,239.64	2,560.33	-	1,689.21	(542.63)	-	145.15	(397.47)	Nil	100.00%
7	Intellect Design Arena Inc.,US**	April-March	USD	69.16	4,187.31	(10,035.86)	9,541.10	15,389.66	-	14,313.32	(3,413.92)	55.25	(316.50)	(3,785.66)	Nil	100.00%
8	Intellect Commerce Ltd,India (Formerly Known as Polaris Enterprise Solutions Ltd) (+)	April-March	INR	1.00	900.00	(668.30)	793.81	562.11	-	682.00	(88.31)	-	0.32	(87.98)	Nil	100.00%
9	Intellect Design Arena Co. Ltd,Vietnam (+)	April-March	VND	0.0030	22.50	(126.57)	2,920.16	3,024.22	-	704.97	(79.51)	(0.76)	(116.33)	(195.09)	Nil	100.00%
10	SFL Properties Private Ltd,India (+)	April-March	INR	1.00	156.00	475.75	635.34	3.59	-	-	(2.33)	-	-	(2.33)	Nil	100.00%
11	Intellect Design Arena FZ LLC,Dubai (+)	April-March	AED	18.83	203.70	5,142.83	10,958.12	5,611.59	-	13,653.78	381.35	-	297.42	678.77	Nil	100.00%
12	Intellect Design Arena Philippines, INC **	January - December	PHP	1.32	276.07	(1,557.01)	1,600.77	2,881.72	-	1,061.71	(421.85)	226.44	(35.73)	(684.01)	Nil	100.00%
13	Sonali Polaris FT Ltd,Bangladesh (+)	April-March	BDT	0.84	468.15	1,425.88	3,137.66	1,243.62	-	1,305.09	(17.30)	-	114.44	97.15	Nil	51.00%
14	SEEC Asia Technologies Private Limited,India***	April-March	INR	1.00	349.90	1,884.18	2,636.60	402.52	-	838.53	157.79	47.89	-	109.90	Nil	100.00%
15	Intellect Design Arena Inc., Canada*	April-March	CAD	51.54	572.79	(2,360.28)	8,122.12	9,909.61	-	12,007.17	837.55	-	(151.44)	686.11	Nil	100.00%
16	Intellect Design Arena,SDN BHD, Malaysia**	April-March	MYR	16.94	77.11	299.83	1,883.10	1,506.17	-	2,141.42	388.99	99.07	30.54	320.46	Nil	100.00%
17	Intellect Payments Limited, India (+)	April-March	INR	1.00	255.00	12.47	635.72	368.25	-	439.03	17.01	3.66	-	13.34	Nil	100.00%
18	Intellect India Limited, India (+)	April-March	INR	1.00	5.00	(5.32)	1.73	2.05	-	-	(1.70)	-	-	(1.70)	Nil	100.00%
19	Intellect Design Arena Pte Ltd, Australia**	April-March	AUD	49.02	50.98	334.20	2,444.14	2,058.96	-	5,063.56	935.33	-	15.62	950.95	Nil	100.00%
20	Intellect Design Arena Ltd, Thailand**	January - December	THB	2.18	459.31	225.86	1,913.41	1,228.24	-	1,955.51	100.92	78.56	(16.08)	6.28	Nil	100.00%
21	Intellect Design Arena, Kenya (+)	April-March	KES	0.69	131.98	(218.98)	214.29	301.29	-	-	(262.89)	(86.07)	6.05	(170.77)	Nil	100.00%

## Table No. 1.4

## Notes:

- Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31st Mar, 2019
- \* Subsidiaries of Intellect Design Arena Limited, UK
- \*\* Subsidiaries of Intellect Design Arena Pte Ltd, Singapore
- \*\*\* Subsidiaries of Intellect Design Arena Inc, USA
- Investment includes investments made in step down subsidiaries
- Information provided above is based on the IND AS of the Subsidiaries for the financial year ended 30th Sep, 2017
- {+} Direct Subsidiaries of Intellect Design Arena Ltd
- Names of subsidiaries which have been liquidated or sold during the year
- During the FY18-19, Lasersoft & Indigo Tx (Direct Subsidiaries of Intellect Design Arena Ltd) got merged with Parent company (Refer Note 3A in Standalone Financial Statements).

## Part "B": Associates and Joint Ventures

## Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

In Rs. lakhs

S. No.	Name of Associates / Joint Ventures	Adrenalin eSystems Limited	NMSWorks Software Private Limited	Intellect Polaris Design, LLC
1.	Latest audited Balance Sheet Date	March 31st,2019	March 31st,2019	March 31st, 2019
2.	Shares of Associates / Joint Ventures held by the company on the year end			
	Number of shares	29,485,502	11,04,870	45
	Amount of Investment in Associates/Joint Venture	1789.27	2106.26	1349.35
	Extent of Holding %	44.54%	42.74%	45%
3.	Description of how there is significant influence	The Company has the control in excess of 20% of total share capital of Adrenalin eSystems Limited as per Section 2(6) of the Companies Act, 2013 and comes under the definition of Associate Company	The Company has the control in excess of 20% of total share capital of NMSWorks Software Private Limited as per Section 2(6) of the Companies Act, 2013 and comes under the definition of Associate Company	The Company has the control in excess of 20% of total share capital of Intellect Polaris Design, LLC as per Section 2(6) of the Companies Act, 2013 and comes under the definition of Associate Company
4.	Reason why the associate / joint venture is not consolidated	Holds less than 51% of Share Capital, Hence no Control.	Holds less than 51% of Share Capital, Hence no Control.	Holds less than 51% of Share Capital, Hence no Control *
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	40,17.22	49,27.97	26,98.70
6.	Profit/ Loss for the year	564.93	211.20	(57.41)
i.	Considered in Consolidation	251.62	73.65	(28.71)
ii.	Not Considered in Consolidation	313.31	137.55	(28.71)

Table No. 1.5

\* In case of Intellect Polaris Design, LLC your Company is doing Proportionate Consolidation

- Names of associates or joint ventures which are yet to commence operations - Nil
- Names of associates or joint ventures which have been liquidated or sold during the year - Nil

For and on behalf of the Board of Directors of  
Intellect Design Arena Limited

**Arun Jain**  
Chairman & Managing Director  
DIN:00580919

**Arun Shekhar Aran**  
Director  
DIN:00015335

**Venkateswarlu Saranu**  
Chief Financial Officer

**V.V.Naresh**  
Company Secretary &  
Compliance Officer

Place: Chennai  
Date : May 02, 2019

**ANNEXURE 2****Employee Stock Option Plans**

Your Company currently administers [6] stock option programs, viz., ASOP 2003, ASOP 2004, ASOP 2011 which were inherited from the Demerged Company, ISOP 2015 which was approved by the members in the meeting held on 29th January 2015, ISOP 2016 which was approved by the members in the meeting held on 21st July, 2016 and Intellect Incentive scheme 2018 which was approved by the members in the meeting held on 23<sup>rd</sup> August, 2018. However, as on 31<sup>st</sup> March 2019 the company has not granted any options out of the Intellect incentive scheme 2018. Summary information of these various stock option programs of the Company is provided under Notes to Accounts under Standalone Financial Statements of this Annual Report.

All the ESOP schemes are available on the website of the Company. Web link for the same is <http://www.intellectdesign.com/investor/corporate-governance.asp>

The Company has recorded compensation cost for all grants using the intrinsic value- based method of accounting, in line with prescribed SEBI guidelines.

**ANNEXURE 3****Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow**

[Clause (m) of sub-section (3) of Section 134 of the Act, r/w Rule 8 of the Companies (Accounts) Rules, 2014]

**Conservation of energy:**

The steps taken / impact on conservation of energy:

- We are continuing to optimize usage of chiller / split / package AC set point to maintain condition space temperature @ 24 degree centigrade
- We switch off the lights through Manual Control Board thus conserving energy.
- Have initiated Implementation of replacement of LED lights Floor Wise – initial progress made to reduce lighting power consumption (4th,5th ,6th passage area and Rest rooms in all floors Lights changed into LED )
- Auto shutting down of systems to reduce UPS power consumption
- Installation of more Solar street lights in Next level campus Two wheeler parking area
- Effective Savings achieved in Group captive power.
- In FY 2018 -19 HSD Consumption got reduced substantially
- Capital investment on energy conservation equipment;
- Purchase of LED lighting to reduce power consumption @ NxT Lvl
- All motors in HVAC system run through VFD only to reduce power consumption

Based on our relationship with OGPL we have further negotiated to Rs.6/unit. The total saving from 2016 onwards is Rs 36.18 Lakhs.

**Technology Innovation/ Technology Absorption**

As part of keeping a watch on the emerging trends in the market and to accelerate innovation within Intellect, we are involved in ideating and building newer solutions to suit changing business needs and market demands. Following are the emerging areas where we have invested significant time and efforts in creating proof of concepts and solutions.

1. Chat BOTS
2. Computer Vision

**Chat BOTS & Computer Vision:**

This framework helps to enable banking services through a Chabot using text, voice and vision mode through multiple channels via Web/Mobile/Alexa/Google Home. The services is enhanced with vision in an effort to help the machine see and understand various documents. Extract data from identity documents and initiate business processing.

**IT Infrastructure****New and major upgrades**

1. IT Infrastructure is designed and implemented at new offices at Thane, Pune, SriLanka, Thailand, London. The migrations are executed seamlessly.
2. Mail Systems are Migrated to Cloud for easy access from anywhere and Advanced Features - Collaborations, Voice and Video, helps Organization to deliver better productivity.
3. Enhanced Information Security across Internet Gateways: Advance Threat Protection (ATP) with Sandbox, to arrest Malware and Botnet, are implemented at all Intellect Gateways.
4. Implemented of AI based VC, Fully Wireless, Cloud PBX System & AI Based Technologies. Adapted latest technology with lower cost.

**IT Operations**

1. The network and location availability is 100% during FY 2018-19. The traffic are regularly monitored and managed for better performance.
2. Zero reported Incident on recent Ransomware attacks: Major attacks in the past year such as Wannacry, Petya, Badrabbbit and Meltdown hit many organizations, threatening secure access. However, immediate actions on deploying the patches in all layers led to zero incidents at Intellect.
3. Implemented Robust Architecture for Critical Applications like SVN with DR Enabled, Optimization of Databases, Server Instances, Inclusion of New Services (Contract Management, Bitbucket, Nexus & Chat Bot)

**Cost measures on IT Infrastructure**

Cost has been controlled and maintained at efficient level through better negotiation and adaptation of right Technology, in spite of increased Head count and Office Locations.

**MIS**

1. The data interfaces used to pull the required data from various data sources from internal systems are enhanced and fine tuned so that the data flow is smoother for creating the project dashboards.
2. Intellect had successfully automated the Travel Ticketing Request processing using Unmail interface with Intellect QCBS-EGL. Intellect teams worked together (Travel, Finance, Unmail, QCBS and MIS IT team) to implement Travel request of various types and completed in short time.
3. Incorporated delegation functionality in Project related forms and new invoice type for milestone license in Invoice Request forms.

**(C) Foreign exchange earnings and Outgo :-**

	Rs. In lakhs	
Particulars	2018-19	2017-18
Foreign exchange earnings	77,106.23	47,009.25

**Table No. 1.6**

	Rs. In lakhs	
Particulars	2018-19	2017-18
Foreign exchange outgo	18,166.85	12,982.68

**Table No.1.7**

By Order of the Board  
For Intellect Design Arena Limited

Place: Chennai  
Date : May 02, 2019

**Arun Jain**  
Chairman and Managing Director

DIN: 00580919



## ANNEXURE 4

## Details of ratio of remuneration to Directors &amp; KMP

[Section 197(12), r/w Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014]

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<b>Name of the Director</b>	<b>Ratio to the Median</b>
	Anil Kumar Verma, Executive Director	24.21
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<b>Name of the Director</b>	<b>% increase</b>
	Mr. Arun Jain, Managing Director	NIL
	Mr. Anil Kumar Verma	NIL
	Mr. S Swaminathan, Chief Financial Officer*	8%
	Mr. Venkateswarlu Saranu, Chief Financial Officer**	NIL
Mr. V V Naresh, Company Secretary and Compliance Officer	7.05%	
(iii) the percentage increase in the median remuneration of employees in the financial year;	11.79%	
(iv) the number of permanent employees on the rolls of company;	4,665 (including 2 whole time directors)	
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average Increase – 9.61% Key Managerial Personnel : Company Secretary – 7.05% Chief Financial Officer ( S.Swaminathan*) – 8% Chief Financial Officer ( Venkateswarlu Saranu**)- Nil	
(vi) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes, the remuneration is as per the Remuneration Policy of the Company.	

Table No. 1.8

\*Mr. S. Swaminathan retired as Chief Financial Officer of the Company on 30<sup>th</sup> June, 2018

\*\* Mr. Venkateswarlu Saranu has been appointed as a Chief Financial Officer of the Company with effect from July 01, 2018

## ANNEXURE 5

## Details of Related Party Transactions

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

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

(a)	Name(s) of the related party and nature of relationship	-	-
(b)	Nature of contracts/arrangements/transactions	-	-
(c)	Duration of the contracts/arrangements/transactions	-	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-	-
(e)	Justification for entering into such contracts or arrangements or transactions	-	-
(f)	Date(s) of approval by the Board	-	-
(g)	Amount paid as advances, if any:	-	-
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	-	-

Table No. 1.9

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

in Rs.Lakhs

NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP	Intellect Design Arena Pte Ltd, Singapore ('Intellect Singapore')	Intellect Design Arena Limited, United Kingdom ('Intellect UK')	Intellect Design Arena SA, Switzerland ('Intellect Switzerland')	Intellect Design Arena FZ-LLC, Dubai ('Intellect Dubai')	Intellect Commerce Limited, India ('Intellect Commerce')
<b>Nature of contracts / arrangements / transactions</b>	Advance Given Software Development Service Income Software Development Expenses/(recoveries) Reimbursement of Expenses by the company Reimbursement of Expenses to the company	Advances Given Software Development Service Income Software Development Expenses/(recoveries) Reimbursement of Expenses by the company Reimbursement of Expenses to the company	Advances Given Software Development Service Income Software Development Expenses/(recoveries) Reimbursement of Expenses to the company	Advances Given Software Development Service Income Software Development Expenses/(recoveries) Reimbursement of Expenses by the company Reimbursement of Expenses to the company	Advances Given Reimbursement of Expenses by the company Reimbursement of Expenses to the company
<b>Duration of the contracts / arrangements / transactions</b>	The Contract will continue till any party terminate the contract	The Contract will continue till any party terminate the contract	The Contract will continue till any party terminate the contract	The Contract will continue till any party terminate the contract	The Contract will continue till any party terminate the contract
<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019
<b>Date of approval by the Board, if any</b>	02.05.2019	02.05.2019	02.05.2019	02.05.2019	02.05.2019
<b>Amount paid as advances, if any</b>	Advance Given:2.80 Software Development Service Income:8120.73 Software Development Expenses/(recoveries):1449.12 Reimbursement of Expenses by the company:403.42 Reimbursement of Expenses to the company:25.34	Advances Given: 86.13 Software Development Service Income:24361.39 Software Development Expenses/(recoveries):4561.82 Reimbursement of Expenses by the company:1147.67 Reimbursement of Expenses to the company:1089.26	Advances Given:4.17 Software Development Service Income:957.45 Software Development Expenses/(recoveries):99.17 Reimbursement of Expenses to the company:19.50	Advances Given: 4.30 Software Development Service Income:7609.31 Software Development Expenses/(recoveries):1166.42 Reimbursement of Expenses by the company:410.03 Reimbursement of Expenses to the company: 89.93	Advances Given:(3.06) Reimbursement of Expenses by the company:13.14 Reimbursement of Expenses to the company:34.72

<b>NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP</b>	Intellect Design Arena Inc, USA ('Intellect Inc. – SEEC US')	Intellect Design Arena Co. Ltd, Vietnam ('Intellect Vietnam')	Adrenalin eSystems Limited, India ('Adrenalin eSystems')
<b>Nature of contracts / arrangements / transactions</b>	Software Development Service Income Software Development Expenses/(recoveries) Reimbursement of Expenses by the company Reimbursement of Expenses to the company	Software Development Service Income Software Development Expenses/(recoveries) Reimbursement of Expenses by the company Reimbursement of Expenses to the company	Reimbursement of Expenses to the company
<b>Duration of the contracts / arrangements / transactions</b>	The Contract will continue till any party terminate the contract	The Contract will continue till any party terminate the contract	The Contract will continue till any party terminate the contract
<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019
<b>Date of approval by the Board, if any</b>	02.05.2019	02.05.2019	02.05.2019
<b>Amount paid as advances, if any</b>	Software Development Service Income:8330.53 Software Development Expenses/(recoveries): (139.15) Reimbursement of Expenses by the company:3168.23 Reimbursement of Expenses to the company:1519.98	Software Development Service Income:379.04 Software Development Expenses/(recoveries): 965.54 Reimbursement of Expenses by the company: 1.28 Reimbursement of Expenses to the company: 1.11	Reimbursement of Expenses to the company:-497.01

<b>NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP</b>	SFL Properties Private Ltd, India ('SFL Properties')	Intellect Design Arena Philippines Inc.('Intellect Philippines')	Intellect Design Arena, PT Indonesia ('Intellect Indonesia')	Intellect Design Arena Inc.('Intellect Canada')
<b>Nature of contracts / arrangements / transactions</b>	Reimbursement of Expenses to the company	Advances Given Software Development Service Income Software Development Expenses/(recoveries) Reimbursement of Expenses by the company Reimbursement of Expenses to the company	Advances Given Software Development Service Income Software development expenses/(recoveries)	Advances Given Software Development Service Income Software Development Expenses/(recoveries) Reimbursement of Expenses by the company Reimbursement of Expenses to the company
<b>Duration of the contracts / arrangements / transactions</b>	The Contract will continue till any party terminate the contract	The Contract will continue till any party terminate the contract	The Contract will continue till any party terminate the contract	The Contract will continue till any party terminate the contract
<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019
<b>Date of approval by the Board, if any</b>	02.05.2019	02.05.2019	02.05.2019	02.05.2019
<b>Amount paid as advances, if any</b>	Reimbursement of Expenses to the company:0.71	Advances Given:0.23 Software Development Service Income:428.69 Software Development Expenses/(recoveries):64.73 Reimbursement of Expenses by the company:53.06 Reimbursement of Expenses to the company:38.80	Advances Given:(3.42) Software Development Service Income:368.22 Software development expenses/(recoveries):13.45	Advances Given:18.02 Software Development Service Income:7006.33 Software Development Expenses/(recoveries):1409.16 Reimbursement of Expenses by the company:201.63 Reimbursement of Expenses to the company:28.40

<b>NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP</b>	Intellect Design Arena Limited.('Intellect Thailand')	Intellect Design Arena,SDN BHD.('Intellect Malaysia')	Intellect Design Arena Pty Ltd.('Intellect Australia')	Intellect Payments Limited ('Intellect Payments')	Intellect India Limited ('Intellect India')
<b>Nature of contracts / arrangements / transactions</b>	Advances Given Software Development Service Income Software Development Expenses/(recoveries) Reimbursement of Expenses to the company	Advances Given Software Development Service Income Software Development Expenses/(recoveries) Reimbursement of Expenses by the company	Advances Given Software Development Service Income Software Development Expenses/(recoveries) Reimbursement of Expenses by the company Reimbursement of expenses to the Company	Software Development Expenses/(recoveries) Reimbursement of expenses by the company: Reimbursement of Expenses to the company	Reimbursement of Expenses by the company
<b>Duration of the contracts / arrangements / transactions</b>	The Contract will continue till any party terminate the contract	The Contract will continue till any party terminate the contract	The Contract will continue till any party terminate the contract	The Contract will continue till any party terminate the contract	The Contract will continue till any party terminate the contract
<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019
<b>Date of approval by the Board, if any</b>	02.05.2019	02.05.2019	02.05.2019	02.05.2019	02.05.2019
<b>Amount paid as advances, if any</b>	Advances Given:6.33 Software Development Service Income:891.48 Software Development Expenses/(recoveries):26.46 Reimbursement of Expenses to the company:26.86	Advances Given:(3.74) Software Development Service Income:1512.06 Software Development Expenses/(recoveries):171.21 Reimbursement of Expenses by the company:35.10	Advances Given:1.20 Software Development Service Income:2715.09 Software Development Expenses/(recoveries):419.46 Reimbursement of Expenses by the company:75.84 Reimbursement of expenses to the company:121.26	Software Development Expenses/(recoveries):439.03 Reimbursement of expenses by the company:312.82 Reimbursement of Expenses to the company 199.62	Reimbursement of Expenses by the company:0.7

<b>NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP</b>	Intellect Design Arena Limited ('Intellect Kenya')	Polaris Banyan Holding Private Limited	Maveric Systems Limited
<b>Nature of contracts / arrangements / transactions</b>	Advance given	Interest on Loan Rental expenses Security Deposits for Rental premises Repayment of borrowing	Software Development Expenses
<b>Duration of the contracts / arrangements / transactions</b>	The Contract will continue till any party terminate the contract	The Contract will continue till any party terminate the contract	The Contract will continue till any party terminate the contract
<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019	The transactions entered into are in the usual course of business and at arm's length basis. The board took note of the same in the meeting of the directors held on 02.05.2019
<b>Date of approval by the Board, if any</b>	02.05.2019	02.05.2019	02.05.2019
<b>Amount paid as advances, if any</b>	Advance given:139.08	Interest on Loan:40.76 Rental expenses:8.82 Security Deposits for Rental premises:29.40 Repayment of borrowing:3819.78	Software Development Expenses:72.81

## ANNEXURE 6

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

To,  
The Members,  
**Intellect Design Arena Limited**  
No. 244, Anna Salai,  
Chennai – 600006.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Intellect Design Arena 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, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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 31<sup>st</sup> March 2019 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 31<sup>st</sup> March 2019 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment;
- (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) 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) SEBI (Share Based Employee Benefits) Regulations, 2014.
  - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - 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;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange;

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

- (A) Under SEBI (Prohibition of Insider Trading) Regulations, 2015:

*There have been five instances of violations of the Company's code of conduct to regulate, monitor and reporting trading by certain designated persons and the Company is in the process of taking action against the said employees.*

- (B) Under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017:

*The Company has granted stock options to Non-residents during the period of audit on 5 instances and the Company is in the process of filing form ESOP.*

1. As represented by the Company, we further report that, there are no industry specific laws which are applicable to the Company.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review Ms Vijaya Sampath was appointed as Additional Director designated as Independent Director and Mr. Andrew England was appointed as Additional Director designated as Non-executive Director on the Board of the Company.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent / tabled at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

Based on the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, **We further report that**, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the following were the events or actions having a major bearing on the Company's affairs:

1. The shareholders at their annual general meeting held on 23<sup>rd</sup> August 2018 approved the issue of 52,08,330 equity shares on preferential basis to promoters and non-promoters and the shares were allotted on 6<sup>th</sup> September 2018, and the Company has obtained the necessary listing and trading approvals;
2. The scheme of amalgamation of Laser Soft Infosystems Limited and Indigo TX Software Private Limited ("Transferor Companies") with Intellect Design Arena Limited ("Transferee Company") was approved vide order of Hon'ble National Company Law Tribunal, Chennai dated 30<sup>th</sup> July 2018, which was filed with Registrar of Companies on 31<sup>st</sup> July 2018 ("Effective Date").

Place: Chennai

Date: 2<sup>nd</sup> May 2019

For S.A.E & Associates LLP  
Company Secretaries

**Adit N Bhuva,**  
Partner

ACS: 29660; CP.No. 10999

To,  
The Members,  
**Intellect Design Arena Limited**  
No. 244, Anna Salai,  
Chennai – 600006.

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

1. It is the Management's Responsibility to maintain secretarial records, and to devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility as the Secretarial Auditor is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
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's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai

Date: 2<sup>nd</sup> May 2019

For S.A.E & Associates LLP  
Company Secretaries

**Adit N Bhuva,**  
Partner

ACS: 29660; CP.No. 10999

## Annexure 7

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management &amp; Administration) Rules, 2014.

## I. REGISTRATION &amp; OTHER DETAILS:

1.	CIN	L72900TN2011PLC080183
2.	Registration Date	18.04.2011
3.	Name of the Company	Intellect Design Arena Limited
4.	Category/Sub-category of the Company	Public Limited Company Limited by shares and Non-Government Company
5.	Address of the Registered office & contact details	244, Anna Salai, Chennai-600 006 Phone :- 044 – 3987 4000
6.	Whether listed company	Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Private Ltd Plot no. 31-32, Karvy Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Ph : 040 - 6716 1529

Table No. 1.10

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Software Development and Implementation	62013	100%

Table No. 1.11

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Intellect Design Arena Pte Ltd., Singapore No. 10 UBI Crescent, #04-48 Lobby C UBI Tech Park, Singapore 408564	199701040R	Subsidiary	100%	2 (87)(ii)
2	Intellect Design Arena Limited., United Kingdom Level 21, 25 Canada Square, London, E14 5Lq, United Kingdom	3574904	Subsidiary	100%	2 (87)(ii)
3	Intellect Commerce Limited No. 244, Anna Salai, Chennai – 600 006	U30006TN1998PLC041456	Subsidiary	100%	2 (87)(ii)
4	Intellect Design Arena Co. Ltd, Vietnam M Level, HSC Tower, 162B Dien Bien Phu Street, Ward 6, District 3, HCMC	411043001297	Subsidiary	100%	2 (87)(ii)
5	SFL Properties Private Ltd No. 244, Anna Salai, Chennai – 600 006	U70101TN2006PTC059938	Subsidiary	100%	2 (87)(ii)
6	Intellect Design Arena FZ LLC, Dubai Building No. 14, Office 118-120, Dubai Internet City, Dubai, UAE	20228	Subsidiary	100%	2 (87)(ii)
7	Intellect Design Arena Philippines, INC * LKG Tower, 37th Floor, 6801 Ayala Avenue, Makati City 1226, Philippines	CS201110259	Subsidiary	100%	2 (87)(ii)

8	Sonali Intellect Ltd, Bangladesh 35, Kemal Ataturk Avenue, 7th Floor, Abedin Tower, Banani C/A Dhaka – 1213, Bangladesh		Subsidiary	51%	2 (87)(ii)
9	Intellect Design Arena SA, Switzerland Avenue de la Gare 49, Case Postale, 2067, CH 2001, Neuchatel, Switzerland	CH-645-1009822-6 & (IDE/UID). CHE 105.625.426	Subsidiary	100%	2 (87)(ii)
10	PT Intellect Design Arena, Indonesia* Menara BCA 50th Fl, Jl MH. Thamrin No.1, Jakarta 10310 Indonesia	09.05.1.62.85075	Subsidiary	100%	2 (87)(ii)
11	FT Grid Pte Ltd, Singapore* 10 UBI Crescent, #04-48 UBI Tech Park, Singapore 408564	201110574K	Subsidiary	100%	2 (87)(ii)
12	Intellect Design Arena Ltda, Chile ** Calle Monsenor Sotero SanZ N° 161, Piso 8, Providencia, Santiago, Chile	76.639.860-k	Subsidiary	100%	2 (87)(ii)
13	Intellect Design Arena Inc., USA* 20 Corporate Place South, Piscataway, New Jersey 08854	55-0686906	Subsidiary	100%	2 (87)(ii)
14	NMSWorks Software Private Limited C3,6TH FLOOR, IIT MADRAS RESEARCH PARK TARAMANI CHENNAI TN 600113	U64202TN2001PTC046928	Associate	42.74%	2 (6)
15	Adrenalin eSystems Limited NO.244, CAREX CENTRE, ANNA SALAI, CHENNAI-6.	U72200TN2002PLC048860	Associate	44.54%	2(6)
16	Intellect Payments Limited No. 244, Anna Salai, Chennai – 600 006	U72900TN2015PLC102491	Subsidiary	100%	2 (87)(ii)
17	Intellect India Limited No. 244, Anna Salai, Chennai – 600 006	U72300TN2016PLC103532	Subsidiary	100%	2 (87) (ii)
18	SEEC Technologies Asia Private Limited *** Plot No.6, APIIC Software Units Layout Hi-Tec City, Madhapur Hyderabad Kurnool TG 500081	U72200TG1998PTC029093	Subsidiary	100%	2 (87) (ii)
19	Intellect Design Arena SDN BHD Malaysia* Suite 1007, 10th Floor, Wisma Lim Foo Yong, No. 86, Jalan Raja Chulan, 50200 Kuala Lumpur.	1152795 W	Subsidiary	100%	2 (87)(ii)
20	Intellect Design Arena Inc, Canada** Suite 400, 181 University Avenue, Toronto, ON M5H 3M7	920513-6	Subsidiary	100%	2 (87)(ii)
21	Intellect Design Arena Limited, Thailand* 100/42, Sathorn Nakorn Tower, 23 <sup>rd</sup> Floor, North Sathorn Road, Bangkok 10500, Thailand	0105555108078	Subsidiary	100%	2 (87)(ii)
22	Intellect Design Arena PtyLtd. – Australia* Level 25, Tower 3, 300 Barangaroo Avenue, Barangaroo NSW 2000 (Sydney)	608 978 043	Subsidiary	100%	2 (87)(ii)
23	Intellect Polaris Design LLC No.20, Corporate Place - South, Piscataway, New Jersey, 08854, USA		Associate	45%	2 (6)
24	Intellect Design Arena Limited, Kenya #1, 10th Floor, Tower 3, 'The Mirage' Waiyaki Way, Westlands Nairobi, Kenya	PVT/2016/011057	Subsidiary	100%	2 (87) (ii)

Table No. 1.12

\* Subsidiaries of Singapore

\*\* Subsidiaries of UK

\*\*\* Subsidiaries of Intellect US



## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## I) Category-wise Share Holding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>									
<b>(1)</b>	<b>INDIAN</b>									
(a)	Individual /HUF	7204484	0	7204484	5.74	9665429	0	9665429	7.33	1.60
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	31761000	0	31761000	25.30	31861000	0	31861000	24.18	-1.12
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total A(1) :</b>	<b>38965484</b>	<b>0</b>	<b>38965484</b>	<b>31.04</b>	<b>41526429</b>	<b>0</b>	<b>41526429</b>	<b>31.51</b>	<b>0.47</b>
<b>(2)</b>	<b>FOREIGN</b>									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0	0
(b)	Others - Individuals									
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0	0
(d)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0	0
(e)	Others (specify)	0	0	0	0.00	0	0	0	0	0
	<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total A=A(1)+A(2)</b>	<b>38965484</b>	<b>0</b>	<b>38965484</b>	<b>31.04</b>	<b>41526429</b>	<b>0</b>	<b>41526429</b>	<b>31.51</b>	<b>0.47</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>(1)</b>	<b>INSTITUTIONS</b>									
(a)	Mutual Funds	10388766	0	10388766	8.28	10564631	0	10564631	8.02	-0.26
(b)	Financial Institutions /Banks	445912	0	445912	0.36	937773	0	937773	0.71	0.36
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	19661999	150	19662149	15.66	20218135	150	20218285	15.34	-0.32
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(1) :</b>	<b>30496677</b>	<b>150</b>	<b>30496827</b>	<b>24.29</b>	<b>31720539</b>	<b>150</b>	<b>31720689</b>	<b>24.07</b>	<b>-0.22</b>
<b>(2)</b>	<b>NON-INSTITUTIONS</b>									
(a)	Bodies Corporate	5191610	584	5192194	4.14	5345793	584	5346377	4.06	-0.08
(b)	Individuals									
(i)	Individuals holding nominal share capital upto Rs.1 lakh	24703649	176313	24879962	19.82	23495916	153955	23649871	17.95	-1.87
(ii)	Individuals holding nominal share capital in excess of Rs.1 lakh	22588652	0	22588652	17.99	25880612	0	25880612	19.64	1.65
(c)	Others (specify)									
	CLEARING MEMBERS	217012	0	217012	0.17	251476	0	251476	0.19	0.02
	NBFC	62907	0	62907	0.05	39038	0	39038	0.03	-0.02
	NON RESIDENT INDIANS	1019496	4850	1024346	0.82	1171580	3800	1175380	0.89	0.08
	NRI Non Repatriable	731911	0	731911	0.58	854498	0	854498	0.65	0.07
	OVERSEAS CORPORATE BODIES	250	50	300	0.00	250	50	300	0.00	0.00
	TRUSTS	86048	0	86048	0.07	48048	0	48048	0.04	-0.03
	TRUSTS	1258273	25168	1283441	1.02	1256829	25168	1281997	0.97	-0.05
	<b>Sub-Total B(2) :</b>	<b>55859808</b>	<b>206965</b>	<b>56066773</b>	<b>44.66</b>	<b>58344040</b>	<b>183557</b>	<b>58527597</b>	<b>44.41</b>	<b>-0.25</b>
	<b>Total B=B(1)+B(2) :</b>	<b>86356485</b>	<b>207115</b>	<b>86563600</b>	<b>68.96</b>	<b>90064579</b>	<b>183707</b>	<b>90248286</b>	<b>68.49</b>	<b>-0.47</b>
<b>(C)</b>	<b>Shares held by custodians of GDRs and ADRs</b>									
		0	0	0	0	0	0	0	0	0
	<b>GRAND TOTAL (A+B+C) :</b>	<b>125321969</b>	<b>207115</b>	<b>125529084</b>	<b>100.00</b>	<b>131591008</b>	<b>183707</b>	<b>131774715</b>	<b>100.00</b>	

Table No. 1.13

## II). Shareholding of Promoter-

Sl.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	POLARIS BANYAN HOLDING PRIVATE LIMITED	3,17,61,000	25.03	0	3,18,61,000	24.18	0	-0.85
2	ARUN JAIN	61,89,126	4.93	0	75,56,321	5.73	0	0.80
3	ARUN JAIN (HUF)	10,15,358	0.81	0	21,09,108	1.60	0	0.79

Table No. 1.14

## III) Change in Promoters' Shareholding (please specify, if there is no change) (details of persons who are promoters at the end of the financial year 31st March 2019)

Sr. No.	Particulars	Shareholding at the beginning of the year (April 01, 2018)		Date	Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of Shares	% total shares of the Company	No. of shares	% of total shares of the company
	At the beginning of the year (April 01, 2018)	3,89,65,484	31.04					4,15,26,429	31.51
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):								
1	POLARIS BANYAN HOLDING PRIVATE LIMITED	3,17,61,000	25.30	15.06.2018	Purchase	1,00,000		3,18,61,000	24.18
2	Arun Jain	61,89,126	4.93	28.09.2018	Purchase	13,67,195		75,56,321	5.73
3	Arun Jain(HUF)	10,15,358	0.81	28.09.2018	Purchase	10,93,750		21,09,108	1.60
	At the End of the year (March 31, 2019)	4,15,26,429	31.51						

Table No. 1.15

## IV) Shareholding Pattern of top ten Shareholders as on 31.03.2018: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Name of the Share Holder	No. of shares at the beginning (01-04-18 / end of the year (31-03-19)	% of total shares of the Company	Date	Increase / Decrease in Shareholding	Reasons	Cumulative shareholding during the year	
							No. of shares	% of total shares of the Company
1	Reliance Capital Trustee Co Ltd A/C- Reliance REGUL	87,02,281	6.93	01/04/2018				
				22/06/2018	-27343	Sale	8674938	6.89
				29/06/2018	-19447	Sale	8655491	6.88
				10/08/2018	-120245	Sale	8535246	6.78
				31/08/2018	-32093	Sale	8503153	6.75
				02/11/2018	-200000	Sale	8303153	6.32
				09/11/2018	-6450	Sale	8296703	6.31
				08/02/2019	150639	Purchase	8447342	6.42
				01/03/2019	263224	Purchase	8710566	6.62
				08/03/2019	21910	Purchase	8732476	6.64
				22/03/2019	87578	Purchase	8820054	6.69
				29/03/2019	92700	Purchase	8912754	6.76
		8912754	6.76	31/03/2019	-	-	-	6.76

Sl. No	Name of the Share Holder	No. of shares at the beginning (01-04-18 / end of the year (31-03-19)	% of total shares of the Company	Date	Increase / Decrease in Shareholding	Reasons	Cumulative shareholding during the year	
							No. of shares	% of total shares of the Company
2	GHI LTP LTD	3734820	2.98	01/04/2018				
				26/10/2018	-3734820	Sale	0	0
		0	0	31/03/2019				0.45
3	Gothic Corporatio	0	0	01/04/2018				
				26/10/2018	3734820	Purchase	3734820	2.84
		3734820	2.83	31/03/2019				
4	Atyant Capital India Fund I	3104675	2.47	01/04/2018				
		3104675	2.36	31/03/2019				
5	Yogesh Andlay	2554847	2.04	01/04/2018				
				14/09/2018	1200	Purchase	2556047	1.95
		2556047	1.94	31/03/2019				
6	India Acorn Fund Ltd	2128298	1.70	01/04/2018				
				08/06/2018	-196132	Sale	1932166	1.54
				02/11/2018	-300000	Sale	1632166	1.24
				15/02/2019	-20000	Sale	1612166	1.23
7	Mukul Mahavirprasad Agarwal	1612166	1.22	31/03/2019				1.70
		2000000	1.59	01/04/2018				
				15/03/2019	10,00,000	Purchase	21,00,000	1.60
8	AL MEHWAR COMMERCIAL INVESTMENTS LLC - (WHITING)	21,00,000	1.59	31/03/2019				1.59
		0	0	01/04/2018				
				08/06/2018	1081485	Purchase	1081485	0.86
				13/07/2018	-68000	Sale	1013485	0.81
				27/07/2018	-100000	Sale	913485	0.73
				26/10/2018	186500	Purchase	1099985	0.84
				02/11/2018	521651	Purchase	1621636	1.23
				15/02/2019	165000	Purchase	1786636	1.36
9	VANDERBILT UNIVERSITY - ATYANT CAPITAL MANAGEMENT	1786636	1.36	31/03/2019				1.36
		1740961	1.39	01/04/2018				
10	White Oak India Equity Fund	1740961	1.32	31/03/2019				
		1686485	1.34	01/04/2018				1.34
				06/04/2018	139108	Purchase	1825593	1.45
				02/11/2018	-190000	Sale	1635593	1.24
				15/02/2019	-145000	Sale	1490593	1.13
11	Manju Jain	1490593	1.13	31.03.2018				1.13
		16,37,811	1.30	01/04/2018				
				28/09/2018	1927080	Purchase	3564891	2.72
12	GHI JBD LTD	3564891	2.71	31/03/2019				2.71
		1331646	1.06	01/04/2018			-	
				26/10/2018	-1331646	Sale	0	0
		31/03/2019					0	

Table No. 1.16

## V) Shareholding of Directors and Key Managerial Personnel:

Name of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year April 01, 2018		Changes during the year – Purchase / (Sales) (2018-19)		Cumulative Shareholding of the year (2018-19)		Shareholding at the end of the year March 31, 2019	
	No. of Shares	% of total shares of the company	No. of Shares	Date of Change	No. of Shares	% of total Shares of the company	No. of Shares	% of total shares of the company
Mr. V. Balaraman Independent Director	NIL	NIL	20,000	-	20,000	0.02	20,000	0.02
Ms. Aruna Krishnamurthy Rao Independent Director	6,860	0.01	NIL	NIL	6,860	0.01	6,860	0.01
Mr. Arun Shekhar Aran Independent Director	5,82,413	0.47	NIL	NIL	5,82,413	0.44	5,82,413	0.44
Mr. Arun Jain Managing Director	61,89,126	4.95	1367195	28.09.2018	75,56,321	5.73	75,56,321	5.73
Mr. Anil Kumar Verma Executive Director	55,033	0.05	2,400 50,000	18.01.2019 16.11.2018	1,07,433	0.08	1,07,433	0.08
Mr. Andrew Ralph England (Additional Non-Executive Director)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Ms. Vijaya Sampath (Additional Independent Director)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Mr. Venkateswarlu Saranu Chief Financial Officer	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Mr. V.V.Naresh Company Secretary	3,770	0.00	2,250 3,000	25.05.2018 29.06.2018	9020	0.01	9020	0.01

Table No. 1.17

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	In Rs. Lakhs Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	12,116.84	3,819.78	-	15,936.62
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>12,116.84</b>	<b>3,819.78</b>	<b>-</b>	<b>15,936.62</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	11,979.16	-	-	11,979.16
* Reduction	-10,929.58	-3,819.78	-	14,749.36
<b>Net Change</b>	<b>1,049.58</b>	<b>3,819.78</b>	<b>-</b>	<b>-2,770.20</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	13,225.18	-	-	13,225.18
ii) Interest due but not paid	16.13	-	-	16.13
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>13,241.31</b>	<b>-</b>	<b>-</b>	<b>13,241.31</b>

Table No. 1.18

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. In Lacs except share and stock option data)

Sl.No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total
		Arun Jain Chairman and Managing Director*	Anil Kumar Verma Executive Director	
1	Gross salary	--	229.26	229.26
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	--	--	--
2	Stock Option (in number)	--	1,30,000	1,30,000
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify...	--	--	--
5	Others, please specify	--	--	--
	Total (A)	--	229.26	229.26
	Ceiling as per the Act	The remuneration paid to Mr. Anil Kumar Verma is within the ceiling as specified under Schedule V of the Companies Act, 2013.		

Table No. 1.19

\* No Compensation is paid to the Chairman &amp; Managing Director

**B. Remuneration to other directors**

In Rupees

Sl.No.	Particulars of Remuneration	Name of Directors					Total Amount
		Aruna Rao	Arun Shekhar Aran	V Balaraman	Vijaya Sampath	Andrew Ralph England	
1	Independent Directors / Other Non-Executive Directors						
	Fee for attending board committee meetings	-	15,00,000	17,50,000	2,50,000	2,02,000	37,02,000
	Commission	-	-	-	-	-	-
	Others, please specify Consultancy fee *	-	-	-	-	1,70,57,157	1,70,57,157
	<b>Total</b>	-	<b>15,00,000</b>	<b>17,50,000</b>	<b>2,50,000</b>	<b>1,72,59,157</b>	<b>2,07,59,157</b>
	Total Managerial Remuneration	-	15,00,000	17,50,000	2,50,000	1,72,59,157	2,07,59,157
	Overall Ceiling as per the Act**						

Table No. 1.20

\* Consultancy fees paid to Mr. Andrew England for the services provided in the capacity of Consultant for Intellect Design Arena Limited., United Kingdom. Andrew England was appointed as a Non – Executive Director in Intellect Design Arena Limited (Holding Company) on 25th Oct 2018 and the consultancy fees paid is for his services during the said period (Oct 2018 to March 2019)

\*\* Ceiling : It is in accordance with the ceiling as specified under Section 197(1) of the Companies Act, 2013

**C.REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(In Rupees except stock option data)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		S.Swaminathan Chief Financial Officer till 30 <sup>th</sup> June, 2018 *	Venkateswarlu Saranu Chief Financial Officer from 01 <sup>st</sup> July, 2018 **	V.V. Naresh Company Secretary	
1	Gross salary (a+b+c)	89,04,263	77,40,270	36,04,815	2,02,49,398
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	82,28,745	76,74,850	29,54,722	1,88,58,317
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,75,518	65,420	6,50,093	13,91,031
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option (in number)	27,500	50,000	14,150	91,650
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>89,04,263</b>	<b>77,40,270</b>	<b>36,04,815</b>	<b>2,02,49,398</b>

Table No. 1.21

\* Mr. Swaminathan retired as Chief Financial Officer from the closing hours of 30.06.2018

\*\* Mr. Venkateswarlu Saranu was appointed as Chief Financial Officer with effect from 01.07.2018

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Competition Commission of India vide its order dated 07<sup>th</sup> May. 2018 has imposed penalty of Rs.10 lakhs on the Company.

By Order of the Board  
For **Intellect Design Arena Limited**

Place: Chennai  
Date : May 02, 2019

**Arun Jain**  
Chairman and Managing Director  
DIN: 00580919

**Annexure 8**  
**ANNUAL REPORT ON CSR ACTIVITIES**

Particulars	Remarks
Date of Formation of CSR Committee	15/10/2014
Composition of Committee	<b>Chairman:</b> Mr.Anil Kumar Verma, Director <b>Members:</b> Mr.Arun Jain, Managing Director, Ms.Aruna Rao, Director, Mr.V.Balaraman, Director
CSR Activity	The Company is undertaking its CSR activity through Ullas Trust which qualifies as CSR activity under Schedule VII (ii) of the Companies Act, 2013. The CSR Policy is available on the mentioned weblink <a href="https://www.intellectdesign.com/investor/corporate-governance.asp">https://www.intellectdesign.com/investor/corporate-governance.asp</a> Ullas Trust objective is to recognize and promote academic excellence for the lesser privileged

Total amount to be spent for the financial year:

Particulars	Amount (Rs in lakhs)
Avg.net profit of three years	(1266.60)
2% of Avg. net profits -Sec 135	NIL

**Table No. 1.22**

Shareholders in their AGM 2016 have approved contribution upto 2% of License Revenue to Ullas Trust. The Company has voluntary contributed 2% of License Revenue to Ullas trust as given below

Details of CSR spent during the financial year:

Date of payment	Amount (Rs.in lakhs)
26-10-2018	50
13-11-2018	50
14-12-2018	50
02-01-2019	31
18-02-2019	49.73
Total	230.73

Amount unspent – Nil

Manner in which the amount spent during the financial year is detailed below :-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl.No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: (1)Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
1	The Company is undertaking its CSR activity through Ullas Trust* which qualifies as CSR activity under Schedule VII (ii) of the Companies Act, 2013.	Promotion of Education	Ullas Trust	2% of License Revenue for the Financial year 2018-19 as approved by the shareholders in the Annual General Meeting held on July 21, 2016	230.73 Lakhs	230.73 Lakhs	230.73 Lakhs
	<b>TOTAL</b>			<b>421.61 Lakhs</b>	<b>230.73 Lakhs</b>	<b>230.73 Lakhs</b>	<b>230.73 Lakhs</b>

- In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report – Not Applicable
- A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company – Not Applicable

**CSR committee Responsibility statement:**

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company

By Order of the Board  
For Intellect Design Arena Limited

Place: Chennai  
Date : May 02, 2019

**Arun Jain**  
Chairman and Managing Director  
DIN: 00580919

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**INTELLECT DESIGN ARENA LIMITED**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are denominated in INR and expressed in Lakhs, unless otherwise stated)

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**INDEPENDENT AUDITOR'S REPORT**

To the Members of Intellect Design Arena Limited

**Report on the Consolidated Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Consolidated Ind AS financial statements of Intellect Design Arena Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint venture comprising of the Consolidated Balance sheet as at March 31 2019, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 as amended, ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group, its associates and joint venture as at March 31, 2019, their Consolidated profit including other comprehensive income, their Consolidated cash flows and the Consolidated statement of changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the consolidated Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Recognition, measurement, presentation and disclosures of revenues and other related balances in view of first time adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.</p> <p>Refer Notes 3(H) &amp; 3(Z) to the Consolidated financial Statements</p>	<p>We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ol style="list-style-type: none"> <li>Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</li> <li>Tested the relevant information technology systems access, change management controls and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</li> <li>Read the Group's revenue recognition policy and related disclosures as per Ind AS 115.</li> <li>Selected a sample of continuing and new contracts and performed the following procedures:                             <ul style="list-style-type: none"> <li>Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>Compared these performance obligations with that identified and recorded by the Group.</li> <li>Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.</li> <li>In respect of samples relating to fixed bid contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems.</li> <li>We assessed management's determination of whether the nature of the Group's products and services results in recognition of revenue at a point in time or over a period of time.</li> </ul> </li> </ol>
<p><b>Accounting for Licenses and Services Contracts</b></p> <p>We focused on these areas because of its significance to the Groups revenue from operations and its risks related to judgements involved in the measurement, timing and presentation/disclosure of revenue from operations.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ol style="list-style-type: none"> <li>We read the Group's revenue recognition policy and related disclosures. We performed walkthroughs of each significant class of revenue transactions and assessed and tested the design effectiveness and operating effectiveness for key controls.</li> </ol>

Key audit matters	How our audit addressed the key audit matter
<p>Refer Notes 3(H) &amp; 3(Z) to the Consolidated financial Statements</p>	<p>b) For license and services where control is transferred at a point in time, we tested license revenue deals in excess of a certain threshold and a random sample of smaller deals. For each of the sample selected, we performed the following:</p> <ul style="list-style-type: none"> <li>• Read the customer contract and obtained evidence of software delivery.</li> <li>• Read the contracts and assessed potential impact of any unusual clause on revenue recognition. Tested the fair value allocations between the various elements of the contract in accordance with Groups's revenue recognition policy.</li> <li>• We performed cut off procedures by reference to the contract and evidence of delivery.</li> </ul> <p>c) For licenses and services where control is transferred over a period of time, we tested a sample of transactions to test revenue recognised in the year was calculated based on the stage of completion of the contract.</p> <ul style="list-style-type: none"> <li>• We selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations, possible delays in achieving milestones and verified whether those variations have been considered in estimating the remaining efforts to complete the contract. When needed, we also inquired with service project managers to understand the progress, difficulties associated with implementation, if any and likely impact on the future effort estimates.</li> </ul> <p>We performed other substantive, transactional testing, journal entry testing and analytical procedures to validate the recognition of revenues throughout the year.</p>
<p><b>Capitalization and valuation of Intangible Asset and Intangible asset under development</b></p> <p>Intangible Asset and Intangible asset under development are deemed significant to our audit, given the rapid technological developments in the industry, as well as the specific criteria that need to be met for capitalization. This involves management judgment, such as technical feasibility, intention and ability to complete the intangible asset, ability to use or sell the asset, generation of future economic benefits and the ability to measure the costs reliably. In addition, determining whether there is any indication of impairment of the carrying value of assets, requires management judgment and assumptions which are affected by future market or economic developments.</p> <p>Refer Notes 3(K) to the Consolidated financial Statements</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ol style="list-style-type: none"> <li>a) We performed walkthroughs of Intangible assets/Intangible assets under development process and assessed the design effectiveness and operating effectiveness for key controls.</li> <li>b) Read the Group's accounting policies for compliance with Ind AS and on a sample basis tested available documentation to consider whether the criteria for capitalisation were met.</li> <li>c) Performed tests of details on a sample of capitalized costs in the current period and obtained evidence to verify whether the costs qualify for capitalization. We analysed this evidence and evaluated whether it reflects the use of the asset for the Group and the Group's intention to complete the capitalized projects.</li> <li>d) We evaluated the assumptions and methodology used by the Group to test the Intangible asset and Intangible asset and under development for impairment.</li> <li>e) We assessed the adequacy of the disclosures made by the Group in this connection in the accompanying financial statements.</li> </ol>
<p><b>Recoverability of accounts receivables and accrued revenue balances</b></p> <p>We focused on this risk as the balances are material and there are significant judgments involved in assessing recoverability of accounts receivables and accrued revenue balances. This is especially the case as some of these balances could be significant or overdue.</p> <p>There are many factors that need to be considered when concluding that a balance needs to be impaired including default or delinquency in payments, length of the outstanding balances and implementation difficulties</p> <p>Given the complexity, the size and the length of certain implementation projects, there is risk that a provision is not recognized in a timely or sufficient manner.</p> <p>Refer to note 3(R) of the Consolidated financial statements.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ol style="list-style-type: none"> <li>a) We obtained management's analysis on recoverability of accounts receivables and accrued revenue balances for all significant cases. This analysis includes background information of the customer, existing contractual relationships, balance outstanding, delays in collection, and operational issues together with a detailed legal analysis (if any).</li> <li>b) In addition, we evaluated the recoverability of accounts receivable and accrued revenue selected balances (significant and randomly selected) with project managers and with senior management when necessary.</li> <li>c) We Tested the ageing of accounts receivables, accrued revenue balances and circularized confirmations on selected material customer balances and checked subsequent collections from recoverability perspective. We have performed test of alternate nature in case where confirmation has not been responded to by the customer.</li> <li>d) We assessed the adequacy of the disclosures made by the Group in this connection in the accompanying financial statements.</li> </ol>

#### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available after the date of this auditors report.

Our opinion on the Consolidated Ind AS 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 Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available, and in doing so consider whether such other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS financial statements in terms of the requirements of The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and Consolidated statement of changes in equity of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint venture 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture 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.

Those respective Board of Directors of the companies included in the Group and of its associates and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

#### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 ability of the Group and its associates and joint venture 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 Ind AS 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 and its associates and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS 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 and its associates and joint venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Ind AS 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 of which we are the independent auditors. For the other entities included in the Consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS financial statements of which we are the independent auditors 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 Consolidated Ind AS financial statements for the financial year ended March 31, 2019 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.

#### **Other Matter**

We did not audit the financial statements and other financial information, in respect of 19 subsidiaries whose Ind AS financial statements include total assets of Rs 51,448.23 lakhs as at March 31, 2019, and total revenues from operations of Rs 56,877.26 lakhs and net cash (inflows) of Rs (399.48) lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The Consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 296.55 lakhs for the year ended March 31, 2019, as considered in the Consolidated Ind AS financial statements, in respect of two associates and a joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associates, is based solely on the reports of such other auditors.

Our opinion above on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

#### 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, associates and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- a. We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated 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, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement 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 Standards) Rules, 2015, as amended;
- e. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associates incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries and associates incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- 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 and its subsidiary companies, associate companies and joint venture incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- g. In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act. Based on the information provided by the Management, the provisions of section 197 read with Schedule V of the Act are not applicable to the subsidiaries, associates and joint ventures for the year ended March 31, 2019;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries, associates and joint venture, as noted in the 'Other matter' paragraph:
  - i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on its Consolidated financial position of the Group, its associates and joint venture in its Consolidated Ind AS financial statements – Refer Note 34 to the Consolidated Ind AS financial statements;
  - ii. The Group, its associates and joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

#### For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

#### per Bharath N S

Partner

Membership Number: 210934

Place of Signature: Chennai

Date: May 02, 2019

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INTELLECT DESIGN ARENA 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 Intellect Design Arena Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Intellect Design Arena Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, 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.

#### 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, 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 March 31, 2019, 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.

#### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these 5 subsidiary companies, 2 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, associate and jointly controlled companies incorporated in India.

#### For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Bharath N S

Partner

Membership Number: 210934

Place of Signature: Chennai

Date: May 02, 2019

## Consolidated Balance Sheet

In Rs. Lakhs

Particulars	Note	As at March 31,	
		2019	2018
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4(a)	179,96.77	185,43.53
Capital work-in-progress	4(b)	4,29.85	4,29.06
Goodwill	5	36,44.86	34,84.91
Other intangible assets	5	117,67.20	53,70.11
Intangible assets under development	4(b)	223,35.44	191,96.52
Investment in Joint ventures and Associates	46, 47	52,44.88	47,15.74
Financial assets			
- Investments	6(a)	0.45	1,48.10
- Loans and deposits	6(b)	11,20.46	11,05.99
- Non current bank balances	6(c)	10,97.65	9,13.83
- Derivative instruments	6(d)	-	3.66
Income tax assets (net)	7	76,27.30	77,61.36
Deferred tax assets (net)	8	44,17.60	15,57.04
Other non-current assets	9	49,10.22	31,27.88
<b>CURRENT ASSETS</b>			
Financial asset			
- Investments	10(a)	15,60.65	20,64.61
- Trade receivables	10(b)	202,72.62	241,17.34
- Cash and Cash equivalents	10(c)	75,29.24	61,47.37
- Bank balances other than cash and cash equivalents	10(d)	6,57.96	78,75.39
- Loans and deposits	10(e)	6,54.43	5,33.37
- Derivative instruments	10(f)	-	1.82
- Other financial assets	10(g)	421,12.60	238,12.10
Other current assets	11	97,57.68	52,05.50
<b>TOTAL</b>		<b>1,631,37.86</b>	<b>1,361,15.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	12	65,88.74	62,76.45
Other Equity	13	953,84.57	739,15.37
<b>Equity Attributable to equity shareholders of the parent</b>		<b>1,019,73.31</b>	<b>801,91.82</b>
Non-Controlling Interest		9,04.42	9,98.34
<b>Total Equity</b>		<b>1,028,77.73</b>	<b>811,90.16</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
- Borrowings	14	63,54.55	90,49.54
- Derivative Instruments	15	2,41.60	-
Deferred Tax Liabilities (Net)	16	16.68	8.42
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
- Borrowings	17(a)	37,18.04	38,19.78
- Trade payables	17(b)		
- Total outstanding dues of micro enterprises and small enterprises		2,23.43	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		164,17.67	116,59.12
- Other financial liabilities	17(c)	139,76.74	128,92.84
- Derivative instruments	17(d)	3,07.14	-
Other current liabilities	18	147,35.02	142,82.11
Provisions	19	36,70.40	29,41.60
Current Tax liabilities (Net)	20	5,98.86	2,71.66
<b>TOTAL</b>		<b>1,631,37.86</b>	<b>1,361,15.23</b>

Table No. 2.1

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI &amp; ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration number: 101049W/E300004

For and on behalf of the Board of Directors of

Intellect Design Arena Limited

per Bharath N S

Partner  
Membership No. 210934  
Chennai  
May 02, 2019

Arun Jain

Chairman & Managing Director  
DIN : 00580919

Arun Shekhar Aran

Director  
DIN : 00015335Venkateswarlu Saranu  
Chief Financial Officer

V.V.Naresh

Vice President &  
Company Secretary

## Consolidated Statement of Profit and Loss

In Rs. Lakhs

Particulars	Note	For the Year ended March 31,	
		2019	2018
<b>INCOME</b>			
Revenue from operations	21	1,449,56.94	1,087,29.07
Other Income	22(a)	56,86.90	20,64.84
Finance Income	22(b)	5,83.67	6,02.98
<b>TOTAL INCOME</b>		<b>1,512,27.51</b>	<b>1,113,96.89</b>
<b>EXPENSES</b>			
Employee Benefit Expenses	23	1,003,44.83	767,11.78
Depreciation and amortization expense	24	41,55.71	26,53.49
Finance Cost	25	11,44.24	13,82.62
Other Expenses	26	318,58.51	247,79.11
<b>TOTAL EXPENSES</b>		<b>1,375,03.29</b>	<b>1,055,27.00</b>
<b>PROFIT BEFORE SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURE AND TAX</b>			
Share of profit of Associates and Joint venture	46, 47	2,96.55	5,04.05
<b>PROFIT BEFORE TAX</b>		<b>140,20.77</b>	<b>63,73.94</b>
<b>Tax Expenses</b>			
	27		
- Current tax		37,36.57	13,99.67
- Deferred tax		(2,19.89)	2,19.29
- MAT credit entitlement		(26,21.97)	(9,15.98)
<b>PROFIT FOR THE YEAR</b>		<b>131,26.06</b>	<b>56,70.96</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
	28		
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Re-measurement gains/ (losses) on defined benefit plans		(1,64.41)	(11.99)
<b>Items that will be reclassified subsequently to profit or loss</b>			
Exchange differences on translation of foreign operations		1,01.92	13,33.54
Net movement on cash flow hedges		(5,54.22)	(18,14.18)
<b>Other Comprehensive Income for the year, net of tax</b>		<b>(6,16.71)</b>	<b>(4,92.63)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>125,09.35</b>	<b>51,78.33</b>
<b>PROFIT FOR THE YEAR</b>			
Attributable to:			
Equity shareholders of the parent		131,34.54	46,72.62
Non - Controlling Interest		(8.47)	9,98.34
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>125,09.35</b>	<b>51,78.33</b>
Attributable to:			
Equity shareholders of the parent		125,17.82	41,79.99
Non - Controlling Interest		(8.47)	9,98.34
<b>EARNINGS PER SHARE</b>			
	29		
Equity shares par value Rs 5 each (March 18 Rs 5 each)			
Basic		10.18	3.97
Diluted		9.95	3.87

Table No. 2.2

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI &amp; ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration number: 101049W/E300004

For and on behalf of the Board of Directors of

Intellect Design Arena Limited

per Bharath N S

Partner  
Membership No. 210934  
Chennai  
May 02, 2019

Arun Jain

Chairman & Managing Director  
DIN : 00580919

Arun Shekhar Aran

Director  
DIN : 00015335

Venkateswarlu Saranu

Chief Financial Officer

V.V.Naresh

Vice President &  
Company Secretary



## Consolidated Statement of Changes in Equity

### a. Equity Share Capital:

(All amounts are in lakhs unless otherwise stated)

	No. of shares	in lakhs
Equity shares of Rs 5 each issued, subscribed and fully paid		
As at April 1, 2017	10,17,33,872	50,86.69
Issue of share capital	2,37,95,212	11,89.76
As at March 31, 2018	12,55,29,084	62,76.45
Issue of share capital	62,45,631	3,12.29
<b>As at March 31, 2019</b>	<b>13,17,74,715</b>	<b>65,88.74</b>

### b. Other equity

For the year ended March 31, 2019

Particulars	Reserves & Surplus				Items of OCI		Total Equity
	Securities premium	Share option outstanding account	General reserve	Retained earnings	Effective portion of Cash flow hedge reserve	Foreign Currency Translation Reserve	
<b>As at April 1, 2018</b>	392,45.43	28,91.78	125,41.05	143,63.87	5.48	48,67.76	739,15.37
Profit for the year	-	-	-	131,26.06	-	-	131,26.06
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	(1,64.41)	-	-	(1,64.41)
Fair value movement in cash flow hedge	-	-	-	-	(5,54.22)	-	(5,54.22)
Movement in Foreign Currency Translation Reserve (FCTR) through OCI	-	-	-	-	-	1,01.92	1,01.92
Exercise of share options	12,73.85	(6,55.38)	-	-	-	-	6,18.47
Issue of Shares on Preferential allotment (Refer note No 43)	97,39.58	-	-	-	-	-	97,39.58
Ind AS 115 transition adjustment for the year	-	-	-	(19,41.47)	-	-	(19,41.47)
Merger of Indigo & Lasersoft for shares issued to Lasersoft Shareholder	-	-	-	(0.03)	-	-	(0.03)
Share-based payments	-	5,58.42	-	-	-	-	5,58.42
Transfer on account of options not exercised for the year	-	(1,14.41)	1,14.41	-	-	-	-
Minority Dividend Share	-	-	-	(15.12)	-	-	(15.12)
<b>As at March 31, 2019</b>	<b>502,58.86</b>	<b>26,80.41</b>	<b>126,55.46</b>	<b>253,68.90</b>	<b>(5,48.74)</b>	<b>49,69.68</b>	<b>953,84.57</b>

Table No. 2.3

For the year ended March 31, 2018

Particulars	Reserves & Surplus				Items of OCI		Total Equity
	Securities premium	Share option outstanding account	General Reserve	Retained earnings	Effective portion of Cash flow hedge reserve	Foreign Currency Translation Reserve	
<b>As at April 1, 2017</b>	203,65.43	22,65.27	125,41.05	97,03.24	18,19.66	35,34.22	502,28.87
Profit for the year	-	-	-	46,72.62	-	-	46,72.62
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	(11.99)	-	-	(11.99)
Fair value movement in cash flow hedge	-	-	-	-	(18,14.18)	-	(18,14.18)
Movement in FCTR through OCI	-	-	-	-	-	13,33.54	13,33.54
Exercise of share options	3,96.88	(1,11.84)	-	-	-	-	2,85.04
Issue of shares on Rights Issue	187,39.93	-	-	-	-	-	187,39.93
Less: Cost incurred towards Rights Issue	(2,56.81)	-	-	-	-	-	(2,56.81)
Share-based payments	-	7,38.35	-	-	-	-	7,38.35
<b>As at March 31, 2018</b>	<b>392,45.43</b>	<b>28,91.78</b>	<b>125,41.05</b>	<b>143,63.87</b>	<b>5.48</b>	<b>48,67.76</b>	<b>739,15.37</b>

Table No. 2.4

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

3

As per our report of even date

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration number: 101049W/E300004

**per Bharath N S**

Partner

Membership No. 210934

Chennai

May 02, 2019

For and on behalf of the Board of Directors of

**Intellect Design Arena Limited**

**Arun Jain**

Chairman & Managing Director

DIN : 00580919

**Arun Shekhar Aran**

Director

DIN : 00015335

**Venkateswarlu Saranu**

Chief Financial Officer

**V.V.Naresh**

Vice President &

Company Secretary

## Consolidated Statement Cash Flows

In Rs. Lakhs

Particulars	For the Year ended March 31,	
	2019	2018
<b>A. CASH FLOW USED IN OPERATING ACTIVITIES</b>		
Profit / (Loss) for year before tax	140,20.77	63,73.94
<b>Adjustments to reconcile profit / (loss) for the year to net cash flows</b>		
Depreciation and amortisation	41,55.71	26,53.49
Expense on Employee Stock Option Scheme (ESOP)	5,58.42	7,38.35
Dividend income	(70.50)	(1,16.48)
Allowances for credit impaired	16,79.21	7,83.53
Unrealised foreign exchange loss (net) (Including impact of foreign currency translation)	2,07.95	2,20.35
Loss on sale of non-current investments (net)	3.77	-
Profit on sale of Property, Plant and Equipment	(49,44.62)	(16,04.72)
Bad debts / advances written off	59.96	2,76.95
Interest expense	11,44.24	13,82.62
Interest income	(5,13.17)	(4,86.50)
Share of Loss/(Profit) in Associate	(2,96.55)	(5,04.05)
<b>Operating Profit / (Loss) before working capital changes</b>	<b>160,05.19</b>	<b>97,17.48</b>
<b>Movement in working capital</b>		
Decrease / (Increase) in trade receivables	21,74.17	(48,14.17)
Decrease/(Increase) in financial assets and other assets	(263,34.86)	(38,35.73)
Increase/(Decrease) in financial liabilities other liabilities and provisions	64,06.84	67,24.04
<b>Cash flow from / (used in) operations</b>	<b>(17,48.66)</b>	<b>77,91.62</b>
Income taxes paid (net of refunds)	(32,85.75)	(28,45.42)
<b>Net cash used in operating activities (A)</b>	<b>(50,34.41)</b>	<b>49,46.20</b>
<b>B. CASH FLOW USED IN INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment including intangible assets, and capital advances	(130,13.25)	(128,14.08)
Proceeds from sale of Property, Plant and Equipment	50,83.53	17,54.30
Investment in Associates	-	(3,85.04)
Net Increase / (decrease) in non-trade investments	5,07.81	5,14.75
Net Increase / (decrease) in bank deposit	70,33.61	(46,21.91)
Interest received	4,28.23	4,86.50
Dividend received	70.50	1,16.48
<b>Net cash used in investing activities (B)</b>	<b>1,10.43</b>	<b>(149,49.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from share capital issued on exercise of stock options	51.84	32.97
Proceeds from share premium on exercise of stock options	6,18.47	28.23
Proceeds from share capital on rights issue	-	11,56.79
Proceeds from securities premium on rights issue	-	187,39.93
Proceeds from share capital issued on Preferential allotment	2,60.42	-
Proceeds from securities premium on Preferential allotment	97,39.58	-
(Repayment) / Proceeds from Long term secured loans	(32,38.72)	(34,17.00)
(Repayment) / Proceeds from Short term borrowings	24.87	(9,07.39)
Interest paid	(11,44.24)	(13,82.62)
Dividends paid during the year	(15.12)	-
<b>Net cash generated from financing activities (C)</b>	<b>62,97.10</b>	<b>142,50.91</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>13,73.13</b>	<b>42,48.11</b>
Effect of exchange differences on Cash & Cash Equivalents held in foreign currency	8.73	(4,03.52)
Cash and Cash Equivalents at the beginning of the year	61,47.37	23,02.78
<b>Cash and cash equivalents at the end of the year</b>	<b>75,29.24</b>	<b>61,47.37</b>
<b>Cash and cash equivalents As per Note 10 (c)</b>	<b>75,29.24</b>	<b>61,47.37</b>

Table No. 2.5

Notes:

- a) The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash flows" specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
- b) Figures have been regrouped/rearranged wherever necessary.

As per our report of even date

For S.R. BATLIBOI &amp; ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration number: 101049W/E300004

For and on behalf of the Board of Directors of

Intellect Design Arena Limited

per Bharath N S

Partner  
Membership No. 210934  
Chennai  
May 02, 2019

Arun Jain

Chairman & Managing Director  
DIN : 00580919

Arun Shekhar Aran

Director  
DIN : 00015335

Venkateswarlu Saranu

Chief Financial Officer

V.V.Naresh

Vice President &  
Company Secretary

## Notes to the Consolidated Financial Statements

(All amounts are in Rupees in lakhs unless otherwise stated)

### 1. Corporate Information

The consolidated financial statements comprise financial statements of Intellect Design Arena Limited ('Intellect' or 'the Company') and its subsidiaries (collectively, the Group) for the year ended March 31, 2019. The Company is a public limited company domiciled in India and was incorporated under the provisions of the Companies Act, 1956 in 2011. The shares of the Company have been listed on the National Stock Exchange and Bombay Stock Exchange with effect from December 18, 2014. The registered office of the Company is located at 244, Anna Salai, Chennai-600 006.

The Group has a comprehensive portfolio of products across Global Consumer Banking, Central Banking, Risk & Treasury Management, Global Transaction Banking and Insurance and is engaged in the business of software development.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 2, 2019.

### 2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- 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 lakhs, except when otherwise indicated

### 3. Significant Accounting Policies

#### a) Basis of consolidation

Consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. For supporting such situations and also those situations the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

#### Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, are eliminated in full). Accounting as per Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

#### b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable in all cases. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

#### c) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has

been a change recognized directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss. The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

#### d) Use of estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these consolidated financial statements have been disclosed in Note 30. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

#### e) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset has been classified as current when it satisfies any of the following criteria;

- It is expected to be realized or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability has been classified as current when it satisfies any of the following criteria;

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting date; or
- The Group does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting date.

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 realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

#### f) Foreign currency translation

The functional currency of the group is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to lakhs). 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. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency exchange rates at the reporting date. Non-monetary assets and liabilities that are carried at historical cost are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the qualifying cash flow hedges, to the extent the hedges are effective, which are recognised in other comprehensive income (OCI).

#### Foreign operations:

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 recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

Any goodwill arising in the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

#### g) 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 best economic 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
- 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.

The Group's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. The Valuation Committee comprises of the head of the treasury operations, the head of the risk management department, financial controllers and chief finance officer.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Valuation Committee, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Valuation Committee and the Group's external valuers present the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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.

#### h) Revenue recognition

The Group derives revenues primarily from software development and related services, and from the licensing of software products and related services (together referred to as "software related services").

Effective April 1, 2018, the entity adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 3 "Significant Accounting Policies," in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 is disclosed in Note 3(Z).

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the entity expects to receive in exchange for those products or services. Arrangements with customers for software related services are either on a fixed-price, fixed-bid or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as revenue accrued not billed. Revenue from fixed-price, fixed-bid contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. The Company recognises revenue based on relevant output measures, such as the achievement of any project milestones stipulated in the contract, or internal quality milestones to assess proportional performance. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Maintenance revenue is

recognized rateably over the term of the underlying maintenance arrangement.

Revenue accrued not billed represents earnings on ongoing fixed-price, fixed-bid and time and material contracts over amounts invoiced to customers. Billings in excess of revenues represents amounts billed in case of ongoing fixed bid, fixed price and time and material contracts wherein amounts have been billed in accordance with the billing cycle and efforts would be incurred subsequent to the balance sheet date.

In arrangements for software development and related services and maintenance services, the entity has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the entity has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the entity is unable to determine the standalone selling price, the entity uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Maintenance Services. The entity has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. Annual Maintenance Services revenue is recognized rateably over the period in which the services are rendered.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The entity presents revenues net of indirect taxes in its statement of Profit and loss.

#### **Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the entity expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the entity has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis or fixed price basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revaluations and adjustment for revenue that has not materialized and adjustments for currency.

#### **Other Income**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). Interest income is included in finance income in the statement of profit and loss.

#### **Dividend income**

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date.

#### **Profit on sale of mutual funds**

Profit on sale of units of mutual funds is recognised at the time of redemption and is determined as the difference between the redemption price and the carrying value

#### **Profit on sale of land**

Profit on sale of land is recognised at the time of sale and is determined as the difference between the sales price and the carrying value.

#### **i) Taxes on income**

##### *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid 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 provisions 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, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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 utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and written off 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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Minimum alternate tax ("MAT") paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is recognised as "MAT Credit Entitlement" as deferred tax asset, and is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

#### j) Property, plant and equipment

Capital work in progress, plant and equipment are stated at cost, less accumulated depreciation and impairment losses if any. Freehold land is measured at cost and not depreciated. Cost comprises the purchase price and any cost attributable in bringing the asset to its working condition for its intended use.

Material replacement cost is capitalized provided it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When replacement cost is eligible for capitalization, the carrying amount of those parts that are replaced in derecognized. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful life. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation on plant, property and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The useful lives considered for depreciation of Property, plant and equipment are as prescribed in Schedule II of the Companies Act:

Asset Category	Estimated useful life (in years)
Buildings	30 years
Plant and machinery	15 years
Computer equipment	3 years
Servers and computer accessories	6 years
Electrical fitting, furniture and fixtures	10 years
Office equipment	5 years
Leasehold improvements	Over the lease period or 10 years, whichever is lower
Leasehold land	Over the tenure of the lease (99 years)

Categories of assets for which depreciation has been provided based on the estimated useful life of the Group based on management evaluation, etc. are:

Asset Category	Estimated useful life (in years)
Vehicles	4 - 8 years

**Table No. 2.6**

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as Capital advances under other non-current assets and the cost of asset not put to use before such date are disclosed under "Capital Work in Progress". Subsequent expenditure relating to property, plant and equipment is capitalised only when it's probable that future economic benefit associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance cost are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from financial statement upon sale or retirement of the asset and the resultant gains or loss are recognised in the Statement of profit and loss. Asset to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

#### k) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation of software development and intellectual property costs is allocated on a straight-line basis over the best estimate of its useful life after the product is ready for use. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors. The amortization period and the amortization method are reviewed at each year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. The estimated useful life of Group's intangible assets is in the range of 3 to 5 Years

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. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation 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 de-recognition 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.

#### Research and development costs:

Research costs are expensed as incurred. Development expenditure incurred on an individual new project is recognized as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

#### l) 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.

**m) Leases****Group as a lessee****Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

**Finance Lease**

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term

**n) Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of three years (five years in the case of Internally Generated Intangible assets (IPR)). For longer periods, a long term growth rate is calculated and applied to project future cash flows after the third year / fifth year in case of IPR.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. Goodwill is tested annually for impairment by management.

**o) Provisions and contingencies**

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. 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.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

**p) Employee Benefits:****Provident Fund**

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Group make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employee's salary. The Group recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. The Group has no further obligations under the plan beyond its monthly contributions.

**Gratuity**

The Group provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all employees. The plan, subject to the provisions of the above Act, provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. A trust by name "Polaris Software Lab Group Gratuity Trust" has been constituted to administer the gratuity fund. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period.

Re-measurement, comprising of actuarial gain or loss and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods.

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

The defined benefit obligation recognised in the balance sheet represents the present value of the Defined Benefit Obligation less the Fair Value of Plan Assets out of which the obligations are expected to be settled and adjusted for unrecognised past service cost, if any. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

**Superannuation**

The Group contributes a specified percentage of the eligible employees' basic salary towards superannuation (the Plan) to a fund. A trust has been created and approved by the Income-tax authorities for this purpose. This Plan provides for various options for payment of pension at retirement or termination of employment as per the trust rules. The Group recognizes contribution payable to the fund as expenditure, when an employee renders the related service. The Group has no further obligations under the plan beyond its monthly contributions.

**Compensated Absences**

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**q) Share-based payments**

Stock options are granted to the employees under the stock option scheme, the costs of stock options granted to the employees (equity-settled awards) of the Group are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Group and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves/stock options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in



employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

#### r) **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.

###### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income FVTOCI

###### **Debt instruments at amortised cost**

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.

###### **Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Group does not have any financial asset under this category

###### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L

##### **Equity investments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

##### **De-recognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay

##### **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:

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

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

#### **Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

#### **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.

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

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

After initial recognition, trade and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 as finance costs in the statement of profit and loss.

##### **De-recognition of financial liabilities**

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

##### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

#### **s) Loans and Borrowings**

This is the category most relevant to the group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information Refer 19.

#### **t) Derivative Instruments and Hedge Accounting:**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and type of hedge relationship designated.

The Group uses forward contracts and (Derivative Contracts) to hedge its risks associated with foreign currency fluctuations relating to firm commitment or highly probable forecast transactions. The Group designates these in a hedging relationship by applying the hedge accounting principles set out in IND AS 109 – "Financial Instruments" as "cash flow hedges"

The use of Derivative Contracts is governed by the Group's policies on the use of such financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. The ineffective portion relating to the hedging instrument is recognised in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

#### **u) Cash and cash equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

##### **Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

#### **v) Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as rights issue, bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**w) Transactions Costs Relating to Equity Transactions**

The Group defers costs in issuing or acquiring its own equity instruments to the extent they are incremental costs directly attributable to an equity transaction that otherwise would have been avoided. Such costs are accounted for as a deduction from equity (net of any related income tax benefit) upon completion of the equity transaction. The costs of an equity transaction which is abandoned is recognized as an expense.

**x) Segment Reporting**

The Executive Management Committee monitors the operating results of its business as a single primary segment "Software Product Licence and related services" for the purpose of making decisions about resource allocation and performance assessment.

The business of the Group falls under a single primary segment i.e. 'Software Product License & related services' for the purpose of Ind AS 108.

**y) Other Assets**

Cost incurred in fulfilling a contract are capitalised if all the following conditions are satisfied:

1. The costs relate directly to a contract
2. The costs generate or enhance resources of the entity that will be used to satisfy future performance obligation
3. The costs are recoverable

**z) Changes in accounting policies and disclosures****New and amended standards and interpretations**

The entity applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. The entity has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

**Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. In addition, the standard requires extensive disclosures.

The entity adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The entity elected to apply the standard to all contracts as at 1 April 2018.

The cumulative effect of initially applying Ind AS 115 is recognised at the date of initial application as a debit to the opening balance of retained earnings by INR 1,941.18 lakhs and a credit to Revenues in excess of billing/Billing in excess of Revenue/ Receivables by INR 530.80 lakhs, INR 998.18 lakhs and INR 412.50 lakhs and standalone financial statements respectively. These adjustments primarily relate to performance obligations and transfer of control which are transferred to customers over a period of time rather than at a point in time and deferred accordingly. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.

**aa) Recent accounting Pronouncements**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

**Ind AS 116 Leases**

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with

a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt these standards from April 1, 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Consolidated Financial Statements.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The amendment will come into force on April 1, 2019. The Company is in process of evaluating its effect on the standalone financial statements.

**Amendment to Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Amendment to Ind AS 19 – plan amendment, curtailment or settlement**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

**The amendments require an entity:**

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

**Amendment to Ind AS 28 - Investments in Associates and Joint Ventures**

The amendment states that Ind AS 109 applies to other financial instruments in an associate or joint venture to which the equity method is not applied for long term interest that form part of entity's net investment in an associate or joint venture.

These amendments shall be made retrospectively in accordance with Ind AS 8 for annual periods beginning from 1st April 2019. These amendments are not applicable to the Company.

**Amendment to Ind AS 111 - Joint Arrangements**

The amendment states that A party that participates in, but does not have joint control of, a joint arrangement might obtain joint control of the joint operation in which the activity of the joint operation constitute a business as defined in Ind AS 103. The previously held interests in the joint operations are not measured. These amendments are not applicable to the Company.

## 4(a). PROPERTY, PLANT AND EQUIPMENT

In Rs. Lakhs

Particulars	Land	Buildings	Plant and machinery	Electrical Equipments	Furniture and Fittings	Office equipments	Vehicles	Leasehold Land*	Leasehold improvement	Total
<b>Gross block</b>										
<b>As at April 1, 2017</b>	<b>29,73.87</b>	<b>123,08.51</b>	<b>88,95.73</b>	<b>15,88.67</b>	<b>38,46.69</b>	<b>19,34.26</b>	<b>11,10.91</b>	<b>2,80.47</b>	<b>6,46.11</b>	<b>335,85.22</b>
Additions	-	13.36	4,37.30	8.46	3,34.64	72.21	-	-	4,52.53	13,18.50
Translation Difference	9.48	32.66	1,55.63	0.22	(22.26)	0.38	(1.38)	-	(1,59.41)	15.32
Deletions	-	2,05.15	0.55	-	3.03	-	2,72.92	-	-	4,81.65
<b>As at March 31, 2018</b>	<b>29,83.35</b>	<b>121,49.38</b>	<b>94,88.11</b>	<b>15,97.35</b>	<b>41,56.04</b>	<b>20,06.85</b>	<b>8,36.61</b>	<b>2,80.47</b>	<b>9,39.23</b>	<b>344,37.39</b>
Additions	-	82.50	8,17.44	58.30	3,03.69	97.51	-	-	1,22.11	14,81.55
Translation Difference	1,14.39	21.01	48.61	0.13	12.32	11.47	2.29	-	42.34	2,52.57
Deletions	30.95	148.91	7,34.70	-	92.39	73.37	73.25	-	3,68.97	15,22.54
<b>As at March 31, 2019</b>	<b>30,66.79</b>	<b>121,03.98</b>	<b>96,19.46</b>	<b>16,55.78</b>	<b>43,79.66</b>	<b>20,42.46</b>	<b>7,65.65</b>	<b>2,80.47</b>	<b>7,34.71</b>	<b>346,48.97</b>
<b>Accumulated Depreciation</b>										
<b>As at April 1, 2017</b>	<b>-</b>	<b>24,80.22</b>	<b>65,05.51</b>	<b>7,42.44</b>	<b>17,29.16</b>	<b>12,61.48</b>	<b>7,82.56</b>	<b>33.03</b>	<b>4,45.76</b>	<b>139,80.16</b>
For the year (Refer Note 24)	-	4,10.98	7,82.94	1,35.01	3,21.59	2,48.52	1,69.43	2.81	23.49	20,94.77
Translation Difference	-	8.89	1,28.98	-	4.56	1.77	(1.21)	0.68	7.33	1,51.00
Deletions	-	67.49	-	-	-	-	2,64.58	-	-	3,32.07
<b>As at March 31, 2018</b>	<b>-</b>	<b>28,32.60</b>	<b>74,17.43</b>	<b>8,77.45</b>	<b>20,55.31</b>	<b>15,11.77</b>	<b>6,86.20</b>	<b>36.52</b>	<b>4,76.58</b>	<b>158,93.86</b>
For the year (Refer Note 24)	-	4,08.56	7,86.28	1,27.67	3,45.17	2,01.46	96.52	2.80	82.33	20,50.79
Translation Difference	-	3.18	44.30	0.01	6.61	6.79	2.29	-	27.99	91.16
Deletions	-	55.82	7,26.47	-	92.38	74.97	65.00	-	3,68.97	13,83.61
<b>As at March 31, 2019</b>	<b>-</b>	<b>31,88.52</b>	<b>75,21.54</b>	<b>10,05.13</b>	<b>23,14.71</b>	<b>16,45.04</b>	<b>7,20.01</b>	<b>39.32</b>	<b>2,17.93</b>	<b>166,52.20</b>
<b>Net book value</b>										
<b>As at March 31, 2018</b>	<b>29,83.35</b>	<b>93,16.78</b>	<b>20,70.68</b>	<b>7,19.90</b>	<b>21,00.73</b>	<b>4,95.08</b>	<b>1,50.41</b>	<b>2,43.95</b>	<b>4,62.65</b>	<b>185,43.53</b>
<b>As at March 31, 2019</b>	<b>30,66.79</b>	<b>89,15.46</b>	<b>20,97.92</b>	<b>6,50.65</b>	<b>20,64.95</b>	<b>3,97.42</b>	<b>45.64</b>	<b>2,41.15</b>	<b>5,16.78</b>	<b>179,96.77</b>

Table No. 2.7

\* represents 13.35 acres of land at Chennai taken on 99 years lease from SIPCOT under terms of MOU dated 3<sup>rd</sup> January, 2005 (modified on 10<sup>th</sup> March, 2015) with Government of Tamil Nadu. Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.

Land and buildings with a carrying amount of Rs 59,82.63 lakhs (March 31, 2018: Rs 25,63.50 lakhs) are subject to a first charge to secure the Company's bank loans.

## 4(b). CAPITAL WORK-IN-PROGRESS

In Rs. Lakhs

Particulars	Buildings	Plant & Machinery	Electrical fittings	Office Equipments	Furniture and fixtures	Total	Intangible assets under development (Refer Note 39)
<b>Capital Work in Progress (CWIP) as at April 1, 2017</b>	<b>2,77.11</b>	<b>18.62</b>	<b>86.39</b>	<b>7.29</b>	<b>26.13</b>	<b>4,15.54</b>	<b>134,13.36</b>
<b>Add:</b>							
Additions during the year	61.06	10.00	1.63	7.92	98.16	1,78.77	112,37.87
<b>Less:</b>							
Translation Difference	-	-	-	-	-	-	(1,67.09)
Capitalisation of assets	(20.90)	(28.62)	(1.62)	(15.21)	(98.90)	(1,65.25)	(52,87.62)
<b>CWIP as at March 31, 2018</b>	<b>3,17.27</b>	<b>-</b>	<b>86.40</b>	<b>-</b>	<b>25.39</b>	<b>4,29.06</b>	<b>191,96.52</b>
<b>Add:</b>							
Additions during the year	-	0.79	-	-	-	0.79	114,31.95
<b>Less:</b>							
Translation Difference	-	-	-	-	-	-	1,78.80
Capitalisation of assets	-	-	-	-	-	-	(84,71.83)
<b>CWIP as at March 31, 2019</b>	<b>3,17.27</b>	<b>0.79</b>	<b>86.40</b>	<b>-</b>	<b>25.39</b>	<b>4,29.85</b>	<b>223,35.44</b>

Table No. 2.8

## 5. GOODWILL AND OTHER INTANGIBLE ASSETS

Particulars	In Rs. Lakhs			
	Computer software	Internally generated Intangible asset	Total Intangible Assets	Goodwill
<b>As at April 1, 2017</b>	<b>21,21.86</b>	<b>93,91.44</b>	<b>115,13.30</b>	<b>34,71.65</b>
Additions	2,17.39	52,87.62	55,05.01	-
Translation Difference	(1,48.50)	(4,31.91)	(5,80.41)	13.26
Deletions	-	-	-	-
Transfers	-	-	-	-
<b>As at March 31, 2018</b>	<b>21,90.75</b>	<b>142,47.15</b>	<b>164,37.90</b>	<b>34,84.91</b>
Additions	1,52.13	84,71.84	86,23.97	-
Translation Difference	-	(1,11.86)	(1,11.86)	1,59.95
Deletions	-	-	-	-
<b>As at March 31, 2019</b>	<b>23,42.88</b>	<b>226,07.13</b>	<b>249,50.01</b>	<b>36,44.86</b>
<b>Accumulated Amortization and Impairment</b>				
<b>As at April 1, 2017</b>	<b>18,99.56</b>	<b>91,70.53</b>	<b>110,70.09</b>	-
For the year (Refer Note 24)	2,13.80	3,44.92	5,58.72	-
Translation Difference	(1,29.10)	(4,31.92)	(5,61.02)	-
Deletions	-	-	-	-
<b>As at March 31, 2018</b>	<b>19,84.26</b>	<b>90,83.53</b>	<b>110,67.79</b>	-
For the year (Refer Note 24)	2,40.68	18,64.24	21,04.92	-
Translation Difference	-	10.10	10.10	-
Deletions	-	-	-	-
<b>As at March 31, 2019</b>	<b>22,24.94</b>	<b>109,57.87</b>	<b>131,82.81</b>	-
<b>Net Book Value</b>				
<b>As at March 31, 2019</b>	<b>1,17.94</b>	<b>116,49.26</b>	<b>117,67.20</b>	<b>36,44.86</b>
<b>As at March 31, 2018</b>	<b>2,06.49</b>	<b>51,63.62</b>	<b>53,70.11</b>	<b>34,84.91</b>

Table No. 2.9

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or group of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the individual subsidiary level.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU / groups of CGU's over a period of five years. An average of the range of each assumption used is mentioned below. As of March 31, 2019 and March 31, 2018 the estimated recoverable amount of the CGU exceeded its carrying amount. The recoverable amount was computed based on the fair value less cost to sell being higher than value-in-use. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing. The key assumptions used for the calculations are as follows:

Particulars	As at March 31,	
	2019	2018
Long term growth rate	8-10%	8-10%
Operating margins	10-15%	10-15%
Discount rate	13.50%	13.50%

Table No. 2.10

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. The Management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

## 6. FINANCIAL ASSET

Particulars	In Rs. Lakhs	
	As at March 31, 2019	2018
<b>NON-CURRENT ASSETS</b>		
<b>6(a) Investments in Financial Instrument</b>		
<b>Investment in financial instrument, carried at fair value through Profit &amp; Loss</b>		
Quoted equity shares		
(A) Investment in equity shares of Andhra Bank Ltd	0.21	0.21
237 shares (March 31, 2018 - 237 shares) face value of Rs. 10 each		
(B) Investment in equity shares of Catholic Syrian Bank Ltd	0.24	0.24
100 shares (March 31, 2018 - 100 shares) face value of Rs 10 each		
<b>Investment in financial instrument, carried at amortized cost</b>		
Unquoted debt securities		
(A) Investment in Preference share of NMS Works Solution Private Limited (Note 33)	-	1,47.65
Nil (March 31, 2018 - 378,614 )12% preference shares of Face value of Rs. 5 each		
(B) Investment in Equity Shares of Gamma Green Power Private Limited (Unquoted)		
262,473 Equity Shares of Face Value of Rs. 10 each	26.25	26.25
Less: Impairment in value of investment	(26.25)	(26.25)
	<b>0.45</b>	<b>1,48.10</b>
Aggregate book value of Quoted Investments	0.45	0.45
Aggregate market value of Quoted Investments	0.45	0.45
Aggregate value of Unquoted Investments	26.25	1,73.90
Aggregate amount of impairment in value of Investment	26.25	26.25
<b>6(b) Loans and deposits, carried at amortized cost</b>		
Unsecured considered good		
- Security Deposits*	9,06.26	7,98.86
- Loans to employees**	2,14.20	3,07.13
	<b>11,20.46</b>	<b>11,05.99</b>
*Security deposit are non-derivative financial assets which generate a fixed or variable interest income for the Company.		
**Loan to employees are non-derivative financial assets which generate a fixed or variable interest income for the Company.		
<b>6(c) Non current bank balances, carried at amortized cost</b>		
Deposits with Banks with more than 12 months maturity	10,97.65	9,13.83
	<b>10,97.65</b>	<b>9,13.83</b>
The above balances have been pledged as security by the Company for availing non-fund based facilities (Bank guarantee)		
<b>6(d) Derivative instruments, carried at fair value through OCI</b>		
<b>Cash flow hedges</b>		
Foreign exchange forward contracts (Net)	-	3.66
	-	<b>3.66</b>

Table No. 2.11

## \*Financial asset at fair value through OCI

Financial asset at fair value through OCI reflect the change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable future sale in USD.

**7. INCOME TAX ASSETS (NET)**

Particulars	In Rs. Lakhs	
	As at March 31,	
	2019	2018
Advance income tax (Net of provision for tax)	76,27.30	77,61.36
	<b>76,27.30</b>	<b>77,61.36</b>

Table No. 2.12

**8. DEFERRED TAX ASSETS (NET)**

Particulars	In Rs. Lakhs	
	As at March 31,	
	2019	2018
<b>Deferred Tax Asset /( Liability)</b>		
Difference between Depreciation as per books of accounts & Income Tax Act, 1961	(52,62.82)	(38,56.70)
Revaluation of cash flow hedge	1,89.91	(1.90)
Revaluation of FVTPL investments to fair value	1.04	(6.92)
Impact of disallowance under Section 36(1)(viii) of the Income Tax Act	4,60.56	6,37.48
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	21,35.05	19,11.38
Carry forward business loss and unabsorbed depreciation	29,79.10	15,80.91
MAT credit entitlement	39,14.76	12,92.79
	<b>44,17.60</b>	<b>15,57.04</b>

Table No. 2.13

**9. OTHER NON-CURRENT ASSETS**

Particulars	In Rs. Lakhs	
	As at March 31,	
	2019	2018
<b>Unsecured, considered good</b>		
Capital Advances	8.28	75.26
Loans to Employees Welfare Trust	1.09	1.09
Prepayments	41,59.96	17,60.94
Balance with Government Authorities	7,40.89	12,90.59
	<b>49,10.22</b>	<b>31,27.88</b>

Table No. 2.14

**10. FINANCIAL ASSET****10(a) Investments**

Particulars	In Rs. Lakhs			
	March 31, 2019		March 31, 2018	
	Units	Amount	Units	Amount
<b>Trade Investments (Carried at fair value through profit or loss)</b>				
<u>Investment in Mutual Funds - (Unquoted)</u>				
Dividend	8,746,386	8,80.95	11,064,110	11,14.47
ICICI Prudential Ultra Short Term Reg-Daily Dividend	-	-	2,952,019	2,98.67
Reliance Short Term Fund - Monthly Dividend Plan (STDPR)	6,059,298	6,79.70	5,828,104	6,51.47
		<b>15,60.65</b>		<b>20,64.61</b>
Aggregate book value of Quoted Investments		15,60.65		20,64.61
Aggregate market value of Quoted Investments		15,60.65		20,64.61
Aggregate amount of impairment in value of Investment		-		-

Table No. 2.15

**10 (b) Trade receivables**

Particulars	In Rs. Lakhs	
	As at March 31,	
	2019	2018
Trade receivables	202,72.62	241,17.34
	<b>202,72.62</b>	<b>241,17.34</b>
- Unsecured considered good	239,40.78	266,32.92
- Trade Receivables - Credit impaired	6,43.51	8,35.47
	<b>245,84.29</b>	<b>274,68.39</b>
Impairment Allowance (allowance for bad and Doubtful debts)		
- Unsecured considered good	(36,68.16)	(25,15.58)
- Trade Receivables - Credit impaired	(6,43.51)	(8,35.47)
	<b>(43,11.67)</b>	<b>(33,51.05)</b>
	<b>202,72.62</b>	<b>241,17.34</b>

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing.

**10(c) Cash and cash equivalent carried at amortized cost**

- Balance with banks		
- On Current accounts	74,36.16	61,47.37
- Deposits with original maturity of less than three months	93.08	-
	<b>75,29.24</b>	<b>61,47.37</b>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

<b>Balances with banks:</b>		
- On current accounts	74,36.16	61,47.37
- Deposits with original maturity of less than three months	93.08	-
	<b>75,29.24</b>	<b>61,47.37</b>

**Changes in Liabilities arising from financing activities March 31, 2019**

Particulars	March 31, 2018	Cash flows
Non-current borrowings (Note 14)	90,49.54	(31,78.42)
Current portion of long term borrowings (Note 17(c))	30,67.30	(60.30)
Current borrowings (Note 17(a))	38,19.78	(61.01)
		<b>Exchange Rate Difference</b>
	4,83.43	63,54.55
	2,47.59	32,54.59
	(1,26.60)	36,32.17

**Changes in Liabilities arising from financing activities March 31, 2018**

Particulars	March 31, 2017	Cash flows
Non-current borrowings (Note 16(a))	56,32.54	33,77.18
Current portion of long term borrowings (Note 17(c))	-	30,53.80
Current borrowings (Note 17(a))	171,85.13	(133,65.35)
		<b>Exchange Rate Difference</b>
	39.82	90,49.54
	13.50	30,67.30
	-	38,19.78

Table No. 2.16

		In Rs. Lakhs	
Particulars		As at March 31,	
		2019	2018
<b>10(d)</b>	<b>Bank Balances other than Cash and Cash Equivalents</b>		
	Deposits having a maturity period more than 3 months and less than 12 months	6,57.96	78,75.39
		<b>6,57.96</b>	<b>78,75.39</b>
The above balances have been pledged as security by the Company for availing non-fund based facilities (Bank guarantee)			
<b>10(e)</b>	<b>Loans and deposits carried at amortized cost</b>		
	Unsecured, considered good		
	- Security Deposits*	1,90.52	2,51.97
	- Loans to employees**	4,63.91	2,81.40
		<b>6,54.43</b>	<b>5,33.37</b>
*Security deposit are non-derivative financial assets which generate a fixed or variable interest income for the Company.			
**Loan to employees are non-derivative financial assets which generate a fixed or variable interest income for the Company.			
<b>10(f)</b>	<b>Derivative instruments carried at fair value through OCI *</b>		
	<b>Cash flow hedges</b>		
	Foreign exchange forward contracts (Net)	-	1.82
		-	<b>1.82</b>
<b>*Financial asset at fair value through OCI</b>			
Financial asset at fair value through OCI reflect the change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable future sale in USD.			
<b>10(g)</b>	<b>Other financial assets carried at amortized cost</b>		
	<b>Unsecured considered good</b>		
	Revenue accrued & not billed *	413,73.15	236,68.15
	Others receivable	7,39.45	1,43.95
		<b>421,12.60</b>	<b>238,12.10</b>

Table No. 2.17

\* The balance as at March 31, 2019 is net of allowance for credit loss of Rs. 9,39.10 lakhs (Previous year ended March 31, 2018 Rs.5, 94.57 lakhs).

**11 OTHER CURRENT ASSETS**

		In Rs. Lakhs	
Particulars		As at March 31,	
		2019	2018
	Unsecured, considered good		
	Advances to related parties (Refer Note 33)	12,34.93	10,33.94
	Prepayments and other recoveries	72,20.89	36,78.95
	Salary advance	1,13.30	3,01.02
	Balances with Government Authorities	11,88.56	1,91.59
		<b>97,57.68</b>	<b>52,05.50</b>

Table No. 2.18

**12 SHARE CAPITAL**

		In Rs. Lakhs	
Particulars		As at March 31,	
		2019	2018
<b>(a) Authorised</b>	194,800,000 equity shares of Rs 5 each.	97,40.00	75,00.00
	(March 31, 2018 : 150,000,000 equity shares of Rs 5 each)		
		<b>97,40.00</b>	<b>75,00.00</b>
<b>(b) Issued, Subscribed and Paid up</b>	131,774,715 equity shares of Rs 5 each	65,88.74	62,76.45
	(March 31, 2018: 125,529,084 equity shares of Rs 5 each) fully paid up		
		<b>65,88.74</b>	<b>62,76.45</b>
<b>Shares held by shareholders holding more than 5 percent shares in the Group.</b>			
	Polaris Banyan Holding Private Limited	318,61,000	317,61,000
	Arun Jain	75,56,321	-
		<b>29.91%</b>	<b>25.30%</b>

Table No. 2.19

**Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.5 per share. Each holder of equity shares is entitled to one vote per share. Equity shares entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held.

		Number of shares	
Particulars		As at March 31,	
		2019	2018
	Shares outstanding at the beginning of the year/period	12,55,29,084	10,17,33,872
	Shares issued under the Preferential Allotment	5,20,83,30	-
	Shares issued under the Rights Issue	-	2,31,35,710
	Shares issued Pursuant to Merger of Lasersoft & IndigoTX	528	-
	Shares issued under the Employee Stock Option Scheme (Refer Note 32)	10,36,773	6,59,502
	<b>Shares outstanding at the end of the year</b>	<b>13,17,74,715</b>	<b>12,55,29,084</b>
Particulars		2019	2018
	Share capital outstanding at the beginning of the year	62,76.45	50,86.69
	Shares issued under the Preferential Allotment	2,60.42	-
	Share capital issued under the Rights Issue	-	11,56.79
	Shares issued Pursuant to Merger of Lasersoft & IndigoTX	0.03	-
	Shares issued under the Employee Stock Option Scheme (Refer Note 32)	51.84	32.97
	<b>Share capital outstanding at the end of the year</b>	<b>65,88.74</b>	<b>62,76.45</b>

Table No. 2.20

**Shares reserved for issue under options**

For details of shares reserved for issue under the Share based payment plan of the Group, (Refer Note 32.)

**13 OTHER EQUITY**

		In Rs. Lakhs	
Particulars		As at March 31,	
		2019	2018
	Securities Premium	502,58.86	392,45.43
	General Reserve	126,55.46	125,41.05
	Share option outstanding account	26,80.41	28,91.78
	Retained Earnings	253,68.90	143,63.87
	Other Reserves ( Effective portion of Cash flow hedge reserve & Foreign Currency Translation Reserve)	44,20.94	48,73.24
		<b>953,84.57</b>	<b>739,15.37</b>

Table No. 2.21

**14 FINANCIAL LIABILITIES**

		In Rs. Lakhs	
Particulars		As at March 31,	
		2019	2018
<b>Secured</b>			
	Term Loan from Banks	96,09.14	121,16.84
	Current maturities of Long Term Borrowings (Refer note No 17 ( c ))	(32,54.59)	(30,67.30)
		<b>63,54.55</b>	<b>90,49.54</b>

Table No. 2.22

Term loan from banks (USD) has a moratorium of 12 months from the date of disbursement and repayable in 16 quarterly installments contractually commencing from December 2018. The classification of "Current Maturities of Long Term Borrowings" is done based on management's intention to repay the loan. The loan is measured at amortised cost (net of processing charges) and carries an effective interest of 6.28% per annum and secured by a charge on the Land and buildings of the Company.

## 15 DERIVATIVE INSTRUMENTS

Particulars	In Rs. Lakhs	
	As at March 31,	
	2019	2018
Foreign exchange forward contracts (Net)	2,41.60	-
	<b>2,41.60</b>	-

Table No. 2.23

**\*Financial asset at fair value through OCI**

Financial asset at fair value through OCI reflect the change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable future sale in USD.

## 16 DEFERRED TAX LIABILITIES (NET)

Particulars	In Rs. Lakhs	
	As at March 31,	
	2019	2018
Difference between Depreciation as per books of accounts & Income Tax Act,1961	16.68	8.42
	<b>16.68</b>	<b>8.42</b>

Table No. 2.24

## 17 FINANCIAL LIABILITIES

Particulars	In Rs. Lakhs	
	As at March 31,	
	2019	2018
<b>Borrowings</b>		
Secured, unless otherwise specified		
Loans repayable on demand		
- from Banks	37,18.04	-
- from other parties (Unsecured)	-	38,19.78
(Refer Note 33)		
	<b>37,18.04</b>	<b>38,19.78</b>

Particulars	Repayable	Security
<b>Loans repayable on demand (Currency of loan - INR)</b>		
Loan from other parties - (March 31, 2018)	Repayable on Demand	Unsecured
Effective interest rate - 9.50%		

**Pre-shipment credit in foreign currency & Export bills discounting (Currency of loan - USD)**

Particulars	Repayable	Security
Pre-shipment credit in foreign currency (March 31, 2019)	60 days to 120 days credit period	Land & Building
Effective interest rate - 4.42%		

## 17(b) Trade payables

Total outstanding dues of micro enterprises and small enterprises (Refer Note No 49)	2,23.43	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note 33 for balances due to related parties)	164,17.67	116,59.12
	<b>166,41.10</b>	<b>116,59.12</b>

## 17(c) Other financial liabilities carried at amortized cost

Current maturities of Long Term Borrowings (Refer Note 14)	32,54.59	30,67.30
Employee benefit payable	97,87.97	89,87.84
Capital creditors	1,92.09	2,05.91
Super Annuation Payable	7,42.09	6,31.79
	<b>139,76.74</b>	<b>128,92.84</b>

## 17(d) Derivative instruments

Foreign exchange forward contracts (Net)	3,07.14	-
	<b>3,07.14</b>	-

Table No. 2.25

**\*Financial asset at fair value through OCI**

Financial asset at fair value through OCI reflect the change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable future sale in USD.

## 18 OTHER CURRENT LIABILITIES

Particulars	In Rs. Lakhs	
	As at March 31,	
	2019	2018
Contract Liabilities	120,66.39	116,06.09
Statutory dues	26,68.63	26,76.02
	<b>147,35.02</b>	<b>142,82.11</b>

Table No. 2.26

## 19 PROVISIONS

Particulars	In Rs. Lakhs	
	As at March 31,	
	2019	2018
<b>(a) Provision for employee benefits</b>		
- Provision for gratuity (Refer note 31)	16,70.97	12,78.64
- Provision for leave benefits	12,25.43	11,24.07
- Provision for other employee benefit obligations	7,74.00	5,38.89
	<b>36,70.40</b>	<b>29,41.60</b>

Table No. 2.27

## 20 CURRENT TAX LIABILITIES (NET)

Particulars	In Rs. Lakhs	
	As at March 31,	
	2019	2018
- Provision for taxation (net of Advance Income tax)	5,98.86	2,71.66
	<b>5,98.86</b>	<b>2,71.66</b>

Table No. 2.28

## 21 REVENUE FROM OPERATIONS

## Timing of Revenue Recognition

Particulars	In Rs. Lakhs	
	Year ended March 31,	
	2019	2018
At a point in time	270,11.79	198,80.79
Over a period of time	1,179,45.15	888,48.28
<b>Total revenue from operations</b>	<b>1,449,56.94</b>	<b>1,087,29.07</b>

## Summary of Contract Balances

Particulars	In Rs. Lakhs	
	Year ended March 31,	
	2019	2018
Trade receivables	202,72.62	241,17.34
Contract assets*	413,73.15	236,68.15
Contract liabilities*	120,66.39	116,06.09

\* Contract assets represents revenue accrued and not billed and unbilled revenues. Contract Liabilities represents Billing in excess of revenue

## Set out below is the amount of revenue recognised from:

Particulars	Year ended March 31,	
	2019	2018
	Amounts included in contract liabilities at the beginning of the year	116,06.09
Revenue recognised from performance obligations satisfied in reporting period	91,70.19	73,71.41

Table No. 2.29

## Performance obligations &amp; Remaining performance obligations

Information on Company's performance obligations and remaining performance obligations is summarised in accounting policies (also Refer Note 3(H))

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned in Note 3(H), is INR 290,12.26 lakhs. Out of this, the Company expects to recognize revenue of around 82% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.



**22(a) OTHER INCOME**  
 (Recurring and related to business unless otherwise stated)

Particulars	In Rs. Lakhs	
	Year ended March 31,	
	2019	2018
(a) Net gain from sale of investments		
Profit/(Loss) on sale of investments, carried at fair value through Statement of profit or (loss)	(3.77)	-
(b) Other non-operating Income		
Net gain on disposal of property, plant and equipment (Non recurring and not related)	49,44.62	16,04.72
Miscellaneous Income (Net)	7,46.05	4,60.12
	<b>56,86.90</b>	<b>20,64.84</b>

Table No. 2.30

**22(b) FINANCE INCOME**

Particulars	In Rs. Lakhs	
	Year ended March 31,	
	2019	2018
(a) Interest Income		
Interest from financial assets carried at amortised cost	5,13.17	4,86.50
(b) Dividend Income		
Dividends received on investments in mutual funds	70.50	1,16.48
	<b>5,83.67</b>	<b>6,02.98</b>

Table No. 2.31

**23 EMPLOYEE BENEFIT EXPENSE**

Particulars	In Rs. Lakhs	
	Year ended March 31,	
	2019	2018
Salaries and incentives	929,45.67	708,90.95
Contribution to provident and other funds	44,11.82	31,37.32
Gratuity contribution scheme (Refer Note 31)	5,34.29	4,19.84
Expense on Employee Stock Option Scheme (ESOP) (Refer Note 32)	5,58.42	7,38.35
Staff welfare expenses	18,94.63	15,25.32
	<b>1,003,44.83</b>	<b>767,11.78</b>

Table No. 2.32

**24 DEPRECIATION AND AMORTISATION**

Particulars	In Rs. Lakhs	
	Year ended March 31,	
	2019	2018
Depreciation of Tangible Assets (Refer Note 4)	20,50.79	20,94.77
Amortisation of Intangible Assets (Refer Note 5)	21,04.92	5,58.72
	<b>41,55.71</b>	<b>26,53.49</b>

Table No. 2.33

**25 FINANCE COSTS**

Particulars	In Rs. Lakhs	
	Year ended March 31,	
	2019	2018
Interest Expenses	11,44.24	13,82.62
	<b>11,44.24</b>	<b>13,82.62</b>

Table No. 2.34

**26 OTHER EXPENSES**

Particulars	In Rs. Lakhs	
	Year ended March 31,	
	2019	2018
Cost of software packages, consumable and maintenance	35,30.78	43,80.69
Travelling expenses	75,93.11	57,04.10
Communication expenses	26,67.95	14,05.47
Professional and legal charges	43,53.86	29,48.53
Payment to the auditors		
- Statutory audit	67.00	51.00
- for other services	8.82	4.00
- for reimbursement of expenses	4.39	2.11
Power and fuel	8,35.52	7,79.06
Rent	18,76.75	19,88.00
Repairs - Plant and machinery	5,68.33	1,10.41
Repairs - Others	3,26.40	4,03.95
Business promotion	30,49.84	26,39.37
Office maintenance	11,17.40	9,46.92
Allowances for credit impaired	16,79.21	7,83.53
Bad debts / advances written off	59.96	2,76.95
Insurance	2,43.03	1,72.97
Preliminary expenses written off	-	16.85
Printing and stationery	1,59.25	2,32.22
Rates and taxes excluding taxes on Income	4,81.28	1,29.02
Donations	2,32.83	2,00.00
Directors' sitting fees	43.91	29.44
Bank charges & commission	4,58.98	2,73.04
Miscellaneous expenses	13,19.60	6,76.31
Net Loss on foreign currency transaction and translation	11,80.31	6,25.17
	<b>318,58.51</b>	<b>247,79.11</b>

Table No. 2.35

**27 INCOME TAX**

The major components of income tax expense for the years ended March 31, 2019 and March 31 2018 are:

**Statement of Profit and Loss:**

Particulars	In Rs. Lakhs	
	Year ended March 31,	
	2019	2018
<b>Current income tax:</b>		
Current income tax charge	37,36.57	13,99.67
MAT credit (entitlement) / availed	(26,21.97)	(9,15.98)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(2,19.89)	2,19.29
<b>Total</b>	<b>8,94.71</b>	<b>7,02.98</b>

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:**

Particulars	March 31,	
	2019	2018
<b>Profit before income tax</b>	140,20.77	63,73.94
At India's statutory income tax rate -	34.944%	34.608%
Derived Tax Charge for the year	48,99.42	22,05.89
Adjustments:		
Tax impact arising on account of set off of available losses	(44,18.85)	(19,57.43)
Overseas taxes	4,14.14	4,54.52
<b>Net derived tax charge</b>	<b>8,94.71</b>	<b>7,02.99</b>
<b>Income tax expense reported in the statement of Profit and Loss</b>	<b>8,94.71</b>	<b>7,02.98</b>

Table No. 2.36

## 28 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	Retained Earnings	Net movement on cash flow hedges	Foreign exchange translation difference	Total
<b>During the year ended</b>				
<b>March 31, 2019</b>				
Re-measurement gains/(losses) on defined benefit plans	(1,64.41)			(1,64.41)
Net movement on cash flow hedges		(5,54.22)		(5,54.22)
Exchange differences on translation of foreign operations			1,01.92	1,01.92
<b>During the year ended 31</b>				
<b>March 31, 2018</b>				
Re-measurement gains/(losses) on defined benefit plans	(11.99)			(11.99)
Net movement on cash flow hedges		(18,14.18)		(18,14.18)
Exchange differences on translation of foreign operations			13,33.54	13,33.54

Table No. 2.37

## 29 EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2019	March 31, 2018
Profit after tax	131,34.54	46,72.62
Weighted average number of shares		
- Basic	12,89,92,229	11,75,52,245
- Diluted	13,19,87,317	12,07,85,310
Earning per share of Rs.5 each		
- Basic	10.18	3.97
- Diluted	9.95	3.87

Table No. 2.38

## 30 Significant accounting judgements, estimates and assumptions

The preparation of the Group'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. 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 Group's accounting policies, management has not made any judgements, which have significant effect on the amounts recognised in the Standalone Financial Statements.

### Revenue from Contract with Customers

The Group is required to make an assessment for each new software license contract as to whether the underlying software requires significant modification or customization by the Group in order to meet the customer's requirements. If significant modification or customization is required, then the license fee is recognized based on percentage-of-completion. Majority of such modifications or customizations have not been deemed significant in current or prior periods.

In respect of service revenue, the management exercises judgment in determining the percentage of completion utilizing output measures, such as the achievement of any project milestones stipulated in the contract, or internal quality milestones to assess proportional performance.

The Group also exercises judgment in assessing uncertainties surrounding the probability of collection when payment terms are linked to service implementation milestones or other various contingencies exist. These assessments are made at the outset of the contract.

### b. Estimates and assumptions

#### 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 Group based its assumptions and estimates on parameters available when the consolidated 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 Group. Such changes are reflected in the assumptions when they occur.

#### Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

#### Share-based payments

The Group initially measures the cost of Equity-settled transactions with employees using a black scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 32.

#### Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuation. 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 underlying bonds are further reviewed for quality.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations and sensitivity analysis are given in Note 31.

**Taxes**

Current Tax for the current year is computed as per the provisions of Section 115JB and the Minimum Alternate Tax liability (MAT) is provided for. Significant management judgements have been involved in evaluating and recognising MAT credit, to be set off against the future taxable profits for which the Group has an eligible carry forward period of 15 years.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Provision for Allowance of Credit Loss**

The Group has adopted and laid out its Expected Credit Loss Model (ECL) for determination of the Provision for credit loss allowance, which are primarily in the nature of trade receivables and unbilled revenue. In determining its ECL, assumptions and estimates are made in relation to Nature of customers (Public Sector Banks, Non-Banking Finance Companies, Private Banks etc), billing and collection terms as per the contract, average aging of the customer balance and the past trends of collection.

**31 GRATUITY**

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. A trust by name "Intellect Design Group gratuity trust" has been constituted by Intellect Design Arena Limited to administer the gratuity fund.

In Rs. Lakhs

Particulars	Year ended March 31,	
	2019	2018
<b>Obligations at the beginning of the year</b>	<b>25,05.38</b>	<b>21,97.02</b>
Current service cost	4,52.95	3,84.23
Interest cost	1,73.06	1,54.51
Benefits paid	(2,88.62)	(2,40.57)
Actuarial (gains) / losses	1,83.74	10.19
<b>Obligations at the end of the year</b>	<b>30,26.51</b>	<b>25,05.38</b>
<b>Change in plan assets</b>		
Plan assets at period beginning, at fair value	<b>12,26.74</b>	<b>13,70.52</b>
Expected Return on plan assets	90.61	93.22
Contributions	3,04.51	1.17
Actuarial gains / (losses)	19.33	(1.80)
Benefits paid	(2,85.65)	(2,36.37)
<b>Plan assets at period end, at fair value</b>	<b>13,55.54</b>	<b>12,26.74</b>
Actual Return on Plan Assets	1,09.95	91.42
<b>Reconciliation of present value of the obligation and the fair value of plan assets</b>		
Fair value of plan assets at the end of the year	13,55.54	12,26.74
Present value of defined benefit obligations at the end of the year	30,26.51	25,05.38
<b>Asset / (Liability) recognised in the balance sheet</b>	<b>(16,70.97)</b>	<b>(12,78.64)</b>
a) Non-Current portion	-	-
b) Current portion	(16,70.97)	(12,78.64)
<b>Amount recognised in the statement of Profit and Loss under employee benefit expense:</b>		
Service Cost	4,51.84	3,84.23
Net interest on the net defined liability/asset	82.45	35.61
	<b>5,34.29</b>	<b>4,19.84</b>
<b>Amount recognised in the statement of Other Comprehensive Income</b>		
(Gain)/Loss from change in demographic assumptions	2,33.77	23.52
(Gain)/Loss from change in financial assumptions	1,02.53	38.36
Actuarial (Gain)/Loss due to Experience	(1,52.56)	(51.69)
(Return) / Loss on Plan Assets (greater) / less than discount rate	(19.33)	1.80
	<b>1,64.41</b>	<b>11.99</b>

Particulars	Year ended March 31,	
	2019	2018
Defined Benefit Obligation	30,26.51	25,05.38
Fair Value of Plan Assets	13,55.54	12,26.74
Surplus / (deficit)	(16,70.97)	(12,78.64)
Experience adjustments on plan liabilities	1,83.74	10.19
Experience adjustments on plan assets	19.33	(1.80)
Actual return on plan assets	1,09.95	91.42
<b>Actuarial Assumptions</b>		
Discount rate	7.33%	7.44%
Expected return on plan assets	7.33%	7.44%
Salary growth rate	8.75%	7.75%
Attrition rate	20.62%	18.84%

**Amounts recognised in current year and previous years**

Gratuity	March 31, 2019	March 31, 2018
Defined benefit obligation	30,26.51	25,05.38
Plan asset	13,55.54	12,26.74
	(16,70.97)	(12,78.64)
Experience Adjustment on Plan Liabilities (Gain) / Loss	1,83.74	10.19
Experience Adjustment on Plan Assets Gain / (Loss)	(19.33)	1.80

**Table No. 2.39**

Estimated amount of contribution to the fund during the Year Ended March 31, 2019, as estimated by management is INR 16,70.97 lakhs (Previous year INR 12,78.64 lakhs)

**Notes**

(a) The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market

(b) Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation

(c) The Composition of Plan assets which is funded with ICICI Prudential Life Insurance & Kotak Mahindra Life Insurance Ltd.

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets	March 31, 2019	March 31, 2018
Assets under insurance schemes	100%	100%

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.16 years (31 March 2018 - 5 years)

**A quantitative sensitive analysis of the assumption as at March 31, 2019**

Assumptions	Discount Rate		Salary Escalation Rate	
Sensitivity level	1%	1%	1%	1%
Activity	Increase	Decrease	Increase	Decrease
Defined benefit obligation	2,801.21	3,283.11	3,268.40	2,810.45

**Table No. 2.40**

Assumptions	Attrition rate		Mortality rate	
Sensitivity level	1%	1%	10%	
Activity	Increase	Decrease	Increase	
Defined benefit obligation	2,981.78	3,074.64	3,024.70	

**Table No. 2.41****A quantitative sensitive analysis of the assumption as at March 31, 2018**

Assumptions	Discount Rate		Salary Escalation Rate	
Sensitivity level	1%	1%	1%	1%
Activity	Increase	Decrease	Increase	Decrease
Defined benefit obligation	2,397.22	2,623.65	2,606.54	2,414.09

**Table No. 2.42**

Assumptions	Attrition rate	Mortality rate	
Sensitivity level	1%	1%	10%
Activity	Increase	Decrease	Increase
Defined benefit obligation	2,493.06	2,518.20	2,506.12

Table No. 2.43

Maturity Profile of defined benefit obligation	Discounted values / Present value		
	Particulars	31-Mar-19	31-Mar-18
Within next 12 months (next annual reporting period)		305.77	417.43
Between 2 and 5 years		1,292.61	1,449.91
Between 6 and 10 years		532.02	462.74
More than 10 years		1,428.15	638.05
<b>Total</b>		<b>3,558.55</b>	<b>2,968.13</b>

Table No. 2.44

### 32 SHARE BASED PAYMENTS

The Scheme of Arrangement (Demerger) entered into by the Company with Polaris Consulting & Services Limited (Demerged Company) with effect from April 1, 2014 provided for the following in respect of Employee Stock Option Schemes;

(i) The Company has adopted three stock option plans (ASOP 2003, ASOP 2004 and ASOP 2011) from Polaris Consulting & Services Limited, as provided in the Scheme of Arrangement.

(ii) Every employee holding an option in the Demerged Company under the stock option plans of the Demerged Company, shall be issued one option in the stock option plans formed by the Resulting Company upon the Scheme coming into effect.

(iii) The exercise price of the options in the Resulting Company shall be adjusted to 28% of the exercise price of the options granted under the Schemes of the Demerged Company.

Apart from the schemes provided under the Demerger arrangement the company has the following Employee stock option schemes

(i) The Company has formulated two stock option plans (Intellect Stock Option Plan 2015, Intellect Stock Option Plan 2016) of its own.

These plans provide for the granting of stock options to employees including directors of the Company (not being promoter directors and not holding more than 10% of the equity shares of the Company). The objectives of these plans include attracting and retaining the best personnel, providing for additional performance incentives and promoting the success of the Company by providing employees the opportunity to acquire equity shares.

During the previous year the Company had offered rights issue to its shareholders on 17th July, 2017. Consequent to this corporate action, the market price of the shares reduced from Rs. 130.60 to Rs. 118.20. The ESOP scheme of the Company specifically requires the Compensation/Nomination & Remuneration Committee to make a fair and reasonable adjustment to the option terms in case of corporate action. Considering the above, the Nomination and Remuneration Committee of Intellect on 09th November 2017 has revised/ reduced the exercise prices of outstanding options (both vested and unvested) as on the record date i.e 18th July, 2017 by 15%. The fair values before and after the modification have remained unchanged and there is no incremental impact in the Income statement. The option plans are summarized below:

#### Associate Stock Option Plan 2003

The Plan is effective from October 9, 2014 and the Company has received in principle approval from the National Stock Exchange on February 16, 2015 and from the Bombay Stock Exchange on March 3, 2015. The 2003 Plan provides for issuance of 26,03,850 options, convertible to equivalent number of equity shares of Rs 5 each, to the employees including directors of the Company. The options are granted at the market price on the date of the grant. The market price, in accordance with the Securities and Exchange Board of India (Share based employee benefits) Regulations 2014 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the

stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 36 months from the last vesting date.

No compensation cost has been recorded as the scheme terms are fixed and there were no shares vesting after the transition date of April 1, 2015. A summary of the status of the options under 2003 plan at March 31, 2019 is presented below:

Particulars	March 31, 2019	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	47,100	42.25
Granted During the period	-	-
Exercised during the year	(11,800)	43.46
Forfeited during the year	-	-
Expired during the year	(19,500)	45.14
Outstanding at the end of the year	15,800	37.79
Exercisable at the end of the year	15,800	37.79

Table No. 2.45

Particulars	March 31, 2019
Range of exercise price (Rs.)	30.58 - 49.68
Weighted average remaining contractual life (in years)	0.39
Weighted average fair value of options granted	-
Weighted average market price of shares on the date of exercise(Rs.)	198.52

Table No. 2.46

Particulars	March 31, 2018	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	132,802	48.60
Granted During the period	-	-
Exercised during the year	(57,802)	43.13
Forfeited during the year	-	-
Expired during the year	(27,900)	44.41
Outstanding at the end of the year	47,100	42.25
Exercisable at the end of the year	47,100	42.25

Table No. 2.47

Particulars	March 31, 2018
Range of exercise price (Rs.)	30.58 - 49.68
Weighted average remaining contractual life (in years)	1.55
Weighted average fair value of options granted	-
Weighted average market price of shares on the date of exercise(Rs.)	169.85

Table No. 2.48

#### Associate Stock Option Plan 2004

The Plan is effective from October 9, 2014 and the Company has received in principle approval from the National Stock Exchange and the Bombay Stock Exchange on February 16, 2015. The 2004 Plan provides for issuance of 8,24,645 options, convertible to equivalent number of equity shares of Rs 5 each, to the employees, including directors. The options are granted at the market price on the date of the grant. The market price, in accordance with the Securities and Exchange Board of India (Share based employee benefits) Regulations 2014 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 36 months from the last vesting date.

Particulars	March 31, 2019	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	53,000	42.79
Granted during the year	-	-
Exercised during the year	(38,000)	44.05
Forfeited during the year	-	-
Expired during the year	(10,000)	44.26
Outstanding at the end of the year	5,000	30.58
Exercisable at the end of the year	5,000	30.58

Table No. 2.49

Particulars	March 31, 2019
Range of exercise price (Rs.)	30.58 to 44.26
Weighted average remaining contractual life (in years)	0.56
Weighted average fair value of options granted	-
Weighted average market price of shares on the date of exercise(Rs.)	169.68

Table No. 2.50

Particulars	March 31, 2018	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	64,200	49.32
Granted during the year	-	-
Exercised during the year	(11,200)	41.13
Forfeited during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	53,000	42.79
Exercisable at the end of the year	53,000	42.79

Table No. 2.51

Particulars	March 31, 2018
Range of exercise price (Rs.)	30.58 to 44.26
Weighted average remaining contractual life (in years)	1.15
Weighted average fair value of options granted	-
Weighted average market price of shares on the date of exercise(Rs.)	169.33

Table No. 2.52

**Associate Stock Option Plan 2011**

The Plan is effective from October 9, 2014 and the Company has received in principle approval from the National Stock Exchange on February 16, 2015 and the Bombay Stock Exchange on February 19, 2015. The 2011 Plan provides for issuance of 48,88,450 options, convertible to equivalent number of equity shares of Rs 5 each, to the employees. The plan shall be administered under 4 different schemes based on the following terms:

Particulars	Swarnam 11	Swarnam 21	Swarnam 31	Swarnam 41
Eligible employees	Senior and Key executives excluding non-executive directors	Members of Business leadership team or equivalent thereof excluding non-executive directors	Associates in the grade of Executive Vice president and above, excluding non executive directors	Non - Executive directors
Maximum number of options grantable	3,648,450 Less: Number of Options granted under Swarnam 21	1,736,000	1,240,000 Less: Number of Options granted under Swarnam 41	200,000

Table No. 2.53

**Grant price**

Market price upto Rs. 49	Market price	Market price	Market price	Market price
Market price between Rs. 49 - Rs. 140	15% discount on market price. (Subject to being Not lower than Rs 49)	30% discount on market price. (Subject to being Not lower than Rs 49)	50% discount on market price. (Subject to being Not lower than Rs 49)	Market price
Market price greater than Rs.140	10% discount on market price	20% discount on market price	50% discount on market price	Market price

Table No. 2.54

The market price, in accordance with the Securities and Exchange Board of India (Share based employee benefits) Regulations 2014 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The options shall be valued using the fair value model.

The option vests over a period of 5 years from the date of grant in a graded manner, subject to fulfillment of vesting conditions as follows:

Vesting Schedule	Swarnam 11	Swarnam 21	Swarnam 31	Swarnam 41
Service conditions				
At the end of Year 1	10%	0%	0%	20%
At the end of Year 2	15%	0%	0%	20%
At the end of Year 3	20%	33%	33%	20%
At the end of Year 4	25%	33%	33%	20%
At the end of Year 5	30%	34%	34%	20%

Table No. 2.55

**Performance conditions**

Performance rating	20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating	20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating	20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating	20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating
Companies target EPS growth	Accelerated vesting of 5%/10% each year, based on Company achieving specified target EPS growth.	Accelerated vesting of 5%/10% each year, based on Company achieving specified target EPS growth.	NA	NA

Table No. 2.56

The exercise period shall commence from the date of vesting and expires within 60 calendar months from the relevant vesting date.

Particulars	March 31, 2019	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	1,312,380	43.06
Granted during the year	-	-
Exercised during the year	(565,618)	35.51
Forfeited during the year	(71,240)	44.65
Expired during the year	(62,460)	37.70
Outstanding at the end of the year	613,062	39.33
Exercisable at the end of the year	497,842	37.07

Table No. 2.57

Particulars	March 31, 2019
Range of exercise price (Rs.)	25.94 to 62.35
Weighted average remaining contractual life (in years)	4.24
Weighted average fair value of options granted	-
Weighted average market price of shares on the date of exercise(Rs.)	196.96

Table No. 2.58

Particulars	March 31, 2018	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	2,597,650	40.55
Granted during the year	-	-
Exercised during the year	(459,700)	36.93
Forfeited during the year	(803,410)	48.79
Expired during the year	(22,160)	38.48
Outstanding at the end of the year	1,312,380	43.06
Exercisable at the end of the year	730,390	35.76

Table No. 2.59

Particulars	March 31, 2018
Range of exercise price (Rs.)	25.94 to 62.35
Weighted average remaining contractual life (in years)	5.32
Weighted average fair value of options granted	-
Weighted average market price of shares on the date of exercise(Rs.)	159.78

Table No. 2.60

Scheme	ASOP 2011					
	Grant ID	Swarnam 11	Swarnam 11	Swarnam 11	Swarnam 11	Swarnam 11
Grant date	20-Jan-12	24-Apr-12	24-Jul-12	22-Oct-12	22-Jan-13	
Stock Price	134.40	150.75	113.20	126.15	141.95	
Stock Price (as at date of revision of Exercise Price)	118.20	118.20	118.20	118.20	118.20	
Risk-free interest rate	8.08%	8.47%	8.10%	8.11%	7.90%	
Revised Exercise Price	114.24	128.14	96.22	107.23	120.66	
Expected life (Years)	3.5 - 7.5	3.5 - 7.5	3.5 - 7.5	3.5 - 7.5	3.5 - 7.5	
Expected volatility	59.31%	20.00%	20.00%	20.00%	43.86%	
Expected dividend yield	1.54%	0%	0%	0%	2%	

Table No. 2.61

Scheme	ASOP 2011					
	Grant ID	Swarnam 11	Swarnam 11	Swarnam 11	Swarnam 11	Swarnam 11
Grant date	27-Apr-13	30-Jul-13	22-Oct-13	7-Mar-14	10-Mar-14	
Stock Price	114.70	109.00	141.25	153.40	143.70	
Stock Price (as at date of revision of Exercise Price)	118.20	118.20	118.20	118.20	118.20	
Risk-free interest rate	7.59%	8.74%	8.56%	8.93%	8.96%	
Revised Exercise Price	97.50	92.65	120.06	130.39	122.15	
Expected life (Years)	3.5 - 7.5	3.5 - 7.5	3.5 - 7.5	3.5 - 7.5	3.5 - 7.5	
Expected volatility	20.00%	20.00%	20.00%	20.00%	44.67%	
Expected dividend yield	0%	0%	0%	0%	2.26%	

Table No. 2.62

Scheme	ASOP 2011				
	Grant ID	Swarnam 21 & 31	Swarnam 21 & 31	Swarnam 11	Swarnam 21 & 31
Grant date	10-Mar-14	30-Apr-14	7-Jan-15	7-Jan-15	
Stock Price	143.70	183.55	86.30	86.30	
Stock Price (as at date of revision of Exercise Price)	118.20	118.20	118.20	118.20	
Risk-free interest rate	9.09%	8.86%	8.07%	8.02%	
Revised Exercise Price	122.15	148.75	51.35	51.35	
Expected life (Years)	5.5 - 7.5	5.5 - 7.5	3.5 - 7.5	5.5 - 7.5	
Expected volatility	20.00%	55.21%	20.00%	20.00%	
Expected dividend yield	0%	2.407%	0%	0%	

Table No. 2.63

## Intellect Stock option Plan 2015

The Shareholders of the Company in the Extraordinary General Meeting held on January 29, 2015 approved the Intellect Stock Option Plan 2015. The 2015 plan provides for issuance of 60,00,000 options convertible into equivalent number of equity shares of Rs 5/- each to employees but shall exclude independent directors, an employee belonging to the promoter group or a director holding more than 10% of the share capital. The tenure of the Scheme is for 12 years from the date of coming into effect and shall be extended by a period of not more than 5 years as the Board of Directors may decide. The plan shall be administered under 5 different schemes based on the following terms:

Particulars	Swarnam 11	Swarnam 21	Swarnam 31	Swarnam 41
Eligible employees	Senior and Key executives excluding non-executive directors	Members of Business leadership team or equivalent thereof excluding non-executive directors	Associates in the grade of Executive Vice president and above, excluding non executive directors	Non - Executive directors
Maximum number of options grantable	3,720,000 Less: Number of Options granted under Swarnam 21	1,736,000	1,240,000 Less: Number of Options granted under Swarnam 41	200,000

Table No. 2.64

## Grant price

	Swarnam 101	Swarnam 201	Swarnam 301	Swarnam 401	Swarnam 501
Market price upto Rs. 49	Market price	Market price	Market price	Market price	Market price
Market price between Rs. 49 - Rs. 140	15% discount on market price. (Subject to being Not lower than Rs 49)	30% discount on market price. (Subject to being Not lower than Rs 49)	50% discount on market price. (Subject to being Not lower than Rs 49)	25% discount on market price. (Subject to being Not lower than Rs 49)	Upto 50% discount on market price. (Subject to being Not lower than Rs 49)
Market price greater than Rs.140	10% discount on market price	20% discount on market price	50% discount on market price	25% discount on market price (Subject to being not lower than Rs. 49)	Upto 50% discount on market price. (Subject to being not lower than Rs. 49)

Table No. 2.65

The market price, in accordance with the Securities and Exchange Board of India (Share based employee benefits) Regulations 2014 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The options shall be valued using the fair value model.

The option vests over a period of 5 years from the date of grant in a graded manner, subject to fulfillment of vesting conditions as follows:

Particulars	Swarnam 101	Swarnam 201	Swarnam 301	Swarnam 401	Swarnam 501
Service conditions					
At the end of year 1	10%	0%	0%	0%	0%
At the end of year 2	15%	0%	0%	0%	0%
At the end of year 3	20%	33%	33%	33%	33%
At the end of year 4	25%	33%	33%	33%	33%
At the end of year 5	30%	34%	34%	34%	34%

Table No. 2.66

**Performance Conditions**

Performance rating	20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating.		
Company's target EPS growth	Accelerated vesting of 5%/10% each year, based on Company achieving specified target EPS growth	NA	NA

Table No. 2.67

The exercise period shall commence from the date of vesting and expires within 60 calendar months from the relevant vesting date.

A summary of the status of the options granted under 2015 plan at March 31, 2019 is presented below:

Particulars	March 31, 2019	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	5,633,300	1,21.99
Granted during the year	400,000	1,63.57
Exercised during the year	(431,755)	99.98
Forfeited during the year	(464,337)	1,26.85
Expired during the year	(108,438)	1,37.92
Outstanding at the end of the year	5,028,770	1,23.12
Exercisable at the end of the year	1,539,250	1,20.57

Table No. 2.68

Particulars	March 31, 2019
Range of exercise price	77.18 to 184.46
Weighted average remaining contractual life (in years)	5.80
Weighted average fair value of options granted	114.10
Weighted average market price of shares on the date of exercise	210.93

Table No. 2.69

Particulars	March 31, 2018	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	5,013,800	1,34.06
Granted during the year	1,255,000	1,19.62
Exercised during the year	(142,000)	91.27
Forfeited during the year	(437,800)	1,38.31
Expired during the year	(55,700)	1,23.99
Outstanding at the end of the year	5,633,300	1,21.99
Exercisable at the end of the year	1,153,613	1,16.04

Table No. 2.70

Particulars	March 31, 2018
Range of exercise price (Rs)	77.18 to 179.35
Weighted average remaining contractual life (in years)	6.96
Weighted average fair value of options granted	104.68
Weighted average market price of shares on the date of exercise	166.59

Table No. 2.71

The fair value of options was estimated at the date of grant using the Black Scholes Model with the following assumptions:

**Grants in FY 18-19****SWARNAM 101- ISOP 2015**

Date of Grant: 06/May/2018	06/May/2019	06/May/2020	06/May/2021	06/May/2022	06/May/2023
Market Price (Rupees)	195.7	195.7	195.7	195.7	195.7
Expected Life	3.51	4.51	5.51	6.51	7.51
Volatility (%)	54.68	54.68	54.68	54.68	54.68
Riskfree Rate (%)	7.58	7.74	7.83	7.9	7.94
Exercise Price (Rupees)	176.13	176.13	176.13	176.13	176.13
Dividend yield (%)	0	0	0	0	0
<b>Fair Value per vest (Rupees)</b>	<b>98.89</b>	<b>110.51</b>	<b>120.32</b>	<b>128.77</b>	<b>136.06</b>
Vest Percent (%)	10	15	20	25	30
<b>Option Fair Value (Rupees)</b>	<b>123.54</b>				

Table No. 2.72

Date of Grant: 25/Jul/25/Jul/2018	25/Jul/2019	25/Jul/2020	25/Jul/2021	25/Jul/2022	25/Jul/2023
Market Price (Rupees)	204.95	204.95	204.95	204.95	204.95
Expected Life	3.51	4.51	5.51	6.51	7.51
Volatility (%)	53.07	54.58	54.58	54.58	54.58
Riskfree Rate (%)	7.75	7.88	7.97	8.01	8.04
Exercise Price (Rupees)	184.46	184.46	184.46	184.46	184.46
Dividend yield (%)	0	0	0	0	0
<b>Fair Value per vest (Rupees)</b>	<b>102.25</b>	<b>115.98</b>	<b>126.28</b>	<b>135.06</b>	<b>142.68</b>
Vest Percent (%)	10	15	20	25	30
<b>Option Fair Value (Rupees)</b>	<b>129.45</b>				

Table No. 2.73

Date of Grant: 15/Feb/2019	15/Feb/2020	15/Feb/2021	15/Feb/2022	15/Feb/2023	15/Feb/2024
Market Price (Rupees)	162.5	162.5	162.5	162.5	162.5
Expected Life	3.51	4.51	5.51	6.51	7.51
Volatility (%)	52.38	54.96	54.96	54.96	54.96
Riskfree Rate (%)	6.98	7.11	7.22	7.32	7.4
Exercise Price (Rupees)	146.25	146.25	146.25	146.25	146.25
Dividend yield (%)	0	0	0	0	0
<b>Fair Value per vest (Rupees)</b>	<b>79.13</b>	<b>90.76</b>	<b>98.84</b>	<b>105.84</b>	<b>111.94</b>
Vest Percent (%)	10	15	20	25	30
<b>Option Fair Value (Rupees)</b>	<b>101.34</b>				

Table No. 2.74

## Grants in FY 17-18

## SWARNAM 101- ISOP 2015

Date of Grant : 30/Jan/2018	30/Jan/ 2019	30/Jan/ 2020	30/Jan/ 2021	30/Jan/ 2022	30/Jan/ 2023
Market Price (Rs.)	175.05	175.05	175.05	175.05	175.05
Expected Life (In Years)	3.5	4.51	5.51	6.51	7.51
Volatility (%)	54.92	54.92	54.92	54.92	54.92
Riskfree Rate (%)	7.11	7.3	7.45	7.56	7.65
Exercise Price (Rs)	157.55	157.55	157.55	157.55	157.55
Dividend yield (%)	0	0	0	0	0
<b>Fair Value per vest (Rs.)</b>	<b>87.68</b>	<b>98.14</b>	<b>106.97</b>	<b>114.57</b>	<b>121.19</b>
Vest Percent (%)	10	15	20	25	30
<b>Options Fair Value (Rs.)</b>	<b>109.88</b>				

Table No. 2.75

Date of Grant : 09/Nov/2017	09/Nov/ 2018	09/Nov/ 2019	09/Nov/ 2020	09/Nov/ 2021	09/Nov/ 2022
Market Price (Rs.)	144.25	144.25	144.25	144.25	144.25
Expected Life (In Years)	3.5	4.51	5.51	6.51	7.51
Volatility (%)	20	20	20	20	20
Riskfree Rate (%)	6.58	6.72	6.84	6.94	7.03
Exercise Price (Rs)	122.61	122.61	122.61	122.61	122.61
Dividend yield (%)	0	0	0	0	0
<b>Fair Value per vest (Rs.)</b>	<b>50.18</b>	<b>57</b>	<b>63.3</b>	<b>69.16</b>	<b>74.64</b>
Vest Percent (%)	10	15	20	25	30
<b>Options Fair Value (Rs.)</b>	<b>65.91</b>				

Table No. 2.76

Date of Grant : 07/Sep/2017	07/Sep/ 2018	07/Sep/ 2019	07/Sep/ 2020	07/Sep/ 2021	07/Sep/ 2022
<b>Variables</b>					
Market Price (Rs.)	109.5	109.5	109.5	109.5	109.5
Expected Life (In Years)	3.5	4.51	5.51	6.51	7.51
Volatility (%)	20	20	20	20	20
Riskfree Rate (%)	6.4	6.51	6.61	6.69	6.77
Exercise Price (Rs)	93.08	93.08	93.08	93.08	93.08
Dividend yield (%)	0	0	0	0	0
<b>Fair Value per vest (Rs.)</b>	<b>37.71</b>	<b>42.74</b>	<b>47.38</b>	<b>51.69</b>	<b>55.75</b>
Vest Percent (%)	10	15	20	25	30
<b>Options Fair Value (Rs.)</b>	<b>49.31</b>				

Table No. 2.77

Date of Grant : 03/May/2017	03/May/ 2018	03/May/ 2019	03/May/ 2020	03/May/ 2021	03/May/ 2022
Market Price (Rs.)	125.6	125.6	125.6	125.6	125.6
Revised Market Price (Rs.)	118.2	118.2	118.2	118.2	118.2
Expected Life (In Years)	3.5	4.51	5.51	6.51	7.51
Volatility (%)	20	20	20	20	20
Riskfree Rate (%)	6.76	6.88	6.99	7.08	7.15
Revised Exercise Price (Rs)	90.746	90.746	90.746	90.746	90.746
Dividend yield (%)	0	0	0	0	0
<b>Fair Value per vest (Rs.)</b>	<b>44.12</b>	<b>50.09</b>	<b>55.61</b>	<b>60.73</b>	<b>65.46</b>
Vest Percent (%)	10	15	20	25	30
<b>Options Fair Value (Rs.)</b>	<b>57.87</b>				

Table No. 2.78

The expected life of stock is based on historical data and current expectation and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

## Intellect Stock option Plan 2016

The Shareholders of the Company in the Extraordinary General Meeting held on May 03, 2016 approved Intellect Stock Option Plan 2016. The 2016 plan provides for issuance of 40,00,000 options convertible into equivalent number of equity shares of Rs 5/- each to employees but shall exclude independent directors, an employee belonging to the promoter group or a director holding more than 10% of the share capital. The tenure of the Scheme is for 12 years from the date of coming into effect and shall be extended by a period of not more than 5 years as the Board of Directors may decide. A summary of the status of the options granted under 2016 plan at March 31, 2019 is presented as below:

Particulars	March 31, 2019	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	3,253,100	94.73
Granted during the year	1,419,000	1,67.26
Exercised during the year	(27,600)	91.60
Forfeited during the year	(1,510,050)	85.17
Expired during the year	(8,250)	91.60
Outstanding at the end of the year	3,126,200	1,31.58
Exercisable at the end of the year	196,650	1,02.05

Table No. 2.79

Particulars	March 31, 2019
Range of exercise price (Rs.)	77.18 to 174.21
Weighted average remaining contractual life (in years)	7.33
Weighted average fair value of options granted	126.46
Weighted average market price of shares on the date of exercise(Rs.)	188.77

Table No. 2.80

Particulars	March 31, 2018	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	2,627,500	93.18
Granted during the year	800,000	1,35.70
Exercised during the year	-	-
Forfeited during the year	(174,400)	83
Expired during the year	-	-
Outstanding at the end of the year	3,253,100	94.73
Exercisable at the end of the year	228,650	84.48

Table No. 2.81

Particulars	March 31, 2018
Range of exercise price (Rs.)	77.18 to 148.79
Weighted average remaining contractual life (in years)	7.72
Weighted average fair value of options granted	88.31
Weighted average market price of shares on the date of exercise(Rs.)	-

Table No. 2.82

## Service conditions

Particulars	Swarnam 501	Swarnam 101
Service conditions		
At the end of year 1	33%	10.00%
At the end of year 2	33%	15.00%
At the end of year 3	34%	20.00%
At the end of year 4	-	25.00%
At the end of year 5	-	30.00%

Table No. 2.83



## Performance Conditions

Performance rating	20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating.		
Company's target EPS growth	Accelerated vesting of 5%/10% each year, based on Company achieving specified target EPS growth	NA	NA

Table No. 2.84

## Grants in FY 18-19

## SWARNAM 101- ISOP 2016

Date of Grant: 06/May/2018	06/May/ 2019	06/May/ 2020	06/May/ 2021	06/May/ 2022	06/May/ 2023
Market Price (Rupees)	195.7	195.7	195.7	195.7	195.7
Expected Life	3.51	4.51	5.51	6.51	7.51
Volatility (%)	54.68	54.68	54.68	54.68	54.68
Riskfree Rate (%)	7.58	7.74	7.74	7.9	7.94
Exercise Price (Rupees)	166.35	166.35	166.35	166.35	166.35
Dividend yield (%)	0	0	0	0	0
<b>Fair Value per vest (Rupees)</b>	<b>102.27</b>	<b>113.51</b>	<b>122.99</b>	<b>131.15</b>	<b>138.2</b>
Vest Percent (%)	10	15	20	25	30
<b>Option Fair Value (Rupees)</b>	<b>126.1</b>				

Table No. 2.85

Date of Grant: 25/Jul/2018	25/Jul/ 2019	25/Jul/ 2020	25/Jul/ 2021	25/Jul/ 2022	25/Jul/ 2023
Market Price (Rupees)	204.95	204.95	204.95	204.95	204.95
Expected Life	3.51	4.51	5.51	6.51	7.51
Volatility (%)	53.07	54.58	54.58	54.58	54.58
Riskfree Rate (%)	7.75	7.88	7.97	8.01	8.04
Exercise Price (Rupees)	174.21	174.21	174.21	174.21	174.21
Dividend yield (%)	0	0	0	0	0
<b>Fair Value per vest (Rupees)</b>	<b>105.88</b>	<b>119.12</b>	<b>129.07</b>	<b>137.56</b>	<b>144.92</b>
Vest Percent (%)	10	15	20	25	30
<b>Option Fair Value (Rupees)</b>	<b>132.14</b>				

Table No. 2.86

Date of Grant: 14/Oct/2018	14/Oct/ 2019	14/Oct/ 2020	14/Oct/ 2021	14/Oct/ 2022	14/Oct/ 2023
Market Price (Rupees)	204.6	204.6	204.6	204.6	204.6
Expected Life	3.51	4.51	5.51	6.51	7.51
Volatility (%)	53.07	55.29	55.29	55.29	55.29
Riskfree Rate (%)	7.79	7.87	7.94	7.99	8.04
Exercise Price (Rupees)	173.91	173.91	173.91	173.91	173.91
Dividend yield (%)	0	0	0	0	0
<b>Fair Value per vest (Rupees)</b>	<b>105.79</b>	<b>119.62</b>	<b>129.51</b>	<b>138</b>	<b>145.39</b>
Vest Percent (%)	10	15	20	25	30
<b>Option Fair Value (Rupees)</b>	<b>132.54</b>				

Table No. 2.87

Date of Grant: 25/Oct/2018	25/Oct/ 2019	25/Oct/ 2020	25/Oct/ 2021	25/Oct/ 2022	25/Oct/ 2023
Market Price (Rupees)	196.7	196.7	196.7	196.7	196.7
Expected Life	3.51	4.51	5.51	6.51	7.51
Volatility (%)	53.22	55.34	55.34	55.34	55.34
Riskfree Rate (%)	7.65	7.75	7.83	7.89	7.94
Exercise Price (Rupees)	167.2	167.2	167.2	167.2	167.2
Dividend yield (%)	0	0	0	0	0
<b>Fair Value per vest (Rupees)</b>	<b>101.55</b>	<b>114.77</b>	<b>124.28</b>	<b>132.45</b>	<b>139.55</b>
Vest Percent (%)	10	15	20	25	30
<b>Option Fair Value (Rupees)</b>	<b>127.2</b>				

Table No. 2.88

Date of Grant: 15/Feb/2019	15/Feb/ 2020	15/Feb/ 2021	15/Feb/ 2022	15/Feb/ 2023	15/Feb/ 2024
Market Price (Rupees)	162.5	162.5	162.5	162.5	162.5
Expected Life	3.51	4.51	5.51	6.51	7.51
Volatility (%)	52.38	54.96	54.96	54.96	54.96
Riskfree Rate (%)	6.98	7.11	7.22	7.32	7.4
Exercise Price (Rupees)	138.13	138.13	138.13	138.13	138.13
Dividend yield (%)	0	0	0	0	0
<b>Fair Value per vest (Rupees)</b>	<b>82.04</b>	<b>93.25</b>	<b>101.06</b>	<b>107.83</b>	<b>113.73</b>
Vest Percent (%)	10	15	20	25	30
<b>Option Fair Value (Rupees)</b>	<b>103.48</b>				

Table No. 2.89

## Grants in FY 17-18

## SWARNAM 101- ISOP 2016

Date of Grant : 30/Jan/2018	30/Jan/ 2019	30/Jan/ 2020	30/Jan/ 2021	30/Jan/ 2022	30/Jan/ 2023
Market Price (Rs.)	175.05	175.05	175.05	175.05	175.05
Expected Life (In Years)	3.5	4.51	5.51	6.51	7.51
Volatility (%)	54.92	54.92	54.92	54.92	54.92
Riskfree Rate (%)	7.11	7.3	7.45	7.56	7.65
Exercise Price (Rs.)	148.79	148.79	148.79	148.79	148.79
Dividend yield (%)	0	0	0	0	0
<b>Fair Value per vest (Rs.)</b>	<b>90.71</b>	<b>100.82</b>	<b>109.36</b>	<b>116.71</b>	<b>123.11</b>
Vest Percent (%)	10	15	20	25	30
<b>Options Fair Value (Rs.)</b>	<b>112.18</b>				

Table No. 2.90

SWARNAM 101- ISOP 2016					
Date of Grant : 09/Nov/2017	09/Nov/ 2018	09/Nov/ 2019	09/Nov/ 2020	09/Nov/ 2021	09/Nov/ 2022
Market Price (Rs.)	144.25	144.25	144.25	144.25	144.25
Expected Life (In Years)	3.5	4.51	5.51	6.51	7.51
Volatility (%)	20	20	20	20	20
Riskfree Rate (%)	6.58	6.72	6.84	6.94	7.03
Exercise Price (Rs.)	129.83	129.83	129.83	129.83	129.83
Dividend yield (%)	0	0	0	0	0
Fair Value per vest (Rs.)	45.69	52.78	59.32	65.42	71.13
Vest Percent (%)	10	15	20	25	30
Options Fair Value (Rs.)	62.04				

Table No. 2.91

**33. Related party transactions****List of related parties****(a) Associates**

1. NMS Works Software Private Limited, India ('NMS')
2. Adrenalin eSystems Limited, India ('Adrenalin eSystems')

**(b) Joint Venture**

Intellect Polaris Design LLC, USA ('IPDLLC USA')

**(c) Enterprises that directly or indirectly through one or more intermediaries, over which Key Management Personnel is able to exercise significant influence, "Others"**

1. Polaris Banyan Holding Private Ltd, India ('Polaris Banyan')
2. Maveric Systems Limited

**(d) Key managerial personnel**

1. Mr. Arun Jain, Managing Director
2. Mr. Venkateswarlu Saranu, Chief Financial Officer
3. Mr. Naresh VV, Company Secretary
4. Mr. Balaraman V, Independent Director
5. Mr. Arun Shekhar Aran, Audit Committee Chairman
6. Mr. Anil Kumar Verma, Director
7. Mrs. Vijaya Sampath, Director
8. Mrs. Aruna Krishnamurthy Rao, Director
9. Mr. Andrew Ralph England, Director

Particulars	Others	
	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
<b>TRANSACTIONS DURING THE YEAR</b>		
<b>Interest on loans from related parties</b>		
Polaris Banyan Holding Limited	40.76	4,69.01
<b>Rental expenses</b>		
Polaris Banyan Holding Limited	8.82	-
<b>Software development expenses</b>		
Maveric Systems Limited	72.81	32.88
<b>Security Deposit for Rental Premises</b>		
Polaris Banyan Holding Limited	29.40	
<b>Repayment of Borrowings</b>		
Polaris Banyan Holding Limited	38,19.78	17,20.22
Particulars	Associates & Joint venture	
	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
<b>Interest income from Investment in debt instrument of associates</b>		
NMS	84.94	15.87
<b>Reimbursement of expenses to the Group</b>		
Adrenalin eSystems	4,97.01	4,94.85
<b>Software development expenses</b>		
Adrenalin eSystems	78.22	2,25.57
<b>BALANCE DUE FROM/TO RELATED PARTIES</b>		
<b>Loan Repayable on Demand</b>		
Polaris Banyan Holding Limited	-	38,19.78
<b>Security Deposit for Rental Premises</b>		
Polaris Banyan Holding Limited	29.40	-
<b>Trade Payable</b>		
Adrenalin eSystems	15.93	67.31
Maveric Systems Limited	8.96	1.20
	<b>24.89</b>	<b>68.51</b>
<b>Short Term Loans and Advances</b>		
Adrenalin eSystems	11,82.03	10,33.94
<b>Investment in debt instrument of associates, carried at amortized cost</b>		
NMS	-	1,47.65
<b>Investments</b>		
Adrenalin eSystems	22,62.36	22,62.36
NMS	8,57.19	6,24.14
IPDLLC USA	15,33.58	15,33.58
	<b>46,53.13</b>	<b>44,20.08</b>
Particulars	Key Management Personnel	
	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
<b>Remuneration to Key Managerial Personnel*</b>		
Remuneration & Other Benefits	6,14.86	5,21.82
Sitting Fees to independent directors	37.02	21.30
	<b>6,51.88</b>	<b>5,43.12</b>

Table No. 2.92

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2019 the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**\*Remuneration to Key Managerial Personnel**

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

**34 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES****(i) Capital commitment:**

Contracts yet to be executed on capital account (net of advances) Rs. 179.69 lakhs (March 31, 2018: Rs.1,50.63 Lakhs).

**(ii) Other Commitment:**

Bank guarantees in the nature of Financial guarantees (backed up by Fixed deposits) as at March 31, 2019 amounting to Rs.29,08 Lakhs (March 31, 2018:Rs 39,40 Lakhs)

**(iii) Claims against the Group, not acknowledged as debt includes:**

Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgements / decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.

The Group's pending litigations comprise of proceedings pending with tax authorities. The Group has reviewed all the proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

In Rs. Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Demand from Indian income tax authorities	11,67.27	9,98.85
Sales Tax demand from Commercial Tax Officer, Chennai (a deposit of Rs 7.90 lakhs is paid against the same)	77.21	43.13
Service tax demand from Commissioner of Central excise, Chennai	80.81	80.81

**Table No. 2.93**

The Group is contesting the demands raised by the respective tax authorities, and the management, based on internal assessment and per its tax advisors, believe that its position will likely be upheld in the appellate process and ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

**Provident Fund**

The honorable Supreme Court of India had passed judgement on February 28, 2019 that all allowances paid to employees are to be considered for the purpose of Provident fund wages determination. There are numerous interpretative issues relating to the above judgement. As a matter of caution, the Group has made a provision on a prospective basis from the date of Supreme Court order. The Group will update its provision, on receiving further clarity on the subject.

**35 GOODWILL ON CONSOLIDATION**

Goodwill on consolidation represents the excess purchase consideration paid over net asset value of acquired subsidiaries on the date of such acquisition. Such Goodwill is tested for impairment annually or more frequently, if there are indications for impairment. The management does not foresee any risk of impairment on the carrying value of Goodwill as at March 31, 2019.

Goodwill on consolidation as at March 31, 2019 stood at Rs. 3,644.86 lakhs (March 31, 2018 Rs.3,484.91 lakhs). Significant acquisitions over the years which resulted in goodwill were SFL Properties Private Limited and Intellect Design Arena INC, USA and the details of the same are given below:

a. The group acquired the entire interest of SFL Properties private Limited ('SFL Properties'), an Indian company engaged in the business of Real estate promotion and construction, on December 1, 2010. The total consideration for acquisition was Rs. 981.12 lakhs. The excess of purchase consideration paid over the net assets of SFL properties to the extent of Rs 865.56 lakhs is recognized as Goodwill.

b. The group acquired the entire interest in Intellect Design Arena INC, USA, a US based Insurance technology provider with effect from October 01, 2008. The excess of purchase consideration paid over the net assets of Intellect Design Arena INC, USA. to the extent of Rs. 2,779.30 lakhs (March 31, 2018 Rs. 2,619.35 lakhs) is recognised as Goodwill.

**36 FAIR VALUE**

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying value		Fair value	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<b>Financial assets</b>				
Investments in Mutual Funds (Refer note 10(a))	15,60.65	20,64.61	15,60.65	20,64.61
<b>Financial Liability</b>				
Derivative Financial Instruments - Foreign exchange forward contracts receivable / (payable)				
- Current Refer note 17(d)	(3,07.14)	1.82	(3,07.14)	1.82
- Non current Refer note 15	(2,41.60)	3.66	(2,41.60)	3.66

**Table No. 2.94****37 FAIR VALUE HIERARCHY**

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019 & March 31, 2018

In Rs. Lakhs

Particulars	Date of valuation	Fair value measurement using		
		Level 1	Level 2	Level 3
<b>Assets measured at fair value:</b>				
Investment in Quoted Mutual Funds	March 31, 2019	15,60.65	-	-
	March 31, 2018	20,64.61	-	-
Derivative financial instruments	March 31, 2019	-	(5,48.74)	-
- Forward Contracts	March 31, 2018	-	5.48	-

**Table No. 2.95**

Level 1 - Quoted price (unadjusted) in active markets for identical assets or liabilities

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

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

There has been no transfer between level 1 and level 2 during the year ended March 31, 2019 and March 31, 2018

**38 HEDGING OF FOREIGN CURRENCY EXPOSURES**

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to forecasted transactions. The Group does not use forward contracts for speculative purposes. The following are the outstanding Forward Exchange Contracts entered into by the Group as at year / period ends including forward cover taken for forecasted revenue receivable transactions:

Particulars	March 31, 2019		March 31, 2018	
	Assets	Liabilities	Assets	Liabilities
Derivative Financial Instruments - Foreign exchange forward contracts	-	(5,48.74)	5.48	-
<b>Total</b>	<b>-</b>	<b>(5,48.74)</b>	<b>5.48</b>	<b>-</b>

Table No. 2.96

March 31, 2019

Foreign Exchange risk on Cash flow hedge	Nominal value of Hedging Instruments ( No. of Contracts )		Carrying value of Hedging Instruments ( In INR Lakhs )		Maturity date
	Asset	Liability	Asset	Liability	
	Foreign Currency forward contracts	16	48	1,60.22	

Table No. 2.97

Hedge ratio	Weighted Average Rate	Changes in Fair value in Hedging instruments ( in lakhs INR )	Changes in value of Hedged Item used as basis for recognizing hedge effectiveness ( in lakhs INR )
1:1	1 USD = 70.98	(5,54.22)	5,54.22

Table No. 2.98

Cash Flow Hedge	Change in value of Hedging instrument recognized in Other comprehensive Income	Hedge Ineffectiveness recognized in Profit & Loss	Amount reclassified from Cash flow hedge reserve to Profit and Loss	Line item affected in Statement of Profit and loss because of reclassification
Foreign Exchange Risk	-	Nil	(9,16.31)	Revenue

Table No. 2.99

March 31, 2018

Foreign Exchange risk on Cash flow hedge	Nominal value of Hedging Instruments ( No. of Contracts )		Carrying value of Hedging Instruments ( In INR Lakhs )		Maturity date
	Asset	Liability	Asset	Liability	
	Foreign Currency forward contracts	40	29	18.58	

Table No. 2.100

Hedge ratio	Weighted Average Rate	Changes in Fair value in Hedging instruments ( in lakhs INR )	Changes in value of Hedged Item used as basis for recognizing hedge effectiveness ( in lakhs INR )
1:1	1 USD = 68.62	(18,14.18)	18,14.18

Table No. 2.101

Cash Flow Hedge	Change in value of Hedging instrument recognized in Other comprehensive Income	Hedge Ineffectiveness recognized in Profit & Loss	Amount reclassified from Cash flow hedge reserve to Profit and Loss	Line item affected in Statement of Profit and loss because of reclassification
Foreign Exchange Risk	-	Nil	17,81.15	Revenue

Table No. 2.102

### 39 RESEARCH AND DEVELOPMENT EXPENDITURE

The Group continues its significant investments in research and development efforts towards research, technology, engineering and new product development. The Group follows a policy of capitalising new product development, which meets the criteria's of Ind AS 38 Intangible asset and has accordingly recognised such cost as Internally generated Intangible asset under Intangible Under development and Intangible asset (Note 4(b)). During the current year ended March 31, 2019 the Group has incurred a revenue expenditure of Rs. 100,39.81 Lakhs (FY March 31, 2018 Rs. 72,44.46 Lakhs).

We hereby furnishing the details of expenses under the respective Head of accounts which are recognised as Capital Work in Progress.

Particulars	March 31, 2019	March 31, 2018
Salaries, wages and bonus	77,94.24	75,51.92
Cost of license	8,62.06	5,47.59
Other Direct overheads	29,54.46	29,71.27
<b>Total</b>	<b>116,10.76</b>	<b>110,70.78</b>

Table No. 2.103

### 40 LEASE PAYMENTS

The Group has certain offices and other premises under operating leases, which expires at various dates in future years. The minimum lease rental payments to be made in respect of these non cancellable lease are as follows

Particulars	March 31, 2019	March 31, 2018
Lease payments for the year	18,08.02	16,65.09
<b>Minimum lease payments</b>		
Not later than one year	14,44.48	8,89.03
Later than one year but not later than 5 years	33,77.38	14,14.97
Later than 5 years	3,57.36	5,46.90
	<b>51,79.22</b>	<b>28,50.90</b>

Table No. 2.104

### 41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise of short tenured borrowings, trade and other payables and financial guarantee contracts. Most of these liabilities relate to financing Group's working capital cycle. The Group has trade and other receivables, loans and advances that arise directly from its operations. The Group also enters into hedging transactions to cover foreign exchange exposure risk.

The Group is accordingly exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors, Risk Committee and the Audit Committee. This process provides assurance that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and overall risk appetite. All foreign currency hedging activities for risk management purposes are carried out a team that have the appropriate skills, experience and supervision. In addition, independent views from bankers and currency market experts are obtained periodically to validate risk mitigation decisions. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Risk Committee and the Audit Committee review and agree policies for managing each of these risks which are summarised below:

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTPL investments and derivative financial instruments.

**Interest Rate Risk**

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows.

	Impact on pre tax profits before taxes *	
	Variation in interest +0.5%	Variation in interest -0.5%
March 31, 2019	48.05	(48.05)
March 31, 2018	60.58	(60.58)

**Table No. 2.105****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. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The allowance for ECL on customer balances for the year ended March 31, 2019 and March 31, 2018:

Particulars	March 31, 2019	March 31, 2018
Balance at the beginning of the year	39,45.62	32,20.50
Impairment loss recognised / reversed	17,39.17	10,60.48
Translation difference	(3,74.41)	(58.41)
Written-off	(59.96)	(2,76.95)
<b>Balance at the end of the year</b>	<b>52,50.42</b>	<b>39,45.62</b>

**Table No. 2.106****A. Trade Receivables & Revenue accrued not billed**

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10(c) and 10(g). The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers (which are in the nature of reputed banking and financial institutions) are located in several jurisdictions and industries and operate in largely independent markets.

**B. Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 and March 31, 2018 is the carrying amount as illustrated in Notes 6, 10 and 11.

**Liquidity risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans, debt, and overdraft from both domestic and international banks at an optimised cost.

The table below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	As of March 31, 2019		
	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	69,72.63	63,54.55	133,27.18
Trade Payables	166,41.10	-	166,41.10
Other financial liabilities	107,22.15	-	107,22.15
Derivative Financial Instruments - Foreign exchange forward contracts receivable / (payable)	307.14	2,41.60	5,48.74
<b>Total</b>	<b>346,43.02</b>	<b>65,96.15</b>	<b>412,39.17</b>

**Table No. 2.107**

Particulars	As of March 31, 2018		
	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	68,87.08	90,49.54	159,36.62
Trade Payables	116,59.12	-	116,59.12
Other financial liabilities	98,25.54	-	98,25.54
<b>Total</b>	<b>283,71.74</b>	<b>90,49.54</b>	<b>374,21.28</b>

**Table No. 2.108**

As at March 2019, the outstanding amount of employee benefit expenses of Rs 3,670.40 (March 31, 2018 - Rs. 2,941.60) which have been substantially funded. Accordingly no liquidity risk perceived.

**42 CAPITAL MANAGEMENT**

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value. The Group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term / short-term borrowings.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

<b>Borrowings</b>	133,27.18	161,23.91
Less: cash and bank balances	(81,87.20)	(140,22.76)
<b>Net debt</b>	<b>51,39.98</b>	<b>21,01.15</b>
<b>Equity</b>		
Total capital*	1,019,73.31	801,91.82
<b>Capital and net debt</b>	<b>1,071,13.29</b>	<b>822,92.97</b>
<b>Gearing ratio</b>	5%	3%

**Table No. 2.109**

\* Includes Equity Share Capital & Other Equity

**43 PREFERENTIAL ALLOTTMENT**

After the requisite shareholders' approval in the Annual General Meeting held on August 23, 2018, the Group, during the quarter ended September 30, 2018, issued and allotted 5,208,330 Equity Shares of face value of Rs 5/- on preferential basis at a price of Rs 192/- per Equity Share, including a premium of Rs 187/- per Equity Share (in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), aggregating Rs 9,999.99 lakhs.

**44 ADDITIONAL DISCLOSURE REQUIREMENT UNDER SECTION 129 OF THE COMPANIES ACT, 2013**

Name of the entity	Net Assets		Share in Profit or Loss			
	As a% of the Consolidated net assets	Amount (Rs. in Lakhs)	As a% of the Consolidated profit or loss	Amount (Rs. in Lakhs)	OCI	Total OCI
<b>Parent</b>						
Intellect Design Arena Limited	84%	930,22.20	107%	137,08.80	(718.96)	129,89.84
<b>Subsidiaries</b>						-
<b>Indian</b>						-
Intellect Commerce Limited	0%	2,31.70	-1%	(88.31)	0.32	(87.99)
SFL Properties Private Limited	1%	6,31.75	0%	(2.33)	-	(2.33)
Intellect Payments limited	0%	2,67.47	0%	13.34	-	13.34
Intellect India Limited	0%	(0.32)	0%	(1.70)	-	(1.70)
<b>Foreign</b>						-
Intellect Design Arena Limited., United Kingdom	8%	93,66.64	1%	2,94.35	(1,79.40)	1,14.95
Intellect Design Arena SA, Switzerland	4%	42,16.98	4%	4,14.26	39.56	4,53.82
Intellect Design Arena Pte Ltd., Singapore	5%	54,72.67	10%	11,13.52	1,05.42	12,18.94
Intellect Software Lab Chile Limitada ,Chile	-1%	(13,20.69)	-3%	(5,42.63)	1,45.15	(3,97.48)
Intellect Design Arena Inc., USA*	-5%	(58,48.56)	-31%	(34,69.16)	(3,16.50)	(37,85.66)
Intellect Design Arena PT, Indonesia	0%	(1,84.02)	-1%	(86.26)	3.28	(82.98)
Intellect Design Arena Co. Ltd, Vietnam	0%	(1,04.07)	-2%	(78.75)	(1,16.33)	(1,95.08)
Intellect Design Arena Philippines Inc, Philippines	-1%	(12,80.95)	-6%	(6,48.28)	(35.73)	(6,84.01)
Intellect Design Arena FZ - LLC, Dubai	5%	53,46.53	6%	3,81.35	2,97.42	6,78.77
Sonali Polaris FT Ltd, Bangladesh	2%	18,94.03	1%	(17.30)	1,14.44	97.14
FT Grid Pte Ltd, Singapore	0%	(1.44)	0%	-	(0.03)	(0.03)
Intellect Design Arena Pty Ltd, Australia	0%	3,85.18	8%	9,35.33	15.62	9,50.95
Intellect Design Arena Inc.Canada	-2%	(17,87.49)	6%	8,37.55	(1,51.44)	6,86.11
Intellect Design Arena Limited, Thailand	1%	6,85.17	0%	22.35	(16.08)	6.27
Intellect Design Arena Limited, Kenya	0%	(87.00)	-1%	(1,76.82)	6.05	(1,70.77)
Intellect Design Arena,SDN BHD.Malaysia	0%	3,76.94	3%	2,89.90	30.58	3,20.48
<b>Sub Total</b>		<b>1,112,82.74</b>		<b>128,99.21</b>	<b>(7,76.63)</b>	<b>121,22.58</b>
Less:Adjustment arising out of Consolidation		(84,05.01)		(69.70)	1,59.92	90.22
Add:Share of Profit/(Loss) on Associate Companies		-		2,96.55	-	2,96.55
<b>Total</b>		<b>1,028,77.73</b>		<b>131,26.06</b>	<b>(6,16.71)</b>	<b>125,09.35</b>

**Table No. 2.110**

\* Including SEEC Asia Technologies Private Limited

## ADDITIONAL DISCLOSURE REQUIREMENT UNDER SECTION 129 OF THE COMPANIES ACT, 2013 - 31st March 2018

Name of the entity	Net Assets		Share in Profit or Loss			
	As a% of the Consolidated net assets	Amount (Rs. in Lakhs)	As a% of the Consolidated profit or loss	Amount (Rs. in Lakhs)	OCI	Total OCI
<b>Parent</b>						
Intellect Design Arena Limited	78%	702,36.05	60%	33,00.10	(18,34.08)	14,66.02
<b>Subsidiaries</b>						
<b>Indian</b>						
Intellect Commerce Limited	0%	4,40.19	1%	37.21	7.90	45.11
SFL Properties Private Limited	1%	6,34.08	0%	(11.83)	-	(11.83)
Intellect Payments limited	0%	2,54.13	0%	(5.37)	-	(5.37)
Intellect India Limited	0%	1.38	0%	(3.62)	-	(3.62)
<b>Foreign</b>						
Intellect Design Arena Limited., United Kingdom	10%	93,29.69	-12%	(6,68.59)	16,60.68	9,92.09
Intellect Design Arena SA, Switzerland	4%	37,63.16	3%	1,77.34	(51.05)	1,26.29
Intellect Design Arena Pte Ltd., Singapore	5%	42,53.73	3%	1,59.03	(84.68)	74.35
Intellect Software Lab Chile Limitada, Chile	-1%	(9,23.22)	-14%	(7,56.22)	8.30	(7,47.92)
Intellect Design Arena Inc., USA *	-2%	(18,15.88)	28%	15,65.65	(52.87)	15,12.78
Intellect Design Arena PT, Indonesia	0%	(1,01.04)	1%	68.42	34.36	1,02.78
Intellect Design Arena Co. Ltd, Vietnam	0%	1,54.53	7%	4,00.89	79.30	4,80.19
Intellect Design Arena Philippines Inc, Philippines	-1%	(5,96.93)	-7%	(3,81.07)	12.97	(3,68.10)
Intellect Design Arena FZ - LLC, Dubai	5%	46,67.76	-4%	(2,14.83)	8.02	(2,06.82)
Sonali Polaris FT Ltd, Bangladesh	2%	19,71.26	49%	27,02.33	(16.74)	26,85.59
FT Grid Pte Ltd, Singapore	0%	(1.40)	0%	-	(0.10)	(0.10)
Intellect Design Arena Pty Ltd, Australia	-1%	(5,65.77)	-6%	(3,34.70)	(0.48)	(3,35.17)
Intellect Design Arena Inc. Canada	-3%	(24,73.60)	-21%	(11,81.76)	(3,26.42)	(15,08.18)
Intellect Design Arena Limited, Thailand	0%	3,69.31	15%	8,10.16	(24.59)	7,85.58
Intellect Design Arena Limited, Kenya	0%	83.77	-1%	(50.62)	2.41	(48.21)
Intellect Design Arena, SDN BHD, Malaysia	0%	56.48	-1%	(81.33)	71.18	(10.16)
<b>Sub Total</b>		<b>897,37.68</b>		<b>55,31.19</b>	<b>(5,05.89)</b>	<b>50,25.30</b>
Less: Adjustment arising out of Consolidation		(85,47.52)		(3,64.28)	13.26	(3,51.02)
Add: Share of Profit/(Loss) on Associate Companies		-		5,04.05		5,04.05
<b>Total</b>		<b>811,90.16</b>		<b>56,70.96</b>	<b>(4,92.63)</b>	<b>51,78.33</b>

Table No. 2.111

\* Including SEEC Asia Technologies Private Limited

## 45 GROUP INFORMATION

The principal activities of all the entities comprising the Group is 'software product development and implementation'. The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name of the Companies	Country of Incorporation	March 31, 2019	March 31, 2018
Intellect Design Arena Pte Ltd	Singapore	100%	100%
Intellect Design Arena Limited	United Kingdom	100%	100%
Intellect Design Arena SA	Switzerland	100%	100%
Intellect Design Arena PT**	Indonesia	100%	100%
FT Grid Pte Ltd**	Singapore	100%	100%
Intellect Design Arena Ltd.*	Chile	100%	100%
Intellect Design Arena Inc.**	United States	100%	100%
Intellect Commerce Limited	India	100%	100%
Intellect Design Arena Co. Ltd	Vietnam	100%	100%
SFL Properties Private Limited	India	100%	100%
Intellect Design Arena FZ LLC	Dubai	100%	100%
Intellect Design Arena Philippines**	Philippines	100%	100%
Sonali Polaris FT Ltd	Bangladesh	51%	51%
SEEC Asia Technologies Private Limited***	India	100%	100%
Intellect Design Arena Inc.**	Canada	100%	100%
Intellect Design Arena SDN BHD**	Malaysia	100%	100%
Intellect Payments Limited	India	100%	100%
Intellect India Limited	India	100%	100%
Intellect Design Arena Pte Ltd**	Australia	100%	100%
Intellect Design Arena Limited**	Thailand	100%	100%
Intellect Design Arena Limited	Kenya	100%	100%

Table No. 2.112

\* Subsidiaries of Intellect Design Arena Limited, UK

\*\* Subsidiaries of Intellect Design Arena Pte Ltd, Singapore

\*\*\* Subsidiaries of Intellect Design Arena Inc., USA

The list of associates with percentage holding of Intellect is given below:

Associates	% of share held as of March 31, 2019	Original cost of investment	Share of accumulated profit/(loss) as at March 31, 2019	Carrying amount of Investments as at March 31, 2019
NMS Works Software Private Limited	42.74	8,57.19	12,49.07	21,06.26
Adrenalin eSystems Limited	44.54	22,62.36	(4,73.09)	17,89.27

Table No. 2.113

The list of joint venture with percentage holding of Intellect is given below:

Associates	% of share held as of March 31, 2019	Original cost of investment	Share of accumulated profit/(loss) as at March 31, 2019	Carrying amount of Investments as at March 31, 2019
Intellect Polaris Design LLC, USA	50.00	15,33.58	(1,84.22)	13,49.35

Table No. 2.114

**46 INVESTMENT IN AN ASSOCIATE**

The Group has a 44.54% and 42.74% interest in Adrenalin eSystems Limited and NMSWorks Software Private Limited, which is involved in the sale of software products and implementation. Adrenalin eSystems Limited and NMSWorks Software Private Limited are entities that are not listed on any public exchange. The Group's interest in Adrenalin eSystems Limited and NMSWorks Software Private Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in the associates and reconciliation with the carrying amount of the investments as set out below:

**A. Adrenalin eSystems Limited****Summarised balance sheet as at March 31, 2019:**

Particulars	March 31, 2019	March 31, 2018
Current Assets	46,96.11	45,66.70
Non - Current Assets	11,61.67	3,63.90
Current Liabilities	(16,24.87)	(13,16.51)
Non - Current Liabilities	(2,15.69)	(1,60.81)
<b>Equity</b>	<b>40,17.22</b>	<b>34,53.28</b>
Proportion of the Group's ownership	44.54%	44.54%
Carrying amount of investment	17,89.27	15,38.09

**Summarised statement of Statement of Profit and Loss:**

Particulars	March 31, 2019	March 31, 2018
Revenue	53,74.74	41,66.65
Other Income	1,13.47	71.46
Employee Benefit Expense	(33,23.32)	(26,42.94)
Finance Cost	(2.64)	(3.94)
Depreciation & Amortisation Expense	(16.24)	(29.71)
Other Expenses	(14,24.60)	(14,23.77)
<b>Profit before Tax</b>	<b>7,21.39</b>	<b>1,37.75</b>
Income tax expense	(1,56.46)	(53.40)
<b>Profit for the year</b>	<b>5,64.93</b>	<b>84.35</b>
<b>Total Comprehensive Income for the year</b>	<b>5,64.93</b>	<b>84.35</b>
Group's share of profit for the current year at 44.54% (March 2018 - 44.54%)	2,51.62	37.57
Adjustment of group's share of profit prior to increase in ownership during the current year	-	(0.08)
<b>Group's share of profit for the current year</b>	<b>2,51.62</b>	<b>37.49</b>

**B. NMSWorks Software Private Limited****Summarised balance sheet as at March 31, 2019:**

Particulars	March 31, 2019	March 31, 2018
Current Assets	56,87.38	56,65.34
Non - Current Assets	4,91.23	3,92.48
Current Liabilities	(10,03.32)	(9,40.37)
Non - Current Liabilities	(2,47.32)	(1,92.44)
<b>Equity</b>	<b>49,27.97</b>	<b>49,25.01</b>
Proportion of the Group's ownership	42.74%	36.54%
Carrying amount of investment	21,06.26	17,99.60

**Summarised statement of Statement of Profit and Loss:**

Particulars	March 31, 2019	March 31, 2018
Revenue	40,28.12	49,80.72
Other Income	0.71	17.89
Purchase- Server, other accessories/software/service	(1,87.81)	(1,15.32)
Employee Benefit Expense	(28,71.47)	(22,31.75)
Finance Cost	(62.03)	(56.42)
Depreciation & Amortisation Expense	(62.02)	(48.76)
Other Expenses	(5,31.50)	(4,91.29)
<b>Profit / (Loss) before Tax</b>	<b>3,14.00</b>	<b>20,55.07</b>
Income tax expense	(1,02.80)	(5,70.07)
<b>Profit / (Loss) for the year</b>	<b>2,11.20</b>	<b>14,85.00</b>
<b>Total Comprehensive Income for the year</b>	<b>2,11.20</b>	<b>14,85.00</b>
Group's share of profit for the current year at 42.74% (March 2018 - 36.54%)	90.27	5,42.62
Adjustment of group's share of profit prior to increase in ownership during the current year	(16.62)	-
<b>Group's share of profit for the current year</b>	<b>73.65</b>	<b>5,42.62</b>

Table No. 2.115

The group had no contingent liabilities or capital commitments relating to its interest in Adrenalin eSystems Limited, NMSWorks Software Private Limited and Intellect Design Arena Limited as at March 31 2019 and March 31 2018.

**47 INVESTMENT IN A JOINT VENTURE**

The Group has a 50% interest in Intellect Polaris Design LLC, a joint venture involved in the leasing and maintenance of office complex. The Group's interest in Intellect Polaris Design LLC is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

**Summarised balance sheet as at March 31, 2019:**

Particulars	March 31, 2019	March 31, 2018
Current Assets	2,74.53	2,09.24
Non - Current Assets	24,71.40	25,90.72
Current Liabilities	(47.23)	(43.86)
Non - Current Liabilities	-	-
<b>Equity</b>	<b>26,98.70</b>	<b>27,56.10</b>
Proportion of the Group's ownership	50.00%	50.00%
Carrying amount of investment	13,49.35	13,78.05

**Summarised statement of Statement of Profit and Loss:**

Particulars	March 31, 2019	March 31, 2018
Revenue	2,35.14	2,19.16
Depreciation & Amortisation Expense	1,07.99	99.53
Other Expenses	1,83.86	2,71.10
<b>Profit / (Loss) before Tax</b>	<b>(56.71)</b>	<b>(1,51.47)</b>
Income tax expense	(0.70)	(0.64)
<b>Profit / (Loss) for the year</b>	<b>(57.41)</b>	<b>(1,52.11)</b>
<b>Total Comprehensive Income for the year</b>	<b>(57.41)</b>	<b>(1,52.11)</b>
Group's share of profit / (loss) for the year	(28.71)	(76.05)

Table No. 2.116

**48 NON CONTROLLING INTEREST**

The Group has a 51% of Holding in Sonali Polaris FT Ltd, which is consolidated as a subsidiary. The table below explains the portion attributable to the shareholding holding Non Controlling Interest.

**Information Regarding Non Controlling Interest**

Particulars	March 31, 2019	March 31, 2018
<b>Accumulated balances of Non Controlling Interest</b>		
Sonali Polaris FT Ltd	9,04.42	9,98.34
<b>Profit/(Loss) allocated to Non Controlling Interest</b>		
Sonali Polaris FT Ltd	(8.47)	9,98.34

Table No. 2.117

The summarised financial information of the Subsidiary are provided below. This information is based on amounts before inter-company eliminations

**Summarised statement of Statement of Profit and Loss**

Particulars	March 31, 2019	March 31, 2018
Revenue	13,05.09	41,21.25
Other Income	1.92	10.24
Employee Benefit Expense	10,22.73	10,99.90
Finance Cost	3.78	9.49
Depreciation & Amortisation Expense	25.40	27.72
Other Expenses	2,72.39	2,92.06
<b>Profit before Tax</b>	<b>(17.29)</b>	<b>27,02.32</b>
Income tax expense	-	-
<b>Profit for the year</b>	<b>(17.29)</b>	<b>27,02.32</b>
<b>Attributable to Non Controlling Interest</b>	<b>(8.47)</b>	<b>9,98.34</b>

Table No. 2.118



## Summarised Balance Sheet

Particulars	March 31, 2019	March 31, 2018
Current Assets	30,83.27	31,16.84
Non - Current Assets	54.39	62.26
Current Liabilities	(12,43.62)	(12,07.83)
Non - Current Liabilities	-	-
<b>Equity</b>	<b>18,94.04</b>	<b>19,71.27</b>
Attributable to Equity Holders of the Parent	9,89.62	9,72.93
Attributable to Non Controlling Interest	9,04.42	9,98.34

Table No. 2.119

## 49 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has ascertained that the amount to be spent on Corporate Social Responsibility (CSR) in compliance with Section 135 of the Companies Act, 2013, read with relevant schedule and rules made thereunder are Rs. Nil for year ending March 31, 2019 and March 31, 2018. The Company has voluntarily contributed Rs. 2,32.83 lakhs towards CSR during year ending March 31, 2019 (March 31, 2018 – Rs.2,00 lakhs).

## 50 MSME NOTE

Based on the information / documents available with the Company, the Company has complied with the provisions of The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 and hence no interest is paid/payable during the year. Further an amount of Rs.223.43 (Previous year Rs.Nil) is remaining unpaid to the suppliers covered under the MSMED Act at the end of the accounting year.

	As at March 31, 2019	As at March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year -		
Principal amount due to micro and small enterprises	2,23.43	Nil
Interest due on above	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

Table No. 2.120

## 51. Prior year Comparatives

Previous year figures have been regrouped / reclassified, where ever necessary to conform to this years classification.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration number: 101049W/E300004

For and on behalf of the Board of Directors of

Intellect Design Arena Limited

per Bharath N S

Partner

Membership No. 210934

Chennai

May 02, 2019

Arun Jain

Chairman & Managing Director

DIN : 00580919

Arun Shekhar Aran

Director

DIN : 00015335

Venkateswarlu Saranu

Chief Financial Officer

V.V.Naresh

Vice President &

Company Secretary

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**INTELLECT DESIGN ARENA LIMITED**  
**ABRIDGED STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

(All amounts are denominated in INR and expressed in Lakhs, unless otherwise stated)

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## **INDEPENDENT AUDITOR REPORT ON THE ABRIDGED STANDALONE IND AS FINANCIAL STATEMENTS**

To the Members of Intellect Design Arena Limited

The accompanying abridged standalone Ind AS financial statements of Intellect Design Arena Limited (“the Company”), which comprise the abridged Balance sheet as at March 31, 2019, the abridged Statement of Profit and Loss, including the statement of Other Comprehensive Income, the abridged Cash Flow Statement and the abridged Statement of Changes in Equity for the year then ended, and related notes, are derived from the audited standalone Ind AS financial statements of the Company Limited as at and for the year ended March 31, 2019. We expressed an unmodified audit opinion on those financial statements in our report dated May 2, 2019.

The abridged Standalone Ind AS financial statements do not contain all the disclosures required by the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (“the Act”) and accounting principles generally accepted in India which were applied in the preparation of the audited standalone Ind AS financial statements of the Company. Reading the abridged standalone Ind AS financial statements, therefore, is not a substitute for reading the audited standalone Ind AS financial statements of the Company.

### **Management’s Responsibility for the Financial Statements**

The Company’s Board of Directors is responsible for the preparation of the abridged standalone Ind AS financial statements in accordance with the requirements specified under Section 136(1) read with Rule 10 of the Companies (Accounts) Rules, 2014, as amended, based on the audited standalone Ind AS financial statements of the Company for the year ended March 31, 2019, prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act and accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the abridged standalone Ind AS financial statements.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the abridged standalone Ind AS financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, “Engagements to Report on Summary Financial Statements” issued by the Institute of Chartered Accountants of India.

### **Opinion**

In our opinion, the abridged standalone Ind AS financial statements derived from the audited standalone financial statements of the Company as at and for the year ended March 31, 2019 are a fair summary of those financial statements, in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 10 of the Companies (Accounts) Rules, 2014 and accounting principles generally accepted in India.

### **For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

### **per Bharath N S**

Partner

Membership No. 210934

Place of Signature : Chennai

Date: May 02, 2019

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Intellect Design Arena Limited

**Report on the Audit of the Standalone Ind AS Financial Statements****Opinion**

We have audited the accompanying standalone Ind AS financial statements of Intellect Design Arena Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 as amended, ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other 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 Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS 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 standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Recognition, measurement, presentation and disclosures of revenues and other related balances in view of first time adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.</p> <p>Refer Notes 3.10 &amp; 3.24 to the Standalone financial Statements</p>	<p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ol style="list-style-type: none"> <li>a) Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>b) Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</li> <li>c) Tested the relevant information technology systems access, change management controls and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</li> <li>d) Read the Company revenue recognition policy and related disclosures as per INDAS 115.</li> <li>e) Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>• Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>• Compared these performance obligations with that identified and recorded by the Company.</li> <li>• Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.</li> <li>• In respect of samples relating to fixed bid contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems.</li> <li>• We assessed management's determination of whether the nature of the Company's products and services results in recognition of revenue at a point in time or over a period of time.</li> </ul> </li> </ol>

Key audit matters	How our audit addressed the key audit matter
<p><b>Accounting for Licenses and Services contracts</b></p> <p>We focused on these areas because of its significance to the Company's revenue from operations and its risks related to judgements involved in the measurement, timing and presentation/disclosure of revenue from operations.</p> <p>Refer Notes 3.10 &amp; 3.24 to the Standalone financial Statements</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <p>a) We read the Company's revenue recognition policy and related disclosures. We performed walkthroughs of each significant class of revenue transactions and assessed and tested the design effectiveness and operating effectiveness for key controls.</p> <p>b) For license and services where control is transferred at a point in time, we tested license revenue deals in excess of a certain threshold and a random sample of smaller deals. For each of the sample selected, we performed the following:</p> <ul style="list-style-type: none"> <li>• Read the customer contract and obtained evidence of software delivery.</li> <li>• Read the contracts and assessed potential impact of any unusual clause on revenue recognition. Tested the fair value allocations between the various elements of the contract in accordance with Company's revenue recognition policy.</li> <li>• We performed cut off procedures by reference to the contract and evidence of delivery.</li> </ul> <p>c) For licenses and services where control is transferred over a period of time, we tested a sample of transactions to test revenue recognised in the year was calculated based on the stage of completion of the contract.</p> <ul style="list-style-type: none"> <li>• We selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations, possible delays in achieving milestones and verified whether those variations have been considered in estimating the remaining efforts to complete the contract. When needed, we also inquired with service project managers to understand the progress, difficulties associated with implementation, if any and likely impact on the future effort estimates.</li> </ul> <p>We performed other substantive, transactional testing, journal entry testing and analytical procedures to validate the recognition of revenues throughout the year.</p>
<p><b>Capitalization and valuation of Intangible Asset and Intangible asset under development</b></p> <p>Intangible Asset and Intangible asset under development are deemed significant to our audit, given the rapid technological developments in the industry, as well as the specific criteria that need to be met for capitalization. This involves management judgment, such as technical feasibility, intention and ability to complete the intangible asset, ability to use or sell the asset, generation of future economic benefits and the ability to measure the costs reliably. In addition, determining whether there is any indication of impairment of the carrying value of assets, requires management judgment and assumptions which are affected by future market or economic developments.</p> <p>Refer Notes 3.7 to the Standalone financial Statements</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <p>a) We performed walkthroughs of Intangible assets/Intangible assets under development process and assessed the design effectiveness and operating effectiveness for key controls.</p> <p>b) Read the Company's accounting policies for compliance with IND AS and on a sample basis tested available documentation to consider whether the criteria for capitalisation were met.</p> <p>c) Performed tests of details on a sample of capitalized costs in the current period and obtained evidence to verify whether the costs qualify for capitalization. We analysed this evidence and evaluated whether it reflects the use of the asset for the Company and the Company's intention to complete the capitalized projects.</p> <p>d) We evaluated the assumptions and methodology used by the Company to test the Intangible asset and Intangible asset under development for impairment.</p> <p>e) We assessed the adequacy of the disclosures made by the Company in this connection in the accompanying financial statements.</p>
<p><b>Recoverability of accounts receivables and accrued revenue balances</b></p> <p>We focused on this risk as the balances are material and there are significant judgments involved in assessing recoverability of accounts receivables and accrued revenue balances. This is especially the case as some of these balances could be significant or overdue.</p> <p>There are many factors that need to be considered when concluding that a balance needs to be impaired including</p>	<p>Our Audit approach was a combination of test of Internal controls and Substantive procedures which included the following;</p> <p>a) We obtained management's analysis on recoverability of accounts receivables and accrued revenue balances for all significant cases. This analysis includes background information of the customer, existing contractual relationships, balance outstanding, delays in collection, and operational issues together with a detailed legal analysis (if any).</p> <p>b) In addition, we evaluated the recoverability of accounts receivable and accrued revenue selected balances (significant and randomly selected) with project managers and with senior management when necessary.</p>

Key audit matters	How our audit addressed the key audit matter
<p>default or delinquency in payments, length of the outstanding balances and implementation difficulties</p> <p>Given the complexity, the size and the length of certain implementation projects, there is risk that a provision is not recognized in a timely or sufficient manner.</p> <p>Refer to note 3.21 of the Standalone financial statements.</p>	<p>c) We Tested the ageing of accounts receivables, accrued revenue balances and circularized confirmations on selected material customer balances and checked subsequent collections from recoverability perspective. We have performed test of alternate nature in cases where confirmation has not been responded to by the customer.</p> <p>d) We assessed the adequacy of the disclosures made by the Company in this connection in the accompanying financial statements.</p>

#### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available after the date of this auditors report.

Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available, and in doing so consider whether such other information is materially inconsistent with the standalone IND AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### Responsibilities of Management and Those Charged with Governance 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS 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.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Ind AS financial statements for the financial year ended March 31, 2019 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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement 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 the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Ind AS financial statements – Refer Note 34 to the standalone Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

#### For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

#### per Bharath N S

Partner

Membership No. 210934

Place of Signature : Chennai

Date: May 02, 2019



**Annexure 1 referred to in paragraph 1 of the section “Report on other legal and regulatory requirements” of our report of even date**

Re: Intellect Design Arena Limited (“The Company”)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company
- (ii) The Company’s business does not involve maintenance of inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships 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, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (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) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products / services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee state insurance, goods and service tax, income-tax, cess and other statutory dues applicable to it. The provisions relating to customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount* (Rs lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	1,167.27	AY 2002-03 AY 2003-04 AY 2006-07 to AY 2008-09 & AY 2014-15	Income Tax Appellate Tribunal
Finance Act, 1994	Service Tax	13.83	FY 2007-08 & FY 2008-09	Commissioner of Central Excise

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to bank. The Company did not have any outstanding dues in respect of financial institution or government or debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments. The Company utilised monies raised by way of term loans for the purpose for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company 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 and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised. The Company has not issued any fully or partly convertible debentures during the year.

- (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 S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Bharath N S**

Partner

Membership No. 210934

Place of Signature : Chennai

Date : May 02, 2019

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF  
INTELLECT DESIGN ARENA 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 Intellect Design Arena Limited ("the Company") as of March 31, 2019 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Bharath N S**

Partner

Membership No. 210934

Place of Signature : Chennai

Date : May 02, 2019

## Abridged Standalone Balance Sheet as at March 31, 2019

(All amounts in INR Lakhs unless otherwise stated)

Particulars	Note	In Rs. Lakhs	
		As at March 31, 2019	As at March 31, 2018 (Refer Note 19)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		138,94.05	146,50.47
Capital work-in-progress		4,29.85	4,29.06
Other Intangible assets		93,29.24	53,70.11
Intangible assets under development		139,77.52	104,01.24
Investment in Subsidiaries, Joint ventures and Associates		93,40.68	91,07.62
Financial assets			
- Investments		0.45	1,48.55
- Loans and deposits		6,86.38	7,27.63
- Non current bank balances		10,97.65	9,13.83
- Derivative instruments		-	3.66
Income tax assets (net)	11	65,28.27	69,61.83
Deferred tax assets (net)		39,67.01	11,24.60
Other non-current assets		41,69.33	23,66.72
<b>CURRENT ASSETS</b>			
Investment in Subsidiary		15,44.53	15,44.53
Financial asset			
- Investments		15,60.65	20,64.61
- Trade receivables	9	216,67.66	259,98.16
- Cash and Cash equivalents	7	18,79.52	13,80.17
- Bank balances other than cash and cash equivalents	8	6,57.97	78,75.39
- Loans and deposits		5,68.29	5,17.04
- Derivative instruments		-	1.82
- Other financial assets	10	371,60.02	115,26.68
Other current assets		87,07.81	46,37.51
<b>TOTAL</b>		<b>1,371,66.88</b>	<b>1,077,51.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital		65,88.74	62,76.45
Other Equity		864,33.46	639,59.60
<b>Total Equity</b>		<b>930,22.20</b>	<b>702,36.05</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
- Borrowings		63,54.55	90,49.54
- Derivative instruments		2,41.60	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>65,96.15</b>	<b>90,49.54</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
- Borrowings		36,32.17	38,19.78
- Derivative instruments		3,07.14	-
- Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		2,23.43	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		118,05.90	73,56.28
- Other financial liabilities		98,32.77	88,10.82
Other current liabilities		86,36.98	62,73.52
Provisions		26,60.50	22,05.24
Current tax liabilities (net)		4,49.64	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>375,48.53</b>	<b>284,65.64</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,371,66.88</b>	<b>1,077,51.23</b>

Table No. 3.1

The accompanying notes are an integral part of the Abridged Standalone financial statements

As per our report of even date

For S.R. BATLIBOI &amp; ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration number: 101049W/E300004

For and on behalf of the Board of Directors of

Intellect Design Arena Limited

per Bharath N S

Partner  
Membership No. 210934  
Chennai  
May 02, 2019

Arun Jain

Chairman & Managing Director  
DIN : 00580919  
Chennai  
May 02, 2019

Arun Shekhar Aran

Director  
DIN : 00015335Venkateswarlu Saranu  
Chief Financial OfficerV.V.Naresh  
Vice President &  
Company Secretary

## Abridged Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in INR Lakhs, except share and per share data and where otherwise stated)

In Rs. Lakhs				
Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018 (Refer Note 19)	
<b>INCOME</b>				
Revenue from operations	12	931,25.56	675,16.92	
Other Income		56,16.29	25,54.42	
Finance Income		5,34.42	6,02.43	
<b>TOTAL INCOME</b>		<b>992,76.27</b>	<b>706,73.77</b>	
<b>EXPENSES</b>				
Employee Benefit Expense	13	625,68.86	473,24.81	
Depreciation and amortization expense		34,93.67	25,14.33	
Finance Cost		11,40.46	13,73.13	
Other Expenses	14	177,93.36	159,40.97	
<b>TOTAL EXPENSES</b>		<b>849,96.35</b>	<b>671,53.24</b>	
<b>PROFIT BEFORE TAX</b>		<b>142,79.92</b>	<b>35,20.53</b>	
<b>Tax Expenses</b>				
Income taxes - Current tax		34,13.52	9,15.98	
- Deferred tax		(2,20.43)	2,20.43	
- MAT credit entitlement		(26,21.97)	(9,15.98)	
<b>PROFIT FOR THE YEAR</b>		<b>137,08.80</b>	<b>33,00.10</b>	
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified subsequently to profit and loss</b>				
Re-measurement gains/ (losses) on defined benefit plans		(1,64.74)	(19.90)	
<b>Items that will be reclassified subsequently to profit and loss</b>				
Net movement on cash flow hedges		(5,54.22)	(18,14.18)	
<b>Other comprehensive income for the year, net of tax</b>		<b>(7,18.96)</b>	<b>(18,34.08)</b>	
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>129,89.84</b>	<b>14,66.02</b>	
<i>Table No. 3.2</i>				
<b>EARNINGS PER SHARE</b>				
Equity shares par value Rs 5 each (March 31,2018 Rs 5 each)	15			
Basic		10.63	2.81	
Diluted		10.39	2.73	

The accompanying notes are an integral part of the Abridged Standalone financial statements

As per our report of even date

**For S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration number: 101049W/E300004

For and on behalf of the Board of Directors of  
**Intellect Design Arena Limited**

**per Bharath N S**  
Partner  
Membership No. 210934  
Chennai  
May 02, 2019

**Arun Jain**  
Chairman & Managing Director  
DIN : 00580919  
Chennai  
May 02, 2019

**Arun Shekhar Aran**  
Director  
DIN : 00015335

**Venkateswarlu Saranu**  
Chief Financial Officer  
**V.V.Naresh**  
Vice President &  
Company Secretary

## Abridged Standalone Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in INR Lakhs, except share and per share data and where otherwise stated)

### a. Equity Share Capital:

	In Rs. Lakhs	
Equity shares of INR 5 each issued, subscribed and fully paid	No. of shares	Amount (INR)
As at April 1, 2017	10,17,33,872	50,86.69
Issue of share capital	2,37,95,212	11,89.76
As at March 31, 2018	12,55,29,084	62,76.45
Issue of share capital	62,45,631	3,12.29
<b>As at March 31, 2019</b>	<b>13,17,74,715</b>	<b>65,88.74</b>

Table No. 3.3

### b. Other equity

For the year ended March 31, 2019

Particulars	Reserves & Surplus				Items of OCI	Total Equity
	Securities premium	Share option outstanding account	General reserve	Retained earnings	Effective portion of Cash flow hedge reserve	
As at April 1, 2018	392,36.75	28,91.78	129,93.55	88,32.04	5.48	639,59.60
Profit for the year	-	-	-	137,08.80	-	137,08.80
Re-measurement of the net defined benefit liability/asset, net of tax effect	-	-	-	(1,64.74)	-	(1,64.74)
Fair value movement in cash flow hedge	-	-	-	-	(5,54.22)	(5,54.22)
Exercise of share options	12,73.85	(6,55.38)	-	-	-	6,18.47
Ind AS - 115 transition adjustment for the year	-	-	-	(14,32.42)	-	(14,32.42)
Issue of shares on Preferential allotment (Refer Note 5)	97,39.58	-	-	-	-	97,39.58
Share-based payments for the year	-	5,58.42	-	-	-	5,58.42
Transfer on account of options not exercised for the year	-	(1,14.41)	1,14.41	-	-	-
Merger of Indigo Tx & Lasersoft for shares issued to Lasersoft Shareholder (Refer Note 19)	-	-	-	(0.03)	-	(0.03)
<b>As at March 31, 2019</b>	<b>502,50.18</b>	<b>26,80.41</b>	<b>131,07.96</b>	<b>209,43.65</b>	<b>(5,48.74)</b>	<b>864,33.46</b>

Table No. 3.4

For the year ended March 31, 2018

Particulars	Reserves & Surplus				Items of OCI	Total Equity
	Securities premium	Share option outstanding account	General Reserve	Retained earnings	Effective portion of Cash flow hedge reserve	
As at April 1, 2017	203,56.75	22,65.27	129,93.55	55,51.83	18,19.66	429,87.06
Profit for the year	-	-	-	33,00.11	-	33,00.11
Re-measurement of the net defined benefit liability/asset, net of tax effect	-	-	-	(19.90)	-	(19.90)
Fair Value Movement in cash flow hedge	-	-	-	-	(18,14.18)	(18,14.18)
Exercise of share options	3,96.88	(1,11.84)	-	-	-	2,85.04
Issue of shares on Right Issue	187,39.93	-	-	-	-	187,39.93
Less: Cost incurred towards Right Issue	(2,56.81)	-	-	-	-	(2,56.81)
Share-based payments for the year	-	7,38.35	-	-	-	7,38.35
<b>As at March 31, 2018</b>	<b>392,36.75</b>	<b>28,91.78</b>	<b>129,93.55</b>	<b>88,32.04</b>	<b>5.48</b>	<b>639,59.60</b>

Table No. 3.5

The accompanying notes are an integral part of the Abridged Standalone financial statements  
As per our report of even date

For S.R. BATLIBOI &amp; ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration number: 101049W/E300004

For and on behalf of the Board of Directors of

Intellect Design Arena Limited

per Bharath N S

Partner  
Membership No. 210934  
Chennai  
May 02, 2019

Arun Jain

Chairman & Managing Director  
DIN : 00580919  
Chennai  
May 02, 2019

Arun Shekhar Aran

Director  
DIN : 00015335

Venkateswarlu Saranu

Chief Financial Officer

V.V.Naresh

Vice President &  
Company Secretary

## Abridged Statement of Cash Flows for the year ended March 31, 2019

(All amounts in INR Lakhs unless otherwise stated)

In Rs. Lakhs		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net cash flow from / (used in) operating activities	(84,68.49)	11,75.21
Net cash flow from/(used) in investing activities	27,35.83	(108,52.19)
Net cash flow from in financing activities	62,30.13	143,29.24
Net increase / (decrease) in cash and cash equivalents during the year	4,97.47	46,52.26
Cash and cash equivalents at the beginning of the year	13,80.17	(32,60.59)
Exchange differences on translation of foreign currency cash and cash equivalents	1.88	(11.49)
Cash and cash equivalents at the end of the year (Refer Note 7)	18,79.52	13,80.17
Cash and cash equivalents As per Note 7 (Disclosure)	18,79.52	13,80.17

**Table No. 3.6**

As per our report of even date

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration number: 101049W/E300004

For and on behalf of the Board of Directors of

**Intellect Design Arena Limited**

**per Bharath N S**

Partner

Membership No. 210934

Chennai

May 02, 2019

**Arun Jain**

Chairman & Managing Director

DIN : 00580919

Chennai

May 02, 2019

**Arun Shekhar Aran**

Director

DIN : 00015335

**Venkateswarlu Saranu**

Chief Financial Officer

**V.V.Naresh**

Vice President &

Company Secretary

**Notes forming part of the Abridged Standalone Financial Statements for the year ended March 31, 2019**

(All amounts are in Rupees in lakhs unless otherwise stated)

**1. Corporate Information**

**(Refer Note 1 of Standalone Financial Statements)**

Intellect Design Arena Limited ('Intellect' or 'the Company'), is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 in 2011. Consequent to the approval obtained for listing, the shares of the Company have been listed on the National Stock Exchange and Bombay Stock Exchange with effect from December 18, 2014. The Company has its registered office in 244, Anna Salai, Chennai-600 006.

The Company, has a comprehensive portfolio of products across Global Consumer Banking, Central Banking, Risk & Treasury Management, Global Transaction Banking and Insurance and is engaged in the business of software development.

Complete balance sheet, statement of changes in equity, statement of profit and loss, statement of cash flows (wherever applicable) and other statements and note there to prepared as per the requirements of division II to the schedule III to the act or available at Company's website at link : [www.intellectdesign.com](http://www.intellectdesign.com). Copy of financial statements is also available for inspection at the registered office of the company during working hours for a period of 21 days before the date of AGM.

**2. Basis of Preparation**

**(Refer Note 2 of Standalone Financial Statements)**

The standalone financial statements of the Company are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

**Derivative financial instruments**

Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

**3. Segment reporting**

**(Refer Note 3.23 of Standalone Financial Statements)**

The Executive Management Committee monitors the operating results of its business as a single primary segment "Software Product Licence and related services" for the purpose of making decisions about resource allocation and performance assessment.

The business of the Company falls under a single primary segment i.e. 'Software Product License & related services' for the purpose of Ind AS 108.

**4. SHARE BASED PAYMENTS**

**(Refer Note 32 of Standalone Financial Statements)**

The Scheme of Arrangement (Demerger) entered into by the Company with Polaris Consulting & Services Limited (Demerged Company) with effect from April 1, 2014 provided for the following in respect of Employee Stock Option Schemes;

- i. The Company has adopted three stock option plans (ASOP 2003, ASOP 2004 and ASOP 2011) from Polaris Consulting & Services Limited, as provided in the Scheme of Arrangement.
- ii. Every employee holding an option in the Demerged Company under the stock option plans of the Demerged Company, shall be issued one option in the stock option plans formed by the Resulting Company upon the Scheme coming into effect.
- iii. The exercise price of the options in the Resulting Company shall be adjusted to 28% of the exercise price of the options granted under the Schemes of the Demerged Company.

Apart from the schemes provided under the Demerger arrangement the company has the following Employee stock option schemes

- i. The Company has formulated two stock option plans (Intellect Stock Option Plan 2015, Intellect Stock Option Plan 2016) of its own.

These plans provide for the granting of stock options to employees including directors of the Company (not being promoter directors and not holding more than 10% of the equity shares of the Company). The objectives of these plans include attracting and retaining the best personnel, providing for additional performance incentives and promoting the success of the Company by providing employees the opportunity to acquire equity shares.

During the previous year the Company had offered rights issue to its shareholders on 17th July, 2017. Consequent to this corporate action, the market price of the shares reduced from Rs. 130.60 to Rs. 118.20. The ESOP scheme of the Company specifically requires the Compensation/Nomination & Remuneration Committee to make a fair and reasonable adjustment to the option terms in case of corporate action. Considering the above, the Nomination and Remuneration Committee of Intellect on 09th November 2017 has revised/ reduced the exercise prices of outstanding options (both vested and unvested) as on the record date i.e 18th July, 2017 by 15 %. The fair values before and after the modification have remained unchanged and there is no incremental impact in the Income statement.

**5. PREFERENTIAL ALLOTTMENT**

**(Refer Note 42 of Standalone Financial Statements)**

After the requisite shareholders' approval in the Annual General Meeting held on August 23, 2018, the Company, during the quarter ended September 30, 2018, issued and allotted 52,08,330 Equity Shares of face value of Rs 5/- on preferential basis at a price of Rs 192/- per Equity Share, including a premium of Rs 187/- per Equity Share (in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), aggregating Rs 99,99.99 lakhs.

**6. RECENT ACCOUNTING PRONOUNCEMENTS**

**(Refer Note 3.25 of Standalone Financial Statements)**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

**Ind AS 116 Leases**

Ind AS 116 Leases was notified by MCA on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt these standards from April 1, 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Consolidated Financial Statements.



**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The amendment will come into force on April 1, 2019. The Company is in process of evaluating its effect on the standalone financial statements.

**Amendment to Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**Amendment to Ind AS 19 – Plan amendment, curtailment or settlement**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

**The amendments require an entity:**

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

**Amendment to Ind AS 28 - Investments in Associates and Joint Ventures**

The amendment states that Ind AS 109 applies to other financial instruments in an associate or joint venture to which the equity method is not applied for long term interest that form part of entity's net investment in an associate or joint venture.

These amendments shall be made retrospectively in accordance with Ind AS 8 for annual periods beginning from 1st April 2019. These amendments are not applicable to the Company.

**Amendment to Ind AS 111 - Joint Arrangements**

The amendment states that A party that participates in, but does not have joint control of, a joint arrangement might obtain joint control of the joint operation in which the activity of the joint operation constitute a business as defined in Ind AS 103. The previously held interests in the joint operations are not measured. These amendments are not applicable to the Company.

**7. Cash and cash equivalent carried at amortized cost**  
(Refer Note 12(c) of Standalone Financial Statements) In Rs. Lakhs

Particulars	As at March 31,	
	2019	2018
Balance with banks		
- On Current accounts	17,86.44	12,84.05
- On Deposit accounts	93.08	96.12
	<b>18,79.52</b>	<b>13,80.17</b>

Deposit account balances have been pledged as security by the Company for availing non-fund based facilities (Bank guarantee)

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Balances with banks:		
- On current accounts	17,86.44	12,84.05
Cash at bank and short term deposits	93.08	96.12
	<b>18,79.52</b>	<b>13,80.17</b>

**Table No. 3.7**

**8. Bank Balances other than Cash and Cash Equivalents** In Rs. Lakhs  
(Refer Note 12(d) of Standalone Financial Statements)

Particulars	As at March 31,	
	2019	2018
Deposits having a maturity period more than 3 months and less than 12 months	6,57.97	78,75.39
	<b>6,57.97</b>	<b>78,75.39</b>

**Table No. 3.8**

**9. Trade Receivables** In Rs. Lakhs  
(Refer Note 12(b) of Standalone Financial Statements)

Particulars	As at March 31,	
	2019	2018
Trade Receivables (also Refer note 17 for balances due from related parties)	216,67.66	259,98.16
	<b>216,67.66</b>	<b>259,98.16</b>
<b>Break-up for Security Details:</b>		
- Unsecured considered good	246,44.48	279,33.33
- Trade Receivables – Credit impaired	2,39.49	2,95.93
	<b>248,83.97</b>	<b>282,29.26</b>
Impairment Allowance (allowance for bad and Doubtful debts)		
- Secured, considered good		
- Unsecured considered good	(29,76.82)	(19,35.17)
- Trade Receivables – Credit impaired	(2,39.49)	(2,95.93)
	<b>(32,16.31)</b>	<b>(22,31.10)</b>
	<b>216,67.66</b>	<b>259,98.16</b>

**Table No. 3.9**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing.

**10. Other financial assets carried at amortized cost** In Rs. Lakhs  
(Refer Note 12(g) of Standalone Financial Statements)

Particulars	As at March 31,	
	2019	2018
<b>Unsecured considered good</b>		
Revenue Accrued & not billed *	364,67.30	113,81.75
Other receivable	6,92.72	1,44.93
	<b>371,60.02</b>	<b>115,26.68</b>

**Table No. 3.10**

\* The balance as at March 31, 2019 is net of allowance for credit loss of Rs. 8,38.57 lakhs (Previous year ended March 31, 2018 Rs.5,94.57 lakhs).

**11. INCOME TAX ASSETS (NET)** In Rs. Lakhs  
(Refer Note 8 of Standalone Financial Statements)

Particulars	As at March 31,	
	2019	2018
Advance income tax (Net of provision for tax )	65,28.27	69,61.83
	<b>65,28.27</b>	<b>69,61.83</b>

**Table No. 3.11**

**12. REVENUE FROM OPERATIONS***(Refer Note 21 of Standalone Financial statements)*

Effective April 1, 2018, the entity adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The cumulative effect of initially applying Ind AS 115 is recognised at the date of initial application as an debit to the opening balance of retained earnings by INR. 1,432.43 lakhs and a credit to Revenues in excess of billing/Billing in excess of Revenue/Receivables by INR 616.16 lakhs, INR 405.95 lacs and INR 410.32 lacs. These adjustments primarily relate to performance obligations and transfer of control which are transferred to customers over a period of time rather than at a point in time and deferred accordingly. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.

Revenues for the year ended March 31, 2019 and March 31, 2018 are as follows:

Particulars	For the year ended	
	2019	2018
Revenue from Operations	931,25.56	675,16.92

**Timing of Revenue Recognition**

In Rs. Lakhs

Particulars	Year ended March 31,	
	2019	2018
At a point in time	204,67.93	136,75.34
Over a period of time	726,57.63	538,41.58
<b>Total revenue from operations</b>	<b>931,25.56</b>	<b>675,16.92</b>

**Summary of Contract Balances**

Particulars	Year ended March 31,	
	2019	2018
Trade receivables	216,67.66	259,98.16
Contract assets*	364,67.30	113,81.75
Contract liabilities*	50,36.52	43,38.39

\* Contract assets represents revenue accrued and not billed and unbilled revenues. Contract Liabilities represents Billing in excess of revenue

**Set out below is the amount of revenue recognised from:**

Particulars	Year ended March 31,	
	2019	2018
Amounts included in contract liabilities at the beginning of the year	43,38.39	20,92.96
Revenue recognised from performance obligations satisfied in reporting period	17,34.34	18,95.62

**Table No. 3.12****Performance obligations & Remaining performance obligations**

Information on Company's performance obligations and remaining performance obligations is summarised in accounting policies.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned is INR 201,71.94 lakhs. Out of this, the Company expects to recognize revenue of around 82% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

**13. EMPLOYEE BENEFIT EXPENSE***(Refer Note 23 of Standalone Financial Statements)*

In Rs. Lakhs

Particulars	Year ended March 31,	
	2019	2018
Salaries and incentives	578,03.48	431,76.91
Contribution to provident and other funds	21,98.44	18,16.68
Gratuity contribution scheme	5,26.83	4,38.08
Expense on Employee Stock Option Scheme (ESOP)	5,58.42	7,38.35
Staff welfare expenses	14,81.69	11,54.79
	<b>625,68.86</b>	<b>473,24.81</b>

**Table No. 3.13****14. OTHER EXPENSES***(Refer Note 26 of Standalone Financial Statements)*

In Rs. Lakhs

Particulars	Year ended March 31,	
	2019	2018
Cost of software packages, consumable and maintenance	18,27.91	36,28.70
Travelling expenses	41,90.92	39,84.32
Communication expenses	19,77.76	8,05.84
Professional and Legal charges	20,55.02	15,15.32
Payment to the auditors		
- Statutory audit	67.00	51.00
- for other services	8.82	4.00
- for reimbursement of expenses	4.39	2.11
Power and fuel	7,11.92	6,57.85
Rent	5,11.65	6,45.43
Repairs - Plant and machinery	5,48.83	70.94
Repairs - Building	1.01	0.24
Repairs - Others	3,10.43	3,79.02
Business promotion	5,70.52	13,03.24
Office maintenance	8,84.21	6,93.70
Allowances for credit impaired	13,18.00	7,80.00
Bad debts / advances written off	59.96	2,76.25
Insurance	1,48.86	1,03.21
Printing and stationery	1,03.88	1,86.30
Rates and taxes excluding Taxes on Income	2,01.00	40.58
Donations	2,32.83	2,00.00
Directors' sitting fees	37.02	21.30
Bank charges & commission	4,02.68	2,23.09
Miscellaneous expenses	2,37.73	3,68.53
Net Loss on foreign currency transaction and translation	13,81.01	-
	<b>177,93.36</b>	<b>159,40.97</b>

**Table No. 3.14****15. EARNINGS PER SHARE***(Refer Note 28 of Standalone Financial Statements)*

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

In Rs. Lakhs

Particulars	Year ended March 31,	
	2019	2018
Profit / loss attributable to the equity holders of the company used in calculating basic earnings per share and diluted earnings per share	137,08.80	33,00.10
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (number)		
- Basic	128,992,229	117,552,245
- Diluted	131,987,317	120,785,310
Earning per share of Rs.5 each		
- Basic	10.63	2.81
- Diluted	10.39	2.73

**Table No. 3.15**

## 16. RESEARCH AND DEVELOPMENT EXPENDITURE (Refer Note 38 of Standalone Financial Statements)

During the current year ended March 31, 2019, the Company has incurred revenue expenditure of Rs.64,88.6 Lakhs (March 2018: 43,36.25 Lakhs). The Company continues its significant investments in Research and Development efforts towards research, technology, engineering and new product development. The Company follows a policy of capitalising new product development, which meets the criterias of Ind AS 38 Intangible assets and has accordingly recognised such cost as Internally generated Intangible asset under 'Intangible assets under development' and Intangible asset. During the current year ended March 31, 2019 the Company has incurred a revenue expenditure of Rs. 64,88.6 Lakhs (FY March 31, 2018 - Rs. 43,36.25) which has been debited to the Income statement and Capital expenditure as per table below:

We hereby furnishing the details of expenses under the respective Head of accounts which are recognised as Intangible assets under development:

In Rs. Lakhs		
Particulars	March 31, 2019	March 31, 2018
Salaries, wages and bonus	65,15.91	67,39.22
Cost of license	33.40	0.31
Other Direct overheads	25,01.98	18,35.69
<b>Total</b>	<b>90,51.29</b>	<b>85,75.22</b>

Table No. 3.16

## 17. Related party transactions

### 17.(a) List of related parties

(Refer Note 33 of Standalone Financial Statements)

#### Subsidiaries

- Intellect Design Arena Pte Ltd, Singapore ('Intellect Singapore')
  - Intellect Design Arena Limited, United Kingdom ('Intellect UK')
  - Intellect Design Arena SA, Switzerland ('Intellect Switzerland')
  - Intellect Design Arena FZ-LLC, Dubai ('Intellect Dubai')
  - Intellect Commerce Limited, India ('Intellect Commerce')
  - Intellect Design Chile Ltda , Chile ('Intellect Chile') \*
  - Intellect Design Arena Inc, USA ('Intellect Inc. – SEEC US')\*\*
  - SEEC Technologies Asia Private Limited, India ('Sec Asia')\*\*\*
  - Intellect Design Arena Co. Ltd, Vietnam ('Intellect Vietnam')
  - SFL Properties Private Ltd, India ('SFL Properties')
  - Intellect Design Arena Philippines Inc.(' Intellect Philippines')\*\*
  - Sonali Polaris FT Limited, Bangladesh ('Sonali Polaris FT')
  - FT Grid Pte Ltd, Singapore ('FT Grid')\*\*
  - Intellect Design Arena, PT Indonesia ('Intellect Indonesia')\*\*
  - Intellect Design Arena Inc.('Intellect Canada')\*
  - Intellect Design Arena Limited.('Intellect Thailand')\*\*
  - Intellect Design Arena,SDN BHD.('Intellect Malaysia')\*\*
  - Intellect Design Arena Pty Ltd.('Intellect Australia')\*\*
  - Intellect Payments Limited ('Intellect Payments')
  - Intellect India Limited ('Intellect India')
  - Intellect Design Arena Limited ('Intellect Kenya')
- \* Subsidiaries of Intellect Design Arena Limited, UK  
 \*\* Subsidiaries of Intellect Design Arena Pte Ltd, Singapore  
 \*\*\* Subsidiary of Intellect Design Arena Inc., USA

#### Associates

- NMS Works Software Private Limited, India ('NMS')
- Adrenalin eSystems Limited, India ('Adrenalin eSystems')

#### Joint Venture

- Intellect Polaris Design LLC,USA ('IPDLLC USA')

#### Others

(a) Enterprises that directly or indirectly through one or more intermediaries,over which Key Management Personnel is able to exercise significant influence.

- Polaris Banyan Holding Private Ltd, India ('Polaris Banyan')
- Maveric Systems Limited

### (b) Key management personnel (KMP)

- Mr. Arun Jain, Managing Director
- Mr.Venkateswarlu Saranu, Chief Financial Officer
- Mr. Naresh VV, Company Secretary
- Mr. Balaraman V, Independent Director
- Mr. Arun Shekhar Aran, Audit Committee Chairman
- Mr. Anil Kumar Verma, Director
- Mrs.Vijaya Sampath, Director
- Mrs Aruna Krishnamurthy Rao, Director
- Mr.Andrew Ralph England, Director

### 17. (b) Transactions and Balances with related parties

In Rs. Lakhs

Particulars	Subsidiaries	
	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
<b>TRANSACTIONS DURING THE YEAR</b>		
<b>Advances given/repaid</b>		
Intellect Singapore	2.80	14.66
Intellect Canada	18.02	30.92
SEEC US	-	12.58
Intellect UK	86.13	62.02
Intellect Switzerland	4.17	5.96
Intellect Australia	1.20	0.53
Intellect Dubai	4.30	12.59
Intellect Indonesia	(3.42)	5.41
Intellect Thailand	6.33	1.45
Intellect Philippines	0.23	5.34
Intellect Malaysia	(3.74)	11.01
Intellect Kenya	1,39.08	-
Intellect Commerce	(3.06)	13.09
	<b>2,52.04</b>	<b>1,75.56</b>
<b>Software development service income</b>		
Intellect Malaysia	15,12.06	4,08.04
Intellect Philippines	4,28.69	8,09.25
Intellect Singapore	81,20.73	22,36.75
Intellect Thailand	8,91.48	18,83.43
Intellect Canada	70,06.33	27,04.25
Intellect Indonesia	3,68.22	6,59.65
Intellect Dubai	76,09.31	54,74.13
SEEC US	83,30.53	14,51.94
Intellect Australia	27,15.09	3,75.54
Intellect Vietnam	3,79.04	21,31.01
Intellect Switzerland	9,57.45	8,15.83
Intellect UK	243,61.39	192,14.06
Sonali Polaris FT	-	3.27
	<b>626,80.32</b>	<b>381,67.15</b>
<b>Software development expenses / (recoveries)</b>		
Intellect Payments	4,39.03	4,10.11
Intellect Malaysia	1,71.21	1,56.00
Intellect Philippines	64.73	2,46.58
Intellect Australia	4,19.46	(1,94.47)
Intellect Singapore	14,49.12	8,83.76
Intellect Vietnam	9,65.54	1,63.00
Intellect Canada	14,09.16	12,68.96
Intellect Dubai	11,66.42	12,53.20
Intellect Indonesia	13.45	-
SEEC US	(1,39.15)	47.35
Intellect Switzerland	99.17	1,18.07
Intellect Thailand	26.46	(1,25.37)
Intellect UK	45,61.82	9,04.69
	<b>106,46.42</b>	<b>51,31.88</b>

Table No. 3.17

In Rs. Lakhs

Particulars	In Rs. Lakhs	
	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
<b>Reimbursement of expenses by the Company</b>		
Intellect Singapore	4,03.42	1,80.34
Intellect Thailand	-	37.83
SEEC US	31,68.23	37,87.78
Intellect UK	11,47.67	9,69.50
Intellect Australia	75.84	1,78.13
Intellect Payments	3,12.82	-
Intellect Canada	2,01.63	3,18.53
Intellect Vietnam	1.28	0.80
Intellect Commerce	13.14	1,49.70
Intellect Malaysia	35.10	-
Intellect Philippines	53.06	55.30
Intellect Dubai	410.03	2,71.48
Intellect Switzerland	-	36.91
Intellect India	0.70	0.70
	<b>58,22.92</b>	<b>59,87.00</b>
<b>Equity Investments in Subsidiaries During the year</b>		
Intellect Kenya	-	1,31.98
Intellect Singapore	-	6,55.19
	-	<b>787.17</b>

Particulars	Subsidiaries	
	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
<b>Reimbursement of expenses to the Company</b>		
Intellect Dubai	89.93	35.88
SFL Properties	0.71	0.70
Intellect India	-	1.06
Intellect Payments	1,99.62	2.61
Intellect Australia	1,21.26	-
Intellect Commerce	34.72	1,76.17
Intellect Switzerland	19.50	20.83
Intellect Malaysia	-	35.48
Intellect Canada	28.40	1.10
Intellect Singapore	25.34	61.75
Intellect Philippines	38.80	5.50
Intellect Vietnam	1.11	-
Intellect Thailand	26.86	48.38
SEEC US	15,19.98	20,30.13
Intellect UK	10,89.26	5,72.09
	<b>31,95.49</b>	<b>29,91.68</b>

Particulars	Others	
	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
<b>TRANSACTIONS DURING THE YEAR</b>		
<b>Interest on loans from related parties</b>		
Polaris Banyan Holding Limited	40.76	4,69.01
<b>Rental expenses</b>		
Polaris Banyan Holding Limited	8.82	-
<b>Security Deposit for Rental Premises</b>		
Polaris Banyan Holding Limited	29.40	-
<b>Repayment of Borrowings</b>		
Polaris Banyan Holding Limited	38,19.78	17,20.22
<b>Software development expenses</b>		
Maveric Systems Limited	72.81	32.88

Table No. 3.18

Particulars	Associates	
	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
<b>Interest income from Investment in debt instrument of associates</b>		
NMS	84.94	15.87
<b>Reimbursement of expenses to the Company</b>		
Adrenalin eSystems	4,97.01	4,94.85
<b>Software development expenses</b>		
Adrenalin eSystems	78.22	225.57

In Rs. Lakhs

Particulars	Key Management Personnel	
	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
<b>Remuneration to Key Management Personnel**</b>		
Remuneration & other Benefits	2,56.13	5,21.82
Sitting Fees to independent directors	37.02	21.30

\*\* The remuneration to the key management personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

Particulars	Subsidiaries	
	31-Mar-19	31-Mar-18
<b>BALANCE DUE FROM / (TO) RELATED PARTIES</b>		
<b>Trade receivables</b>		
Intellect Malaysia	(46.23)	555.01
Intellect Philippines	1,83.44	11,64.15
Intellect Singapore	20,31.93	8,34.82
Intellect Thailand	8,11.00	15,62.76
Intellect Indonesia	6,85.44	6,20.07
Intellect Australia	1,11.00	5,66.51
Intellect Vietnam	11,06.34	20,90.16
Intellect Canada	16,65.09	22,32.88
Intellect Chile	6,07.55	6,30.95
Intellect Dubai	(19,25.50)	(1,2,52.74)
SEEC US	41,87.16	20,52.23
Intellect Switzerland	1,08.30	(19.94)
Intellect UK	54,71.12	72,76.18
Sonali Polaris FT	9,97.23	9,84.38
	<b>159,93.87</b>	<b>192,97.42</b>

Particulars	Subsidiaries	
	31-Mar-19	31-Mar-18
<b>BALANCE DUE FROM / (TO) RELATED PARTIES</b>		
<b>Revenue Accrued but not Billed</b>		
Intellect Malaysia	10,89.36	-
Intellect Philippines	4,16.44	-
Intellect Singapore	14,81.48	-
Intellect Thailand	1,12.40	-
Intellect Indonesia	3,08.68	-
Intellect Australia	11,56.80	-
Intellect Vietnam	3,50.75	-
Intellect Canada	51,17.86	-
Intellect Dubai	36,27.20	-
SEEC US	51,39.92	-
Intellect Switzerland	76.55	-
Intellect UK	54,13.06	-
	<b>242,90.50</b>	<b>-</b>

Particulars	Subsidiaries	
	31-Mar-19	31-Mar-18
<b>Loans and Advances</b>		
Intellect Commerce	1,39.86	93.40
SFL Properties	3.22	0.49
Intellect Switzerland	19.58	27.53
Intellect Singapore	90.96	85.13
Intellect Chile	34.90	38.39
Intellect Indonesia	-	3.42
Intellect UK	1,51.00	1,52.01
Intellect Thailand	45.21	12.44
Intellect India	1.61	1.55
Intellect Malaysia	75.38	1,13.75
Intellect Payments	81.61	-
Intellect Kenya	1,39.08	-
Intellect Vietnam	5,79.15	3,75.77
	<b>13,61.56</b>	<b>9,03.88</b>

Table No. 3.19

Particulars	Subsidiaries	
	31-Mar-19	31-Mar-18
<b>Trade payables</b>		
Adrenalin eSystems	15.93	67.31
Intellect Payments	4,13.90	-
Intellect Philippines	2.79	-
Intellect Australia	5,24.47	-
Intellect Dubai	6,34.51	-
Intellect Singapore	1,54.16	-
Intellect UK	1,49.87	-
Intellect Vietnam	52.07	-
SEEC US	1.24	-
	<b>19,48.94</b>	<b>67.31</b>
<b>Other current liabilities</b>		
Intellect Dubai	1,68.06	5,81.92
Intellect Payments	-	1,58.51
Intellect canada	1,71.05	21.72
Intellect Australia (66.39)		1,75.97
Intellect Sweden	3.79	-
Intellect Germany	0.42	-
Intellect Philippines	11.56	25.10
Intellect Singapore	4,37.08	65.70
SEEC US	21,84.37	42.22
	<b>29,09.94</b>	<b>10,71.14</b>
Particulars	Subsidiaries	
	31-Mar-19	31-Mar-18
<b>INVESTMENTS</b>		
Intellect Commerce	9,00.00	9,00.00
SFL Properties	15,44.53	15,44.53
Sonali Polaris FT	2,38.75	2,38.75
Intellect Singapore	23,53.79	23,53.79
Intellect Vietnam	22.50	22.50
Intellect Dubai	2,03.70	2,03.70
Intellect Kenya	1,31.98	1,31.98
Intellect Switzerland	1,12.76	1,12.76
Intellect UK	6,17.50	6,17.50
Intellect India	5.00	5.00
Intellect Payments	2,55.00	2,55.00
	<b>63,85.51</b>	<b>63,85.51</b>
Particulars	Others	
	31-Mar-19	31-Mar-18
<b>Loan Repayable on Demand</b>		
Polaris Banyan Holding Private Ltd, India	-	38,19.78
<b>Security Deposit against rental premises</b>		
Polaris Banyan Holding Private Ltd, India	29.40	-
<b>Trade Payables</b>		
Maveric Systems Limited	8.96	1.20
Particulars	Associates	
	31-Mar-19	31-Mar-18
<b>Short Term Loans and Advances</b>		
Adrenalin eSystems	11,82.03	10,33.94
<b>Investment in debt instrument of associates, carried at amortized cost</b>		
NMS	-	1,48.10
<b>INVESTMENTS IN JOINT VENTURE AND ASSOCIATES</b>		
IPDLLC	13,80.15	13,80.15
NMS	8,57.19	6,24.13
Adrenalin eSystems	22,62.36	22,62.36
	<b>44,99.70</b>	<b>42,66.64</b>

Table No. 3.20

### Terms and conditions of transactions with related parties

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 18. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

(Refer Note 34 of Standalone Financial statements)

### (i) Capital commitment:

Contracts yet to be executed on capital account (net of advances) Rs. 1,79.69 lakhs (March 31, 2018: Rs.1,50.63 Lakhs).

### (ii) Other Commitment:

Bank guarantees in the nature of Financial guarantees (backed up by Fixed deposits) as at March 31, 2019 amounting to Rs.29,08 Lakhs (March 31, 2018: Rs 39,40 Lakhs)

(iii) Claims against the Company, not acknowledged as debt includes:

Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgements / decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.

The Company's pending litigations comprise of proceedings pending with tax authorities. The Company has reviewed all the proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

### Income Tax

Particulars	As at March 31, 2019	As at March 31, 2018
Demand from Indian income tax authorities	11,67.27	9,98.85
Service tax demand from Commissioner of Central excise, Chennai	13.83	15.99

Table No. 3.21

The Company is contesting the demands raised by the respective tax authorities, and the management, based on internal assessment and per its tax advisors, believe that its position will likely be upheld in the appellate process and ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

### Provident Fund

The Honorable Supreme Court of India had passed judgement on February 28, 2019 that all allowances paid to employees are to be considered for the purpose of Provident fund wages determination. There are numerous interpretative issues relating to the above judgement. As a matter of caution, the Company has made a provision on a prospective basis from the date of Supreme Court order. The Company will update its provision, on receiving further clarity on the subject.

### 19. Scheme of Arrangement between the Company and Indigo TX Software Private Limited and Laser Soft Infosystems Limited :

(Refer Note 3A of Standalone Financial Statements)

The Company had entered into a Scheme of Arrangement ("the Scheme") for merger of its two wholly owned subsidiaries, namely Indigo TX Software Private Limited ("ITSPL") and Laser Soft Infosystems Limited ("LSIL") (Transferor Companies) with the Company. The Scheme was approved by the stock exchanges, shareholders and National Company Law Tribunal (NCLT) and the NCLT order was filed with the Registrar of Companies on July 31, 2018 (effective date). The appointed date under the Scheme is April 1, 2016 for the purpose of tax and regulatory requirements.

The Company acquired ITSPL and LSIL to continue business under one entity and management which will reduce managerial overlap involved in running multiple entities, reduce administrative and operational cost, economically result in better turnover, profits, operational efficiency, business synergy and more productive utilisation of resources.

The order sanctioning the Scheme of Amalgamation as above, inter-alia contains the following salient features: -

- With effect from Appointed date, the undertaking (comprising entire business of Transferor Companies, of whatever nature and kind and wherever situated, as a going concern) along with the entire business of Transferor Companies shall be amalgamated, transferred to and vested in and or/deemed to have been transferred to and vested in the Company pursuant to the relevant provisions of Companies Act, 2013.

- b) With effect from the appointed date and up to and including the effective date, transferor companies carried on business activities and shall be deemed to have been held for and on account of and in trust for the Company.
- c) Upon scheme becoming effective :-
- A. 397,040 shares of Indigo TX Software Private Limited and 7,831,320 shares of Laser Soft Infosystems Limited, having face value of Rs. 10 each shall automatically get cancelled and there shall be no obligation in that behalf.
- B. The minority shareholders of LSIL whose names are recorded in the register of members on the Record Date, the transferee Company shall issue and allot consideration in form of equity shares of Rs. 5/- each in the ratio of 1 equity shares for every 4.68 equity shares held by the residual shareholders of LSIL. The transferee Company has issued 528 shares of face value 5 each to such minority shareholders of LSIL.
- d) The Company has accounted for the scheme of arrangement in accordance with Ind AS 103 - 'Business Combinations' (as per the "Pooling of interest method" ) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter as a common control transaction:
- All the assets and liabilities, including Reserves, of the Transferor Companies shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as at the Appointed Date.
  - The investments in the share capital of Transferor Companies in the books of accounts of Transferee Company shall stand cancelled.
  - Inter-company balances and dues, if any, between the Transferor Companies and the Transferee Company shall stand cancelled.
  - The difference between the net assets (assets less liabilities) and reserves of the Transferor Companies transferred to the Transferee Company, after making the above adjustments shall be adjusted in the reserves of the Transferee Company.

Accordingly, the accounting treatment has been given as under:

**Assets acquired and liabilities assumed:**

The values of the identifiable assets and liabilities of transferor entities as at April 1, 2016:

Particulars	Lasersoft Infosystems Private Limited	Indigo TX Software Private Limited
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	9.61	-
Capital work-in-progress	2,53.06	-
<b>Financial assets</b>		
- Investments	0.45	-
- Loans and deposits	40.16	1.73
Income tax assets (net)	24,98.34	1,18.17
Deferred tax assets (net)	85.36	1,76.97
<b>CURRENT ASSETS</b>		
<b>Financial asset</b>		
- Loans and deposits	1,25.38	-
- Trade receivables	2,55.71	91.74
- Cash and Cash equivalents	3,12.73	6.21
- Other financial assets	-	3.31
Other current assets	7,10.59	13.64
<b>TOTAL ASSETS</b>	<b>42,91.39</b>	<b>4,11.77</b>
<b>LIABILITIES</b>		
Financial Liabilities		
- Trade payables	3,28.68	47.30
- Other financial liabilities	10,50.82	-
Other current liabilities	-	58.10
Short-term provisions	3,86.82	51.52
<b>TOTAL LIABILITIES</b>	<b>17,66.32</b>	<b>1,56.92</b>
<b>NET ASSETS</b>	<b>25,25.07</b>	<b>2,54.85</b>

Table No. 3.22

- e) In accordance with the scheme, the excess of net assets of transferor Companies taken over by the transferee Company amounting to Rs. 27,79.92 lakhs has been adjusted against general reserves of transferee Company.

Prior period comparatives has been restated on account of merger.

For S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm Registration number: 101049W/E300004

For and on behalf of the Board of Directors of  
Intellect Design Arena Limited

per Bharath N S  
Partner  
Membership No. 210934  
Chennai  
May 02, 2019

Arun Jain  
Chairman & Managing Director  
DIN : 00580919  
Chennai  
May 02, 2019

Arun Shekhar Aran  
Director  
DIN : 00015335

Venkateswarlu Saranu  
Chief Financial Officer

V.V.Naresh  
Vice President &  
Company Secretary

## **BUSINESS RESPONSIBILITY REPORT**

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This report is required as per Regulation 34 of SEBI( Listing Obligations and Disclosure Requirements) Regulations, 2015.

**INTELLECT DESIGN ARENA LIMITED IS COMMITTED TO OPERATE AND GROW ITS BUSINESS IN A SOCIALLY RESPONSIBLE WAY**

Sustainability, as part of this purpose, builds future resilience of the business and ensures that your company creates long-term value for its stakeholders. This also enables your Company to adhere to the objectives of its plan to achieve sustainable business spanning across the value chain of its operations. The Company's vision is to the grow the business whilst reducing the environmental footprint and increasing its positive social impact.

Intellect's sustainability initiatives are inspired by the opportunity to create enduring value through the enlargement of its contribution to the national economy. It is the Company's deep conviction that businesses possess the transformative capacity to create far larger societal impact by leveraging its entrepreneurial vitality, creativity and innovative capacity. This is manifest in the unique models fashioned by the Company to enable the creation of the power to dream, and then achieve these dreams amongst children, for whom such a vision was hitherto unavailable.

Your Company also contributes to activities listed in the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' notified by the Ministry of Corporate Affairs, Government of India, as well as activities listed in the Companies Act, 2013.

This Report describes activities of the Company under each of the nine principles as outlined in the NVGs.

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1. Corporate Identity Number (CIN) of the Company : L72900TN2011PLC080183
2. Name of the Company : INTELLECT DESIGN ARENA LIMITED
3. Registered address : 244, ANNA SALAI, CHENNAI – 600 006
4. Website : www.intellectdesign.com
5. E-mail id : company.secretary@intellectdesign.com
6. Financial Year reported : April 1, 2018 to March 31, 2019
7. Sector(s) that the Company is engaged in (industrial activity codewise) : IT- Software Services
8. List three key products/services that the Company manufactures/provides (as in balance sheet) :
  - A. Consumer Banking, Transaction Banking, Risk, Treasury and Markets, product software
  - B. Insurance product software
  - C. Enterprise Enablement platform “iDigital”
9. Total number of locations where business activity is undertaken by the Company :
  - A. a. Number of International Locations (Provide details of major 5): North America, South America, Asia Pacific, Europe, Australia

- B. Number of National Locations : 5.
10. Markets served by the Company – Global Markets.

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

1. Paid up Capital(INR): 65.89 crores
2. Total turnover(INR): 992.762 crores
3. Total Profit after taxes(INR)137.088 crores
4. Total spending on Corporate Social responsibility (INR): 2.31 Crores .(Not applicable as per statue)Shareholders have approved to contribute upto 2% of the license revenue.
5. List of activities in which expenditure in 4 above has been incurred: Scholarship and Workshops organized by Ullas Trust

**SECTION C: OTHER DETAILS**

1. Does the Company have any subsidiaries Company/Companies? Yes. The Company has 21 (Twenty One) subsidiaries.
2. Do the subsidiary Companies participate in BRR initiatives of the parent Company ?If yes, the indicate the number of such subsidiary Companies Yes. All India based subsidiaries Companies participate in BRR initiatives
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%] Yes 30%-60% of our suppliers of operational requirements participate.

**SECTION D: BR INFORMATION**

1. Details of Director / Directors responsible for BR
  - a. Details of the Director/Director responsible for implementation of the BR policy / policies
    1. DIN Number :- 00580919
    2. Name :- Arun Jain
    3. Designation :- Chairman and Managing Director
  - b. Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00580919
2	Name	Arun Jain
3	Designation	Chairman and Managing Director
4	Telephone number	044- 3341 8000
5	e-mail id	company.secretary@intellectdesign.com



## 2. Principle-wise (as per NVGs) BR Policy/policies

## (a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards?	N	N	N	N	N	N	N	N	N
4	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.intellect design.com	www.intellect design.com	www.intellect design.com	www.intellect design.com	www.intellect design.com	www.intellect design.com	www.intellect design.com	www.intellect design.com	www.intellect design.com
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

b) If answer to the question at serial number 1 against any principle, is "No". Please explain why-Not applicable

## 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year :- Annually
- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? Annually. Web link for the same is [www.intellectdesign.com](http://www.intellectdesign.com)

**SECTION E: PRINCIPLE-WISE PERFORMANCE****Principle 1 : Ethics, Transparency and Accountability****Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

Intellect believes that good corporate governance is the foundation of a sustainable business. The Company was built on this foundation, and operates across the globe with integrity, ethics, transparency and accountability. Your Company has built a business with strong values and a mission to act as an agent of social change, and continues on this journey

keeping the values and principles at the heart of everything it does. These values and the commitment to ethical business practices are reflected in the Code of Conduct. The Code inspires the Company to set standards which not only meet the requirements of applicable legislation, but aspire to go beyond in many areas of functioning.

**CODE OF CONDUCT**

The Code of Conduct describes the operational principles the Company follows. It also supports its approach to governance and corporate responsibility. All associates, and suppliers of operational requirements who work with the Company are expected to observe the Code of Conduct.

The Code provides for mandatory requirements covering, but not limited to the following areas;

- Accurate records
- Reporting and accounting
- Anti - bribery
- Avoiding conflicts of interest
- Gifts and entertainment
- Preventing insider trading

- Political activities and political donations
- Contact with government
- Regulators and non-governmental organizations
- Respect, dignity and fair treatment
- External communication with the media, investors and analysts

The processes of identifying and resolving complaints, issues and concerns received under the Code of Conduct framework are clearly defined and communicated throughout the Company. During the financial year 2018 - 19, Five (5) Insider Trading violations were reported under the Code of Conduct framework.

Complaints, issues and concerns received under the Code of Conduct framework are duly investigated by the Company's Ombudsman, and reviewed by the Chairman on regular basis. Appropriate action is taken after the review of investigation. The Chairman, through the Intellect Executive Council (IEC) is responsible for ensuring that the Code is understood and implemented throughout the Company. The Company periodically cascades the principles embodied under the Code across the organisation.

The Code also encompasses whistle blowing, which allows the associates to bring the attention of the Management, promptly and directly, any unethical behaviour, suspected fraud or irregularity in the Company practices, which is not in line with the Code. Associates are encouraged to raise any concerns by way of whistle blowing, without any fear or threat of being victimised. The Company Secretary is the designated officer for effective implementation of the Code and dealing with complaints received under the Code.

#### **Principle 2 : Products Lifecycle Sustainability**

##### **Businesses should provide Goods and Services that are safe and contribute to Sustainability throughout their lifecycle**

By going beyond the demand of mandates and regulations, and by focusing on innovation through design thinking, we aim to make responsible business one of our important dimensions. While ensuring increased profitability and benefit for all our stakeholders, and working towards the overall well-being of the larger community around us, we aim to do so using a lesser quantum of scarce natural resources.

Intellect is a thought leader in next-generation banking software products. Hosted in a large data centre in Chennai, our infrastructure and platforms comprise over 300 physical and virtual servers, a large quantum of disk storage, state of the art blade servers with interconnect hardware modules, tape libraries, operating systems and data protection layers. This data centre includes precious data concerning the Company and all its stakeholders.

Through server virtualisation, our server footprint has been reduced by over 10%. -15%. All our centres are zero effluent discharge units. The nature of the Company's business is that there are no significant emissions or process wastes. The waste generation is fairly limited and restricted primarily to e-waste, lube oil waste, waste from lead-acid batteries and municipal solid waste. The Company's waste management practices seek to reduce the environmental impact by reduction in generation, segregation at source, maximisation of recycling and reuse. The recycling currently undertaken includes :

- Waste lube oil, UPS Batteries, e-waste - disposed through government authorised recyclers.
- Printer and toner cartridges - sent back to the manufacturer under take back arrangement.

#### **Principle 3 : Employees' Well Being**

##### **Businesses should promote the well-being of all employees**

Associate's well-being is a continuous process at Intellect, enabling associates to feel good, live healthy and work safely. The Company believes that its competitive capability to build future-ready businesses and create enduring value for stakeholders is enriched by a dedicated and high-quality human resource pool. Therefore, nurturing quality talent and caring for the well-being of associates are an integral part of our work culture, which focuses on creating a conducive work environment that helps to deliver winning performance.

The Company's policy is premised on its fundamental belief that diversity at the workplace creates an environment conducive to engagement, alignment, innovation and high performance. Intellect provides for diversity and equal opportunities to all associates, based on merit and ability. Further, we ensure a work environment that is free from any form of discrimination amongst its associates in compensation, training and benefits, based on caste, religion, disability, gender, sexual orientation, race, colour, ancestry, marital status, or affiliation with a political or religious organization.

The culture of the Company ensures that aspects of work-life balance for associates, especially for women, are suitably addressed. Intellect has put in place suitable processes and mechanisms to ensure issues such as sexual harassment, if any, are effectively addressed. Intellect demands, demonstrates and promotes professional behaviour and treats all associates with equal respect.

#### **Principle 4 : Stakeholder Engagement**

##### **Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

Your Company partners with many people and organisations that have a stake in its business. Engaging with stakeholders is essential in understanding stakeholder concerns and expectations to create a sustainable business. Intellect believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. Accordingly, we anchor our stakeholder engagement on the following principles :

- a) Materiality - Prioritised consideration of the economic, environmental and social impacts identified to be important to the organisation as well as its stakeholders.
- b) Completeness - Understanding key concerns of stakeholders and their expectations.
- c) Responsiveness - Responding coherently and transparently to such issues and concerns.

The Company has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders across businesses and units in a consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogues with all stakeholders across businesses, identify material concerns, and their resolution in an equitable and transparent manner.

Your Company has undertaken some important initiatives to become more customer centric. We organise joint design workshops with our customers and prospective customers to ensure that the product delivered meets all stated and unstated requirements of the client.

The value of a business does not lie in its balance sheet but in its shareholders. Your Company regularly interacts with shareholders through a number of methods of engagement like results announcement, annual report, media releases, Company's website and subject specific communications. The Annual General Meeting of shareholders is an important annual event where the shareholders of the Company come in direct communication with the Board of Directors and the management. The Board engages with shareholders and answers their queries on varied subjects.

The Investor Relations Department regularly engages with the shareholders to resolve queries and grievances, if any, and provide guidance for shares / shareholder related matters. They also interact regularly with investors and analysts, through quarterly results calls, one-on-one and group meetings as well as participation in investor conferences.

All interactions with the Government, legislators and regulators are done by duly authorised and appropriately trained individuals with honesty, integrity, openness and in compliance with local laws and in accordance with the Code of Conduct.

Regular interactions with the electronic, print and online media take place through press releases, media events and during the financial results announcement. We engage with the media to keep our stakeholders updated about the developments in the company. The Company also interacts with NGO's, Government bodies, and industry bodies as required, from time to time.

#### **Principle 5 : Human Rights**

##### **Businesses should respect and promote human rights**

Your Company's commitment to human rights and fair treatment is set in its Code of Conduct. The Code provides to conduct the operations with honesty, integrity and openness with respect for human rights and interests of associates. Your Company's approach to uphold and promote human rights in three ways :

- in its operations by upholding its values and standards
- in its relationships with suppliers and other business partners, and
- by working through external initiatives, like through NGO's.

The Company requires its associates and business partners to subscribe and adhere to this Code. The Code and its implementation are directed towards adherence to applicable laws and to uphold the spirit of human rights, as enshrined in existing international standards such as the Universal Declaration and Fundamental Human Rights Conventions of the International Labour Organisation (ILO). We play a positive role in building awareness on human rights for its key stakeholders and encourages respect for human rights of the local communities with specific focus on vulnerable and marginalised groups.

#### **Principle 6 : Environment**

##### **Businesses should respect, protect and make efforts to restore the environment**

Your Company's approach to reduce, reuse and recycle has helped to minimise its environmental impact across the value chain. The Company has contributed to environmental security by not only ensuring efficient use of resources, but also by augmenting precious natural resources. On the reforestation sphere, we have planted over 12,500 saplings in the past year, which has enabled us not only to green, but provide dense forest cover over approx. 15,000 square feet of our land area in our flagship campus in Siruseri, Chennai. This dense forest foliage was home to many migratory bird species during the previous winter season. Your Company intends to intensify its efforts to provide forest cover, rather than plant individual and spaced out saplings, as forest trees tend to support and have synergies with each other. The Company has implemented radiant cooling in two floors of its Corporate Headquarters in the Nxt Lvl building in the Siruseri Campus, covering over 65,000 square feet. This revolutionary technique involves the circulation of chilled water through special high-technology pipes embedded in the floor, that draw radiant heat away from humans and heat generating equipment. This technology has afforded us the opportunity to reduce the air-conditioning load by over 30% on these two floors.

#### **Principle 7 : Policy Advocacy**

##### **Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner**

Your Company believes that a lot can be achieved if it works together with the Government, legislators, regulators and NGO's to create positive social and environmental outcomes. Your Company's approach to advocacy is guided by the Code of Conduct. The Code provides that any contact by the Company or its agents with Government, legislators, regulators or NGO's must be done with honesty integrity, openness and in compliance with applicable laws. Only authorised and appropriately trained individuals can interact with the bodies mentioned above. Prior internal approval is required for initiating any contact between the Company, its representatives and officials, aimed at influencing regulation or legislation.

Your Company tries to create a positive impact in the business eco-system and communities by practicing pro-active advocacy. Its purpose is not just lobbying the Government for securing certain benefits for industry, but is also about advocating certain best practices for the benefit of society at large. Your Company engages with industry bodies and associations to influence public and regulatory policy in a responsible manner.

Intellect is represented in key industry and business associations which include the Confederation of Indian Industry (CII), The National Association of Software and Services Companies (NASSCOM), the Federation of Indian Chamber of Commerce and Industry (FICCI) and many others.

#### **Principle 8 : Inclusive Growth**

##### **Businesses should support inclusive growth and equitable development**

Intellect believes that in the strategic context of business, enterprises possess, beyond mere financial resources, the transformational capacity to create game-changing development models by unleashing their power of dreams, innovation and creativity. Our CSR Project on empowering school children in the classes 9 through 12, from Government and Corporation Schools is run through Ullas Trust. The Trust arranges scholarships, jointly funded through contributions from Intellect associates, and from the Company's finances, as well as classes on communication, English language and career counselling. The Trust also organises contact classes wherein the students are encouraged to lose their inherent fear of Corporate organisations.

The Trust through its "Touch the Soil" outreach allows Intellect associates to connect back with their primary schools in various districts in Tamil Nadu, Andhra Pradesh, Telangana, Maharashtra and Haryana. It has over 15,000 students being mentored at the present date. These students are not only given guidance right through school, but are also given guidance through tertiary education as Higher Education Scholars (HES).

#### **Principle 9 : Customer Value**

##### **Businesses should engage with and provide value to their customers in a responsible manner**

Your Company immensely values and carefully nurtures its customer relationships and works closely with them to pioneer new concepts. All businesses of the Company comply with all regulations and relevant voluntary codes concerning marketing communications, including advertising, promotion and sponsorship. The Company's communications are aimed at enabling customers to make informed purchase decisions through factual and truthful disclosure of information. Standard Operating Procedures are also in place to ensure that marketing communication is in accordance with voluntary codes adopted by the businesses.

A well established system is in place for dealing with customer feedback. All feedback is then collated, and feedback is provided to the Manufacturing, Service Delivery and Marketing arms of the Company.

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## **REPORT ON CORPORATE GOVERNANCE**

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## Report on Corporate Governance

### 1. Company's Philosophy

Intellect focuses on Corporate Governance as a key driver of sustainable corporate growth and a powerful medium to achieve the company's goal of maximizing value for all its stakeholders. A sound corporate governance strengthens investors' trust and enables the company to fulfill its commitment towards the customers, employees and the society in general. Intellect believes that the primary objective is to create and adhere to a corporate culture of conscience and consciousness, empowerment, accountability and independent monitoring. The company's philosophy is based on the key elements in corporate governance viz., transparency, disclosure, supervision and internal controls, risk management, internal and external communications, accounting fidelity, product and service quality. The company has a strong legacy of fair and ethical governance practices.

### 2. Board of Directors

The Board of Directors of the Company possesses highest personal and professional ethics, integrity and values, and provide leadership, strategic guidance and objective judgement on the affairs of the company. The Board is fully aware of its fiduciary responsibilities and is committed to represent the long-term interest of the Stakeholders. The Board adopted the principles of corporate governance and remains informed, participative, and independent to implement its broad policies and guidelines and has set up adequate review procedures.

#### • Composition of the Board of Directors as on March 31st, 2019

The Key to good corporate governance is the optimum combination of the executive and non-executive directors on the board and the extent of their independence. The Board consists of seven members with knowledge and experience in diverse fields and professionally acclaimed to understand their role in addressing the issues raised by the management. The day-to-day affairs of the company are managed by the Chairman and Managing Director under the supervision of the Board.

As a policy, the Company has an optimal combination of Executive, Non-executive and Independent Directors to maintain the independence of the Board.

#### • Boards' Composition

As on March 31, 2019, the Board is comprised of seven members; consisting of one executive director, one Managing Director, one non-executive director and four independent Directors including two women Independent Directors. During the year under review, two additional Directors were appointed.

To maintain the independence of the Board and to separate its functions of governance and management, there is an appropriate mix of Executive, Non-Executive and Independent Directors as envisaged under the Companies Act, 2013 and SEBI (LODR) Regulations.

### Composition of the Board and directorships held as on 31st March 2019:

Name of the Director	Age	Directorship in Companies		Position held in Committees of the Intellect/ other Companies	
		As Chairperson	As Director	As Chairperson	As Member
<b>Chairman and Managing Director</b>					
Arun Jain	59	2	6	2	2
<b>Executive Director</b>					
Anil Kumar Verma	64	-	3	1	2
<b>Independent Directors</b>					
Aruna Krishnamurthy Rao	60	-	1	-	4
V.Balaraman	72	-	4	4	9
ArunShekhar Aran	60	-	4	1	1
<b>Additional Directors</b>					
Andrew England Ralph	62	-	2	-	-
Vijaya Sampath	66	-	11	2	9

**Table No. 5.1**

Notes:

- None of the Directors are related other than Mr. Arun Jain and Mr. Anil Kumar Verma. Nature of relationship - Brother in law.
- Directorship in companies (includes Listed, Unlisted and Private Limited Companies) including Intellect Design Arena Limited and its Subsidiaries.
- Committees includes Audit Committee, Nomination and Remuneration & Compensation Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee (Listed, Unlisted and Private Limited Companies)
- Mr. Andrew Ralph England was appointed as an Additional Director of the Company at the Board of Directors Meeting held on 25.10.2018, who shall hold office till the ensuing Annual General Meeting of the Company. He was appointed as a Non-Executive Director, subject to the approval of the members in the ensuing Annual General Meeting.
- Ms. Vijaya Sampath was appointed as an Additional Director of the Company at the Board of Directors Meeting held on 25.10.2018, who shall hold office till the next Annual General Meeting of the Company. She was appointed as an Independent Director, subject to the approval of the members in the ensuing Annual General Meeting.

- Name of the Listed entities where Company's Director is a Director and the category of the Directorship is given below

Name	Directorship Details in other Listed Entities
Arun Jain	-
Anil Kumar Verma	-
Aruna Krishnamurthy Rao	-
Arun Shekhar Aran	-
V Balaraman	1. India Nippon Electricals Ltd, Independent Director
Andrew Ralph England	-
Vijaya Sampath	1. Safari Industries (India) Limited, Independent Director 2. Suzlon Energy Limited, Independent Director 3. Eris Lifesciences Limited, Independent Director 4. Varroc Engineering Limited, Independent Director 5. Ingersoll Rand India Limited, Independent Director

- During the financial year 2018-19, Board of Directors met 08 times on the following dates:

06 <sup>th</sup> May, 2018	06 <sup>th</sup> September, 2018
01 <sup>st</sup> June, 2018	25 <sup>th</sup> October, 2018
21 <sup>st</sup> June, 2018	28 <sup>th</sup> January, 2019
25 <sup>th</sup> July, 2018	24 <sup>th</sup> March, 2019

Table No. 5.2

The maximum gap between two Board meetings was 94 days. (Between October 2018 to January 2019)

Board of Directors' attendance for the Board & Committee Meetings held during the year 2018-19

[Y= Attended, N= Not attended, (\*) attended through Video Conference, (+) attended through Audio Conference; BM: Board Meeting, NRCC: Nomination and Remuneration & Compensation Committee Meeting, AC: Audit Committee Meeting, SRC: Stakeholders' Relationship Committee Meeting, CSR: Corporate Social Responsibility Committee, RC: Risk Management Committee Meeting and ID: Independent Directors' Meeting.

Note: Details about Non-mandatory Committees are given elsewhere in this report.

S No.	Name of the Director	06.05.2018				01.06.2018				21.06.2018				25.07.2018				06.09.2018		14.10.2018				25.10.2018				28.01.2019					23.03.2019			24.03.2019
		BM	AC	NRCC	SRC	BM	AC	BM	AC	NRCC	BM	AC	NRCC	SRC	BM	NRCC	BM	NRCC	BM	AC	NRCC	SRC	BM	AC	NRCC	SRC	CSR	NRCC	ID	BM						
1	Mr. Arun Jain	Y	-	Y	-	Y	-	Y*	-	Y*	Y	-	Y	-	Y	Y	Y	-	Y	-	Y	-	Y	Y	-	Y	Y	-	Y							
2	Mr. Venkataratnam Balaraman	Y	Y	Y	Y	Y*	Y*	Y*	Y*	Y	Y	Y	Y	Y*	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y							
3	Mr. Arun Shekhar Aran	Y	Y	Y	-	Y	Y	Y*	Y*	Y*	Y	Y	Y	-	Y*	Y*	Y	Y	Y	-	Y	Y	Y	-	-	Y	Y	Y								
4	Ms. Aruna Krishnamurthy Rao	Y	Y	Y	Y	Y	Y	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y							
5	Mr. Anil Kumar Verma	Y*	Y*	-	Y*	Y*	Y*	Y*	-	Y*	Y*	-	Y*	N	-	Y*	Y*	-	Y*	Y*	-	Y*	Y*	-	-	-	-	-	Y*							
6	Mr. Andrew Ralph England (appointed w.e.f October 25, 2018)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Y*	-	-	-	Y*	-	-	-	-	-	-	-	-	Y							
7	Mrs. Vijaya Sampath (appointed w.e.f October 25, 2018)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Y*	-	-	-	Y	-	-	-	-	-	-	Y	Y								

Table No. 5.4

Board of Directors' attendance at the 07th Annual General Meeting held on August 23, 2018.

Sl. No.	Name	Director Identification Number (DIN)	Designation / Category	Attended
1.	Mr. Arun Jain	00580919	Chairman & Managing Director	Y
2.	Mr. Venkataratnam Balaraman	00267829	Independent Director	Y
3.	Mr. Arun Shekhar Aran	00015335	Independent Director	Y
4.	Ms. Aruna Krishnamurthy Rao	06986715	Independent Director	Y
5.	Mr. Anil Kumar Verma	01957168	Whole Time Director	N
6.	Ms. Vijaya Sampath	00641110	Additional Independent Director	NA
7.	Mr. Andrew Ralph England	08211307	Additional Director (Non-Executive Director)	NA

Table No. 5.3

**Profile of the Directors of the Company are given below:  
Arun Jain, Chairman and Managing Director**

Arun Jain is the Founder of Polaris Group and Chairman and Managing Director of Intellect Design Arena Limited. Intellect is a specialist in applying true Digital Technologies, the world's first full spectrum Banking and Insurance Technology product company, across Consumer Banking, Central Banking, Transaction Banking, Risk, Treasury and Markets and Insurance. With revenues of INR 1459 Crores (USD 208 Mn) and an employee base of over 5000. Intellect powers over 240 leading Banks and Financial Institutions around the globe with its suite of Products. IBS Intelligence, a leading global research firm in its 2018 Sales League Table ranked Intellect # 1 in Retail Banking Systems & Payment Systems and #2 in Lending Systems.

Arun commenced his entrepreneurial journey by setting up Nucleus Software Workshop in 1986. In 1993, he founded Polaris Software Lab, which recorded a CAGR of over 100% during the seven year period 1993-2000. This path of deep domain expertise, vision and planning began in 1993, with just \$250 and a dream. His journey was guided by two strong beliefs – (1) ordinary people coming together to achieve extraordinary results (2) the power of the organizational subconscious in realizing the vision. Intellect Design Arena Limited is his third venture, in pursuit of his vision to make India the IP Capital towards the next growth wave for the IT Industry. Arun's passion to create a technology product power house from India made Intellect a reality.

Arun is passionate about Design Thinking as a science to create the biggest impact on Individual and organizational performance. He visualizes it as a platform for learning and applying, with a child like curiosity to ask questions, forming the foundation of the practice of Design Thinking. An avid practitioner, Arun also evangelizes Design Thinking through public workshops, branded as UnMukt. FinTech 8012, the World's first Design Center dedicated to Financial Technology is a testimony of his commitment to Design Thinking. He architected the creation of this Center from Concept to Execution.

Arun has been entrusted with the responsibility as the Chief Mentor of the Centre of Excellence for FinTech set up by Ministry of Electronics & Information Technology (MeitY), Govt. of India. He is a Governing Council Member of STPI and also a Member in the Advisory Council of TechNest, an incubation facility provided by STPI-Chennai. He has held and continues to hold positions in industry bodies and trade organisations such as CII, MMA, National Institute of Electronics and Information Technology (NIELIT) and the Indo American Chamber of Commerce.

Confederation of Indian Industry (CII) has conferred the Lifetime Achievement Award to Arun at the India's premier ICT Event, Connect 2016. He was also conferred the 'Lifetime Achievement Award' at the 4th edition of the Design Thinking Conclave & Awards 2018. Arun has received multiple awards including Lions Clubs International award for "Youth Empowerment", INDO ASEAN Business Initiative Award, ICICI Venture – CII Connect Entrepreneur Award, Visionary of India 2014-15, amongst others in recognition of his contribution to the Industry and the Society. His contribution was recognized by the Times Group, with an award and a feature in a book titled 'Pathfinders' that lauds the achievements of extraordinary personalities in the IT & ITES industry.

With the constant drive to better the community around him, Arun instituted Mission Samridhi – a social impact enterprise dedicated to holistic human development in India through the unique philosophy of Celebrate-Connect-Catalyse, Ullas Trust – a social impact organisation working towards igniting less privileged young minds into realizing their true potential, Start-Up Nukkad – a unique initiative for budding Entrepreneurs to understand their purpose and mentor their curiosity and School of Design Thinking – focusing on shaping thinking of young minds and professional through Design The Thinking™ philosophy.

Arun holds a degree in Electrical Engineering from the Delhi College of Engineering.

**Mr. Anil Kumar Verma, Executive Director, Intellect Design Arena Limited**

Mr. Anil Kumar Verma is a key contributor to the strategic vision of the organization. A Bachelor of Electrical Engineering from IIT Delhi and post-graduate in instructional design from the University of Wollongong in Australia, Anil has a rich and global professional experience of over 40 years in the industry.

Anil established and nurtured deep relationships for strengthening Intellect brand in Australia. Earlier, he was part of the core group that conceptualized and created FINDIT (Forum of Indian IT Companies in Australia) that later became NASSCOM Australia, an influential industry body that he led as founder President for several years. Living the spirit of deeper connect with the local community, Anil established long term relationship with the Western Sydney University in Australia where he was instrumental in creating graduate and post graduate course on software testing. He has contributed significantly in promoting collaboration between India and Australia in the field of ICT. In 1997 he was nominated for prestigious Australia Day award for his contribution to the Aboriginal community.

Anil has been associated with the Australian Computer Society, AIIA – FSG (Australian Information Industry Association – Financial Services Group) and Financial Services Institute of Australia (FINSIA) for a long time.

**Ms. Aruna Krishnamurthy Rao, Executive Vice President & Group Chief Technology Officer (CTO) of Kotak Mahindra Group**

Ms. Aruna Krishnamurthy Rao is Chief Technology Officer for Kotak Mahindra Bank and its group companies. She provides senior oversight on all strategic technology initiatives across the group companies and builds technology innovation, collaboration, and standardization, across the teams. Being passionate about excellence through technology, she has lead several initiatives, the most recent ones being leveraging Big data, AI, Natural Language Processing and Robotics to create digitally native Financial products and services.

Ms. Rao brings a global perspective to her role, having worked across international markets. Starting her career in Chevy Chase Savings and Loan, in the US and going on to Citicorp Software (COSL), where she was responsible for implementation of systems in Australia, Central and Eastern Europe. She joined Polaris as part of the merger of COSL/Orbitech with Polaris. During her 20 year career in Citicorp Software/Polaris, she was the Group Head of Corporate Banking Technology, where she built the business including Cash Management, Trade Finance and Treasury systems.

Ms. Rao contributes to several industry forums, serving on the advisory panel for International Exhibition & Conference on Banking Technology, Equipment & Services, the CIO Choice technology Vendor recognition platform, and technology vendor customer advisory councils. She contributes to the Computer Society of India, Mumbai Chapter, annual conference and serves as jury for mentoring initiatives like the Next 100 CIOs.

Ms. Rao holds a B.Sc degree from St. Xaviers College, Ahmedabad, an MBA degree from Gujarat University and a Master's degree in Information Systems from the University of Maryland, USA.

**Mr. V. Balaraman, Corporate Director/Consultant/Mentor**

Mr. V. Balaraman is a Chemical Engineer from the University of Madras and holds a Post Graduate Diploma from the Indian Institute of Management, Ahmedabad. He was the MD and CEO of Pond's India Ltd between 1991 and 1998 and was a Director - Exports in Hindustan Uni Lever Limited between 1998 and 2002.

He is a Director on the Boards of Parry Enterprises India Limited, India Nippon Electricals Limited and DELPHI-TVS Diesel Systems Limited.



Outside the corporate world, Mr. V. Balaraman also served as the President of the Madras Chamber of Commerce and Industry, Madras Management Association, Indian Shoe Federation, Federation of Indian Export Organizations Southern Region and as Chairman of the Footwear Design and Development Institute.

Mr. V. Balaraman is passionate about Brand Marketing and Human Development and in pursuit of these interests, provides consultancy to companies besides coaching / mentoring business leaders. He is a speaker at Management seminars and business events in India & Abroad.

#### Mr. Arun Shekhar Aran

Mr. Arun Shekhar Aran has had technical education at IIT Delhi, completing a B Tech degree in Mechanical Engineering. Subsequently, he also spent two years at IIM Ahmedabad studying management through their flagship course PGDM specializing in Systems.

He started his working career at Asian Paints(I) Ltd, which was very much respected for the quality of its management talent at that point of time. He established a lot of path-breaking usages for computers at Asian Paints during his stint of seven years there. At Asian Paints, he rose to a middle management position in short span.

He moved out of this good going job in 1989, to join some of his friends in an entrepreneurial venture – Nucleus Software Workshop Pvt Ltd at Chennai. He made major contribution to their development team and was instrumental in writing some of the new-age software solutions for their clients at that time.

In mid-1994, as a part of the group initiative, he moved to Mumbai. With a rich and varied experience since 1989 in the realm of Software Development for Complex Banking Applications, he set up a new team in the name of Nucsoft Ltd which also started working with clients in Banking, Insurance and Financial Services area.

#### Andrew Ralph England

Andrew Ralph England currently serves as Director of Intellect's subsidiary Intellect Design Arena Limited, UK and Head of Strategy iGTB. He joined us from McKinsey, where he was the External Senior Advisor of Transaction Banking.

Andrew brings with him an experience of running transaction banking in leading global banks. He has held the positions of Managing Director and Head of Transaction Banking at Lloyds Banking Group, Head of CEE Global Transaction Banking at Unicredit Group and Head of Cash & Trade Product at Deutsche Bank, where he was also an Executive Committee member for Global Transaction Banking. These roles followed on from a successful career of various leadership positions at Citi and Lloyds.

#### Vijaya Sampath

Vijaya Sampath has been a lawyer for over 36 years. She is an independent director on the Board of listed and unlisted companies in the renewable energy, branded luggage, power, pharmaceuticals and auto component sectors. Two of these companies (non-listed) are Japanese joint ventures with Larsen & Toubro. She is also the Ombudsperson for the Bharti Airtel group with oversight of the code of conduct and was its group general counsel for over 10 years. She has been the in-house counsel for large Indian conglomerates and multinational companies as well as the corporate law partner in renowned national law firms.

Vijaya holds a graduate degree in English literature and law and is a fellow member of the Institute of Company Secretaries of India. She has attended the Advanced Management Program in Harvard Business School and the Strategic Alliances Program conducted by the Wharton Business School.

Vijaya is also the chairperson of the corporate law committee in FICCI and works with industry on regulation and policy relating to company law. She has written articles lectured/ been a speaker at various forums on women in professions, governance, ethics, law and practice.

#### Key Board qualifications, expertise and attributes

The Intellect Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. The Board members are committed to ensure that the Intellect Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key qualifications, skills, and attributes which are taken into consideration while nominating candidates to serve on the Board.

Definitions of director qualifications	
Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar function
Gender, ethnic, national or other diversity	Representation of gender, ethnic, geographical, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholder worldwide
Global Business	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities
Leadership	Extended leadership experiences for a significant enterprises, resulting in a practical understanding of organizations, processes, strategic planning, and risk management.
Technology	A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business model
Mergers and acquisitions	A history of leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyze the fit of a target with the Company's strategy and culture, accurately value transactions and evaluate operational integration plans
Sales and marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean that the member does not possess the corresponding qualification or skill

Key Board qualifications							
Name of the Director	Area of expertise						
	Financial	Diversity	Global Business	Leadership	Technology	Mergers and acquisitions	Sales and Marketing
Arun Jain	√	√	√	√	√	√	√
Anil Verma	√	√	√	√	√	√	√
V Balaraman	√	√	√		√	-	√
Arun Shekhar Aran	√	√	√	√	√	-	√
Aruna Krishnamurthy Rao	√	√	√	-	√	-	√
Andrew Ralph England	-	√	√	√	√	-	√
Vijaya Sampath	√	√	√	√	-	√	√

Table No. 5.5

### Independent Directors Meeting

In accordance with Schedule IV of the Companies Act, 2011, during the year under review, meeting of Independent Directors were held on 23.03.2019 without the presence of Non-Independent Directors and members of management, to review the performance of the Board and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

### 3. Audit Committee

Audit Committee was constituted by the Board in the meeting held on 15.10.2014. Further, the committee was reconstituted by the Board in the meeting held on 03.02.2017. The Audit committee consist of 3 Non-Executive Independent Directors and 1 Whole Time Director. The Company Secretary acts as the Secretary to the Committee.

Members of the Audit Committee are as follows:

Name	Designation	No. of Meetings	
		Held	Attended
Mr. Arun Shekhar Aran	Chairman	6	6
Ms. Aruna Krishnamurthy Rao	Member	6	6
Mr. V. Balaraman	Member	6	6
Mr. Anil Kumar Verma	Member	6	6

Table No. 5.6

The Audit Committee had met Six times during the year 2018-19.

### Powers of the Committee

- To investigate any activity within its terms of reference.
- To secure attendance of and seek information from any employee including representative of prime Shareholders (subject to internal approvals).
- To obtain outside legal or other professional advice, if necessary.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Compliance with the accounting standards.

### Role / Functions of the Committee

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Modified opinion(s) in the draft audit report
- Reviewing, with the management, the quarterly and Annual financial statements before submission to the Board for approval;
  - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
  - Discussion with internal auditors of any significant findings and follow up there on;
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### Review of information

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions, as defined by the Committee, submitted by the management;
- c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. the appointment, removal and terms of remuneration of the Chief Internal Auditor
- f. statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

#### 4. Nomination and Remuneration & Compensation Committee:

Nomination and Remuneration & Compensation Committee was constituted by the board in the meeting held on 15.10.2014. Further, the committee was reconstituted by the Board in the meeting held on 03.02.2017. The Nomination and Remuneration & Compensation Committee consists of 3 Independent Directors and one Managing Director.

The role of the committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the

Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
5. Whether to extend or continue the term of appointment of the Independent director, on the basis of the report of performance evaluation of Independent Directors.

The Chairman of the nomination and remuneration & compensation committee should be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

The Nomination and Remuneration & Compensation Committee met 07 times during the year 2018-19.

Members of the Nomination and Remuneration & Compensation Committee are as follows:

Name	Designation	No. of meetings	
		Held	Attended
Mr. V.Balaraman	Chairman	7	7
Ms. Aruna Krishnamurthy Rao	Member	7	7
Mr. Arun Jain	Member	7	7
Mr. Arun Shekhar Aran	Member	7	7

**Table No. 5.7**

#### Remuneration policy

The remuneration policy of the Company has been so structured in order to match the market trends of IT industry. The Board in consultation with the Nomination and Remuneration & Compensation Committee decides the remuneration policy for Directors. The Company has made adequate disclosures to the members on the remuneration paid to Directors from time to time. Remuneration/ Commission payable to Directors is determined by the contributions made by the respective Directors for the growth of the Company.

## Shares held, and Stock Options granted/exercised, and Cash Compensation paid to directors in fiscal year 2019

in Rs. Lacs except share and stock option data

Name of the Director	Fixed Salary				Bonus / incentives	Commission Payable	Consultancy Fee***	Sitting fees paid	Total	No. of equity shares held	Stock Options held	Stock Options exercised
	Basic Salary	Perquisites / Allowances	Retiral benefits	Total fixed salary								
<b>Chairman and Managing Director</b>												
Mr. Arun Jain	-	-	-	-	-	-	-	-	-	75,56,321	-	-
<b>Executive Director</b>												
Mr. Anil Kumar Verma*	215.56	-	13.71	229.26	37.17**	-	-	-	266.43	1,07,433	1,30,000	-
<b>Non-Executive and Independent Director</b>												
Ms. Aruna Krishnamurthy Rao	-	-	-	-	-	-	-	-	-	6,860	-	-
Mr. V. Balaraman	-	-	-	-	-	-	-	17.50	17.50	20,000	5,000	-
Mr. Arun Shekhar Aran	-	-	-	-	-	-	-	15.00	15.00	582,413	-	-
<b>Additional Director w.e.f October 25, 2018</b>												
Mr. Andrew Ralph England(Non-Executive Director)	-	-	-	-	-	170.57	-	2.02	172.59	-	2,35,000	-
Ms. Vijaya Sampath(Independent Director)	-	-	-	-	-	-	-	2.50	2.50	-	-	-
No compensation is paid to the Chairman & Managing Director												
* In addition to the above mentioned fixed remuneration to Mr. Anil Kumar Verma, he has been paid variable pay of Rs.37.17 lakhs as a performance linked incentive and the criteria for measuring the performance is as per Company's internal policy. Further, he is reappointed for a period of 3 (three) years with effect from 01st February, 2018 at the annual general meeting held on 23 <sup>rd</sup> August, 2018. The Service Contract can be terminated earlier by either party by giving to the other party 3 (three) months notice of such termination or the company paying 3 (three) months remuneration in lieu of such Notice. The company is not liable to pay any severance fees to Mr. Anil Kumar Verma. The stock options are issued as per the ISOP 2015 and ISOP 2016 scheme and the same is accrued and exercisable as per the ESOP schemes, in tranches. i.e., 30.01.2016, 30.01.2017, 30.01.2018, 30.01.2019, 30.01.2020, 20.10.2019, 20.10.2020, 20.10.2021												
**Includes Variable Pay paid for the year 2017-18.												
***Consultancy fees paid to Mr. Andrew England for the services provided in the capacity of Consultant for Intellect Design Arena Limited., United Kingdom. Andrew England was appointed as a Non – Executive Director in Intellect Design Arena Limited (Holding Company) on 25 <sup>th</sup> Oct 2018 and the consultancy fees paid is for his services during the said period (Oct 2018 to March 2019 )												

Table No. 5.8

Notes: -

None of the Non-Executive Directors/Independent Directors have any pecuniary relationship or transactions with the Company for the year ended March 31, 2019.

Other than sitting fees, Non-executive Directors are not paid any fees/remuneration/compensation. Hence there is no criteria for making payments to non-executive directors.

**Stock Options**

The Company has 6 Stock Option Schemes – ASOP 2003, ASOP 2004, ASOP 2011, ISOP 2015, ISOP 2016 and Intellect Incentive Scheme 2018.

ASOP 2003, ASOP 2004 and ASOP 2011 were inherited by the Company from the Demerged Company as part of Clause 8.2 of the Scheme of Arrangement-cum-Demerger approved by Hon'ble High Court of Judicature, Madras vide its order Dt.15/09/2014 and these schemes were approved by the members of the Company in its meeting held on 9th October 2014 and in-principle approval for the same were obtained from National Stock Exchange of India Limited vide letter Ref:NSE/LIST/14698 dt.16/02/2015 for ASOP 2003 Scheme, NSE/LIST/14696 dt.16/02/2015 for ASOP 2004 Scheme and NSE/LIST/14688 dt.16/02/2015 for ASOP 2011 Scheme and from BSE Ltd vide letters Ref:DCS/IPO/CS/ESOP-IP/761/2014-15 dt.03/03/2015 for ASOP 2003, Ref:DCS/IPO/CS/ESOP-IP/723/2014-15 dt.19/02/2015 for ASOP 2004 and Ref:DCS/IPO/CS/ESOP-IP/721/2014-15 dt.19/02/2015 for ASOP 2011.

Further, in-principle approval for ISOP 2015 and ISOP 2016 schemes was obtained from National Stock Exchange of India Limited vide letter Ref: NSE/LIST/67844 dt. 31/03/2016, NSE/LIST/88195 dt 26/09/2016 and Bombay Stock Exchange vide letter Ref : DCS/IPO/ST/ESOP-IP/905/2016-17 dt. 05/04/2016, DCS/IPO/MD/ESOP-IP/1292/2016-17 dt 19/09/2016 respectively.

**Intellect Incentive Scheme 2018\***

The members in the Annual General Meeting of the Company held on 23<sup>rd</sup> August, 2018 have approved a new Stock Option Scheme, Intellect Incentive Scheme 2018 ("Incentive scheme 2018") for 62,50,000 options consisting of 32,50,000 Intellect Stock Option (ISOP 2018) and 30,00,000 Restrictive Stock Options (RSU's 2018) Stock Options for grant of options to the Associates, Directors excluding Independent Directors of the Company and the associates of it's subsidiary companies.

**ISOP 2018**

The Scheme is classified into 5 categories:

- 1) Swarnam 101
- 2) Swarnam 201

- 3) Swarnam 301
- 4) Swarnam 401
- 5) Swarnam 501

**Grant price per option:**

The Grant Price per option shall be at the Market price or discount on Market price as detailed below :

DISCOUNT PER OPTION (% on Market Price)						
Price Band		Swarnam 101	Swarnam 201	Swarnam 301	Swarnam 401	Swarnam 501
A	Market Price up to Rs.49/-	Nil	Nil	Nil	Nil	Nil
B	Market Price between Rs.49 to Rs.140/-	10%	20%	50%	25%	Up to 50%
C	Market Price is > Rs. 140/-	15%	30%	50%	25%	Up to 50%

**Table No. 5.9**

However, in case of B above, grant price (after discount) shall not be lower than the floor price.

**RSU's 2018**

The Exercise Price per Option shall be the face value of equity shares i.e. Rs 5 each.

\*As on 31<sup>st</sup> March, 2019 the company has not granted any RSU's/ ISOP out of the above scheme

**Details of stock options granted during the financial year 2018-19 under ASOP 2003, 2004, 2011, ISOP 2015 & ISOP 2016 Schemes are detailed as below:**

Sl. No.	Date of Grant	Option Price (Rs.)	ASOP 2003		ASOP 2004		ASOP 2011		ISOP 2015		ISOP 2016	
			No. of Associates	No. of Options	No. of Associates	No. of Options	No. of Associates	No. of Options	No. of associates	No. of Options	No. of associates	No. of Options
1	06/05/2018	176.13 & 166.35	--	--	--	--	--	--	3	40,000	55	4,91,000
2	25/07/2018	184.46 & 174.21	--	--	--	--	--	--	15	1,50,000	17	2,50,000
3	14/10/2018	173.19	--	--	--	--	--	--	--	--	171	3,33,000
4	25/10/2018	167.20	--	--	--	--	--	--	--	--	18	2,25,000
5	15/02/2019	146.25 & 138.13	--	--	--	--	--	--	43	2,10,000	12	1,20,000
<b>TOTAL</b>			--	--	--	--	--	--	<b>61</b>	<b>4,00,000</b>	<b>273</b>	<b>14,19,000</b>

**Table No. 5.10**

\* Different Option Price is due to allotment under different Swarnam Schemes (Swarnam 101- ISOP 2015 and Swarnam 101- ISOP 2016).

The Employee Stock Option Plans (ASOP 2003, ASOP 2004, ASOP 2011, ISOP 2015 and ISOP 2016) are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 and there has been no material changes to these plans during the Financial Year. The Company has also obtained a certificate from the Auditors of the Company certifying that the Company's Associate Stock Option Plan(s) and Intellect Stock Options Plan(s) are being implemented in accordance with the SEBI (Share based employee benefits) Regulations 2014 as applicable and in accordance with the resolution of the Members in the General Meeting. Disclosures on various Stock Option plans, details of options granted, shares allotted upon exercise, etc. as required under SEBI (Share Based Employee Benefits) Regulations, 2014 read with Securities and Exchange Board of India circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 are available on the Company's website <https://www.intellectdesign.com/investor/investor.asp>. No employee was issued stock option during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant.

**5. Stakeholders' Relationship Committee**

Stakeholders' Relationship Committee was constituted by the Board in the meeting held on 15.10.2014. Further, the committee was reconstituted by the Board in the meeting held on 03.02.2017. The Stakeholders' Relationship Committee consists of Executive and Non-Executive Directors. It focuses on Shareholders' grievances and

strengthening of investor relations. This Committee specifically looks into the redressal of shareholders' complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends etc.

The purpose of constituting this Committee is to uphold the basic rights of the shareholders including right to transfer and registration of shares, obtaining relevant information about the company on a timely and regular basis, participating and voting in shareholders' meetings, electing members of the Board and sharing in the residual profits of the Company. Further, the Committee is empowered to act on behalf of the Board, in the matters connected with allotment of shares, issuance of duplicate share certificates, split and consolidation of shares into marketable lots etc.

The Stakeholders' Relationship Committee met 4 times during the year 2018-19.

Members of the Stakeholders' Relationship Committee are as follows:

Name	Designation	No. of Meetings	
		Held	Attended
Mr. V. Balaraman	Chairman	4	4
Ms. Aruna Krishnamurthy Rao	Member	4	4
Mr. Anil Kumar Verma	Member	4	4

**Table No. 5.11**

Mr. V.V. Naresh, Company Secretary is the Compliance Officer of the Company and acts as the secretary to all committees.

During the year, under ASOP 2003 Scheme the company has allotted 11,800 equity shares of Rs.5/- each to 6 Associates and under ASOP 2004 Scheme company has transferred 35,000 equity shares of Rs.5/-

each to 04 Associates and under ASOP 2011 Scheme company has allotted 5,65,618 equity shares of Rs.5/- each to 94 Associates and under ISOP 2015 Scheme company has allotted 27,600 equity shares of Rs.5/- each to 31 Associates pursuant to exercise of options granted and company has allotted equity shares through rights issue as detailed hereunder:

Sl. No.	Date of Allotment	ASOP 2003		ASOP 2004		ASOP 2011		ISOP 2015		ISOP 2016		Preferential Allotment		Pursuant to Merger	
		No. of Associates	No. of shares allotted	No. of Associates	No. of shares allotted / Transferred	No. of Associates	No. of shares allotted	No. of Associates	No. of shares allotted	No. of Associates	No. of shares allotted	No. of Associates	No. of shares allotted	No. of Associates	No. of shares allotted
1	25.04.2018	1	3,000	4	35,000	9	135,550	10	22,950	9	3,600				
2	18.05.2018	1	3,000	1	3,000	21	56,760	15	31,750	1	500				
3	18.06.2018	2	4,000	-	-	17	60,990	3	6,500	1	300				
4	24.07.2018	-	-	-	-	9	15,670	7	24,400	1	500				
5	19.08.2018	-	-	-	-	5	11,300	22	42,950	2	1,300				
6	06.09.2018	-	-	-	-	-	-	-	-	-	-	8	5208330	4	528
7	01.10.2018	1	1,200	-	-	8	63,720	24	78,550	2	1,300				
8	01.11.2018	-	-	-	-	4	26,480	8	86,450	1	300				
9	23.11.2018	1	600	-	-	2	2,900	19	21,050	5	2,800				
10	18.12.2018	-	-	-	-	1	33,000	11	15,350	1	500				
11	21.01.2019	-	-	-	-	3	4,130	10	13,705	2	1,000				
12	19.02.2019	-	-	-	-	1	1,250	13	49,450	4	14,000				
13	20.03.2019	-	-	-	-	14	1,53,868	16	38,650	2	1500				
	<b>TOTAL</b>	<b>6</b>	<b>11,800</b>	<b>5</b>	<b>38,000</b>	<b>94</b>	<b>5,65,618</b>	<b>158</b>	<b>4,31,755</b>	<b>31</b>	<b>27,600</b>	<b>8</b>	<b>5208330</b>	<b>4</b>	<b>528</b>

Table No. 5.12

As a result of the above allotments, the paid-up equity share capital of the Company has increased from Rs. 627,645,420 comprising of 125,529,084 equity shares of Rs. 5/- each as on 31st March, 2018 to Rs 658,873,575 comprising of 131,774,715 equity shares of Rs. 5/- each as on 31st March, 2019.

#### 6. Risk Management Committee:

Risk Management Committee was constituted by the Board in the meeting held on 15.10.2014. Further the committee was reconstituted by the Board in the meeting held on 03.05.2017, 30.01.2018 and 21.06.2018 and the members of the Committee are as under:

The majority of the committee shall consist of members of the Board of Directors. Senior executives of the company may be members of the said committee and the chairman of the committee shall be a member of the Board of Directors.

Name	Designation
Mr. Arun Jain	Chairman
Mr. V Balaraman	Member
Mr. Arun Shekhar Aran	Member
Mr. T V Sinha	Member
Mr. Venkateswarlu Saranu *	Member

Table No. 5.13

\* Risk Management Committee was reconstituted in the meeting held on 21.06.2018, adding Mr. Venkateswarlu Saranu, Chief Financial Officer as a member to the committee

#### Terms of Reference:

- Delegation of monitoring and reviewing of the Risk Management Policy
- Such other functions as it may deem fit

#### 7. Corporate Social Responsibility Committee:

As per Section 135 of the Companies Act, 2013, every Company having net worth of Rs.500 crore or more, or turnover of Rs.1000 crore or more or Net Profit of Rs.5 crore or more during any immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board of Directors of the Company consisting of 3 or more directors, out of which at least 1 director shall be an independent director.

Accordingly, Corporate Social Responsibility Committee was constituted by the Board in its meeting held on 15.10.2014. Further; the committee was reconstituted by the Board on 03.02.2017. The committee consists of the following members:

The Corporate Social Responsibility Committee met 1 time during the year 2018-19

Name	Designation	No. of Meetings	
		Held	Attended
Mr. Anil Kumar Verma	Chairman	1	1
Mr. V Balaraman	Member	1	1
Mr. Arun Jain	Member	1	1
Ms.Aruna Krishnamurthy Rao	Member	1	1

Table No. 5.14

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
  - To eradicate extreme hunger and poverty
  - To promote education
  - To promote gender equality and empowering women
  - To reduce child mortality and improving maternal health
  - To combat human immunodeficiency virus, malaria and other diseases
  - To ensure environmental sustainability, Employment, enhancing vocational skills
  - To contribute to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- To recommend the amount of expenditure to be incurred on the activities referred to above;
- To monitor the Corporate Social Responsibility Policy of the company from time to time
- To ensure that the company spends, in every financial year, at least two per cent of the average net profits for CSR. If the Company fails to spend such amount, the Board shall, in its report specify the reasons for not spending the amount.

## 8. Details of the Sub-Committees constituted by the Board

### a. Share Transfer Committee

The Share Transfer Committee was constituted by the Board in the meeting held on 15.10.2014. Further, the committee was reconstituted by the Board in the meeting held on 20.10.2016 and 21.06.2018. The members of the Committee are :

Name	Designation
Mr. Venkateswarlu Saranu	Chief Financial Officer
Mr. Govind Singhal	President – Group Business Enablement Officer
Mr. V.V. Naresh	Vice President - Company Secretary & Compliance Officer

### Table No. 5.15

The Share Transfer Committee is empowered to consider and approve the physical transfer, transmission and transposition etc. of the shares of the Company. The Committee met 13 times during the year 2018-19 on 09.05.2018, 10.05.2018, 18.05.2018, 20.06.2018, 25.09.2018, 29.10.2018, 24.12.2018, 09.01.2019, 16.01.2019, 18.01.2019, 06.02.2019, 18.02.2019, 11.03.2019.

The brief details on the business transacted are as follows.

Sl. No.	Details	No. of Cases	No. of Shares
1	Transfer of Shares	70	4759
2	Consolidation of Unclaimed Shares	0	0
3	Deletion of names	0	0
4	Rematerialisation requests	0	0
5	Transmission of names	2	300
6	Split of Shares	1	35
7	Duplicate share Certificate	0	0
<b>Total</b>		<b>73</b>	<b>5,094</b>

Table No. 5.16

## 9. Performance Evaluation of the Board of Directors:

A detailed note on performance evaluation of the Board of Directors of the company is provided in point no.(h) of Directors' Report.

Your Company has a well laid down on boarding programme for the Independent Directors. The Business Heads, CFO and Executive Director, make presentations on business model of the Company, the nature of industry and its dynamism, the roles, responsibilities and liabilities of Independent Directors etc. Further, business updates, legal updates and industry updates are made available to the Independent Directors, especially to the Audit Committee members on an ongoing basis, by internal teams, external consultants, law firms, statutory and internal auditors, on a quarterly basis. See more at <https://www.intellectdesign.com/investor/investor.asp>.

## 10. General Body Meetings of the Company

Particulars of the last three Annual General Meetings of the Company are as follows:

Financial year ended	Date and Time	Venue	Special Resolutions passed in AGM
31 <sup>st</sup> March 2016	21 <sup>st</sup> July 2016 4.00 PM	The Music Academy, Mini Hall, New No:168, TTK Road, Royapettah, Chennai-600 014	a) Introduction of new ASOP Scheme namely "ISOP 2016" b) Approval of extension of the benefits and terms and conditions of Intellect Stock Option Plan 2016("ISOP 2016") to Subsidiary and Associate Companies c) To amend the Articles of Association subsequent to increase in Authorised Share Capital of the Company d) Approval of fund raising options for an amount not exceeding Rs.300 crores.
31 <sup>st</sup> March, 2017	21 <sup>st</sup> August, 2017 10:00 AM	The Music Academy, Mini Hall, New No:168, TTK Road, Royapettah, Chennai-600 014	a) Re-appointment of Mr. V. Balaraman as an Independent Director of the Company b) Re-appointment of Ms. Aruna Krishnamurthy Rao as an Independent Director of the Company c) Approval to borrow monies in excess of paid-up capital and free reserves

31 <sup>st</sup> March, 2018	23 <sup>rd</sup> August, 2018 10:30 AM	The Music Academy, Mini Hall, New No:168, TTK Road, Royapettah, Chennai-600 014	<ul style="list-style-type: none"> <li>a) Re-appointment of Mr. Anil Kumar Verma as Executive Director for a second term of Three (3) years</li> <li>b) Approval for issue of equity shares on Preferential basis to Promoters as defined Regulations 2(z) of the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009)</li> <li>c) Approval for Issue of equity shares on Preferential basis other than Promoters of the Company</li> <li>d) Approval for fund raising options for an amount not exceeding Rs.400 crores.</li> <li>e) Approval for increase in Authorised Share Capital of the Company and alteration of capital Clause in the Memorandum of Association of the Company.</li> <li>f) Amend the Article of Association subsequent to increase in Authorised Share Capital of the Company.</li> <li>g) Introduction of new Intellect Incentive schemes of the Company</li> <li>h) Approval for extension of the benefits and terms and conditions of Intellect Incentive Plan Scheme 2018 ("Intellect Incentive Scheme 2018") to Subsidiary Companies.</li> <li>i) Approval to deliver documents through a particular mode as may be sought by the member</li> </ul>
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Table No. 5.17

#### Extraordinary General Meeting and Postal Ballot of the Company held during the year 2018-19:

No Extraordinary General Meeting and Postal Ballot has been held during the year 2018-19.

#### 11. Details of total fees paid to Statutory Auditors

The details of total fees for all the services paid by the Company, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

Amount in Lakhs

Type of Service	Amount
Statutory Audit Fee	67.00
For other Services	8.82
Total Fee	75.82

#### 12. Disclosures

##### a. Related Party Transactions

Related Party Transactions are defined as transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

A transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

Details on materially significant related party transactions are shown in the Note No.33(b) & under Significant Policies and Notes to accounts to the standalone Balance Sheet and Profit & Loss Account.

##### b. Statutory Compliance, Penalties & Strictures

Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets during the last three years: - **One (1):** -

S.No	Regulatory Authority	Subject Matter
1	Competition Commission of India	Competition Commission of India vide its order dated 07th May, 2018 has imposed penalty of Rs. 10 lakhs on the Company

##### c. Compliance with mandatory requirements and adoption of non-mandatory requirements of Regulation 27 of Listing Regulations

The Company has complied with all the mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Specifically, your Company confirms compliance with corporate governance requirements specified in regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including CEO/CFO certification. As required under Regulation 27, a certificate signed by CEO & CFO of the Company has been placed before the Board of Directors and the same has been provided elsewhere in this report. Further, a certificate from the Statutory Auditors, certifying the compliance of Regulation 27 was adhered/adopted has also been provided elsewhere in this report.

##### (i) Nomination and Remuneration & Compensation Committee

The Company has constituted a Nomination and Remuneration & Compensation Committee consisting of Non-executive Directors and a whole time Director (Managing Director). A detailed note on Nomination and Remuneration & Compensation Committee is provided elsewhere in the report. The Chairman of the Committee is an Independent Director.

##### (ii) Whistle Blower Policy

The Company has established a mechanism for employees to report concerns about unethical behaviors, actual or suspected fraud, and violation of Code of Conduct of the Company etc.

The mechanism also provides for adequate safeguards against victimization of employees who avail the mechanism and also provides for direct access by the Whistle Blower to the Chairman of Audit Committee. We affirm that during the Financial Year 2018-19, no employee has been denied access to the Audit Committee.



**(iii) Ombudsman**

Ombudsman is an Intellect initiative, to resolve workplace conflicts. It is a forum for associates and retirees to report, discuss and resolve workplace issues.

The office of the ombudsman promises complete confidentiality in all the matters discussed with him. Ombudsman also assures “No Reprisal” to the complainant who brings to light a problem or blows the whistle against someone. It works as an early warning system to the organization.

**(iv) Risk Management framework**

The Company continues to use the Risk Management framework adopted by the Board of Directors on 15<sup>th</sup> October 2014 and as amended from time to time. The framework provides an integrated approach for managing the risks in various aspects of the business. A write-up on the above is provided in the management discussion and analysis report.

**(v) Insider Trading Policy**

As per SEBI (Insider Trading Regulations), 2015 an Insider Trading Policy of the company is in force. The policy guides a mechanism for regulating transactions of the shares of the company and enforces a code of conduct and internal procedures.

The details of Trading window during the year 2018-19:

S.No	Closed on	Opened on
1	18/01/2019	31/01/2019
2	15/10/2018	29/10/2018
3	13/07/2018	30/07/2018
4	23/04/2018	09/05/2018

**Details about adoption of non-mandatory requirements are as follows:-**

Schedule V (C) (10) (d) also requires disclosures of adoption by the Company of non-mandatory requirements specified in the said clause, the implementation of which is discretionary on the part of the Company. Accordingly, the adoption of non-mandatory requirements are given below:-

**(i). The Board**

As per para A of Part E of Schedule II of the Listing Regulations, a non-executive Chairman of the Board may be entitled to maintain a Chairman’s Office at the company’s expense and also allowed reimbursement of expenses incurred in performance of his duties. The Chairman of the Company is an Executive Director and hence this provision is not applicable to us.

**(ii) Shareholders rights**

We display our quarterly and half yearly results on our website

<https://www.intellectdesign.com/investor/investor.asp> and also publish our results in widely circulated newspapers. We publish the voting results of shareholder meetings and make it available on our website

<https://www.intellectdesign.com/investor/investor.asp>, and report the same to Stock Exchanges in terms of regulation 44 of the Listing Regulations.

**(iii) Modified opinion(s) in audit report**

The Auditors have issued an un-modified opinion on the financial statements of the Company.

**(iv) Separate posts of Chairperson and Chief Executive Officer**

Mr.Arun Jain is the Executive Chairman and Managing Director of the Company and Chief Executive Officer of the Company. This provision is applicable w.e.f. 1<sup>st</sup> April 2020. However, the Company’s Board consists of majority of

Independent Directors. All policy and strategic decisions of the Company are taken through a majority decision of this independent Board.

**(v) Reporting of Internal Auditor**

The internal auditors of the Company make presentations on half yearly basis to the Audit Committee.

**d. Conflict of Interest Policy.**

As a part of good corporate governance, the company has formulated a Conflict of Interest policy for the senior management and associates.

**e. Directors and Key Managerial Personnel:**

Mr.Arun Jain, was re-appointed as Managing Director at the annual general meeting held on 21.08.2017.

Mr. Anil Kumar Verma was re-appointed as an Executive Director at the annual general meeting held on 23.08.2018.

Mr. V Balaraman was re-appointed as Independent Director in the members’ meeting held on 21.08.2017. His second term as an Independent Director will end on the conclusion of 08<sup>th</sup> Annual General Meeting of the Company.

Ms. Aruna Krishnamurthy Rao was re-appointed as Independent Director at the Annual General Meeting held on 21.08.2017.

Mr. Arun Shekhar Aran was appointed as an Independent Director at the Annual General Meeting held on 21.07.2016.

Mr. S. Swaminathan retired as Chief Financial Officer of the company at the closing hours of 30.06.2018.

Mr. Andrew Ralph England was appointed as an Additional Director (Non-Executive Director) in the Meeting of the Board of Directors held on 25.10.2018.

Ms. Vijaya Sampath was appointed as an Additional Independent Director in the Meeting of the Board of Directors held on 25.10.2018

Mr. Venkateswarlu Saranu was appointed as Chief Financial Officer with effect from 01.07.2018

Mr. V. V. Naresh was appointed as Company Secretary & Compliance Officer with effect from 15th October 2014.

**12. Means of communication**

We have established procedures to disseminate pertinent information to our shareholders, employees and society at large.

**(a) Investor Information**

Investors are being provided with timely information on all Company related matters;

**Media release:** All our media releases are posted on the Company’s website: [www.intellectdesign.com](http://www.intellectdesign.com).

**Quarterly results:** Our quarterly results are published in widely circulated national newspapers such as The Business Line and Tamil edition of “The Hindu”.

**Annual Report:** Annual Report containing audited standalone accounts, consolidated financial statements together with Directors’ Report, Auditors’ Report and other important information are circulated to members and others entitled thereto either in physical copy or through email.

**Website:** The Company’s website contains a separate dedicated section “Investors” where information sought by shareholders and the presentations made to the institutional investors or the analysts are available. The Annual Report, Media release and financial reports of the company are available on the website in a user-friendly and downloadable form at [www.intellectdesign.com](http://www.intellectdesign.com).

**(b) The Management Discussion & Analysis report (MD & A)**

The MD&A gives an overview of the Industry, Company’s business, its financials etc., and the same is provided elsewhere in this report, which forms part of the Directors’ Report.

<b>General Shareholder information</b>		
Date of incorporation	April 18, 2011	
Company Registration Number	L72900TN2011PLC080183	
Registered Office	No.244, Anna Salai, Chennai – 600 006.	
Date of Annual General Meeting	21.08.2019	
Time of Annual General Meeting	10:30 A.M.	
Venue of Annual General Meeting	RANI SEETHAI HALL, RAJA ANNAMALAI CHETTIAR MEMORIAL BUILDING	
Financial year	March 31, 2019	
<b>Financial Reporting: 01/04/2019 to 31/03/2020</b>		
First quarter ending June 30, 2019	Between 16 <sup>th</sup> July 2019 and 14 <sup>th</sup> August 2019	
Second quarter ending September 30, 2019	Between 16 <sup>th</sup> October 2019 and 14 <sup>th</sup> November 2019	
Third quarter ending December 31, 2019	Between 16 <sup>th</sup> January 2020 and 14 <sup>th</sup> February 2020	
For the year ending March 31, 2020	Between 16 <sup>th</sup> April 2020 and 30 <sup>th</sup> May 2020	
Book Closure	09 <sup>th</sup> August, 2019 to 21 <sup>th</sup> August, 2019	
Dividend for 2018-19	No dividend has been declared for the year 2018-19	
<b>Listing of shares with Stock Exchanges / Intellect shares traded in</b>		
NSE Scrip Code	INTELLECT	
BSE Scrip Code	538835	
ISIN Code	INE306R01017	
<ul style="list-style-type: none"> <li>The Company hereby confirms that the Listing fee for the year 2019-20, payable to each of the Stock Exchanges pursuant to Regulation 14 of the Listing Regulations in which the Company's shares are Listed has been paid.</li> <li>The Company's shares are traded on the National Stock Exchange of India Limited - Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (East), Mumbai 400 051 &amp; BSE Limited - 25th Floor, P. J. Towers, Dalal Street, Mumbai 400 001 since December 18, 2014.</li> </ul>		
Registrar and Share Transfer Agent	<b>Karvy Fintech Private Ltd.</b> Unit: Intellect Design Arena Limited Plot No. 31-32, Karvy Selenium Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel: 040 – 6716 1529, Fax: 040 – 23420814 /23420857 E-mail: mailmanager@karvy.com , URL: www.karvycomputershare.com	
<b>Publication of Quarterly Results</b>		
Details of Quarterly financial results published during financial year 2018-19		
<b>Language</b>	<b>News Paper</b>	<b>Date</b>
English	Business Line	08 <sup>th</sup> May , 2018
		26 <sup>th</sup> July, 2018
Tamil	The Hindu	26 <sup>th</sup> October, 2018
		29 <sup>th</sup> January, 2019
Website address of the Company in which reports / financial results/ official news releases/ presentations made to institutional investors or to the analysts have been posted		www.intellectdesign.com
Web-link where Policy for determining 'material' subsidiaries and related party transactions is disclosed		http://www.intellectdesign.com/investor/corporate-governance.asp
Web-link where details of familiarization programmes imparted to independent Directors is disclosed		http://www.intellectdesign.com/investor/corporate-governance.asp
Website address of stock exchange(s) in which reports / financial results are posted		
National Stock Exchange of India Ltd		www.nseindia.com
BSE Ltd		www.bseindia.com
Whether the official news Releases are displayed by the Company		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Details of utilizations of funds raised through preferential allotment		Utilized for working capital needs and expansion of business activity

Table No. 5.18

### 13. Shareholders' complaints and requests

During the financial year 2018-19, 776 requests / Complaints had been received and 776 requests / Complaints resolved by the Company as detailed hereunder:

#### STATUS OF REQUEST/ COMPLAINTS DURING THE PERIOD 01/04/2018 TO 31/03/2019

S.No.	Subject	Received	Replied/ resolved
	<b>A. REQUESTS</b>		
1	CHANGE/CORRECTION OF ADDRESS	85	85
2	RECEIPT OF DIVIDEND WARRANTS/REFUND ORDER FOR REVALIDATION	1	1
3	SPECIMEN SIGN CHANGE / NOT MENTIONED IN APPLICATION	4	4
4	CHANGE/CORRECTION OF BANK MANDATE	0	0
5	CHANGE/CORRECTION OF BANK MANDATE/NAME/DAMAGE ON DW	0	0
6	RECEIPT OF IB FOR ISSUE OF DUPLICATE DW	0	0
7	QUARY REGARDING PAYMENT OF DIVIDEND WARRANT	0	0
8	RECEIPT OF DD(S) /AGAINST DW FROM COMPANY/BANK	0	0
9	REQUEST FOR ECS FACILITY (ELECTRONIC CLEARANCE SERVICES)	3	3
10	LETTERS FROM CLIENTS REGARDING BILLS/PAYMENTS	0	0
11	POSTAL RETURN DOCUMENTS	432	432
12	LETTER FROM SEBI/STOCK EXCHANGE/CBI/ACKNOWLEDGE MENT	0	0
13	REGISTRATION OF POWER OF ATTORNEY	0	0
14	LOSS OF SECURITIES AND REQUEST FOR ISSUE OF DUPLICATE	4	4
15	RECEIPT OF IB AND AFFIDAVIT FOR ISSUE OF DUP SECURITIES	1	1
16	REQUEST FOR CONSOLIDATION/SPLIT OF SECURITIES	0	0
17	DELETION OF JOINT NAME DUE TO DEATH	8	8
18	REQUEST FOR TRANSFER OF SECURITIES	42	42
19	REQUEST FOR TRANSMISSION OF SECURITIES	9	9
20	REQUEST FOR DEMAT NSDL & CDSL /REMAT	88	88
21	DD RECEIVED FROM BANKS AGAINST ECS REJECTIONS	0	0
22	CHANGE / CORRECTION OF NAME ON SECURITIES	2	2
23	CLARIFICATION REGARDING SHARES	4	4
24	REQUEST FOR EXCHANGE OF CERTIFICATES	1	1
25	QUERY REGARDING UNDELIVERED DOCUMENTS	0	0
26	OTHERS(ACKNOWLEDGEMENT/NSDL OPERATION/ELECTRONIC DP REQ/ PAN NO, REQ FOR COMMUNIC , EMAILS / Lodgement of conversion form	84	84
	<b>TOTAL (A)</b>	<b>768</b>	<b>768</b>
	<b>B. COMPLAINTS</b>		
1	NON-RECEIPT OF ANNUAL REPORT	0	0
2	NON-RECEIPT OF DIVIDEND WARRANT	1	1
3	NON-RECEIPT OF SECURITIES	2	2
4	NON RECEIPT OF DUP/TRANSMISSION/DELETION OF SCS	2	2
5	NON-RECEIPT OF REFUND ORDER	1	1
6	NON-RECEIPT OF ELECTRONIC CREDITS	1	1
7	SEBI/BSE/NSE Complaints	1	1
	TOTAL(B)	<b>8</b>	<b>8</b>
	<b>TOTAL (A) + (B)</b>	<b>776</b>	<b>776</b>

Table No. 5.19

**14. Stock market data about the shares of the Company for the period April 2018 to March 2019 at National Stock Exchange Limited (NSE) and BSE Ltd (BSE).**

Share market data and the graphical representation of closing market prices movement of the Company’s shares quoted in the National Stock Exchange of India Ltd. (NSE) and . BSE Limited, (BSE) Mumbai for the period commencing from April 2018 to March 2019.

Intellect Design Arena Limited share price (High / Low) during the financial year 2018-19:

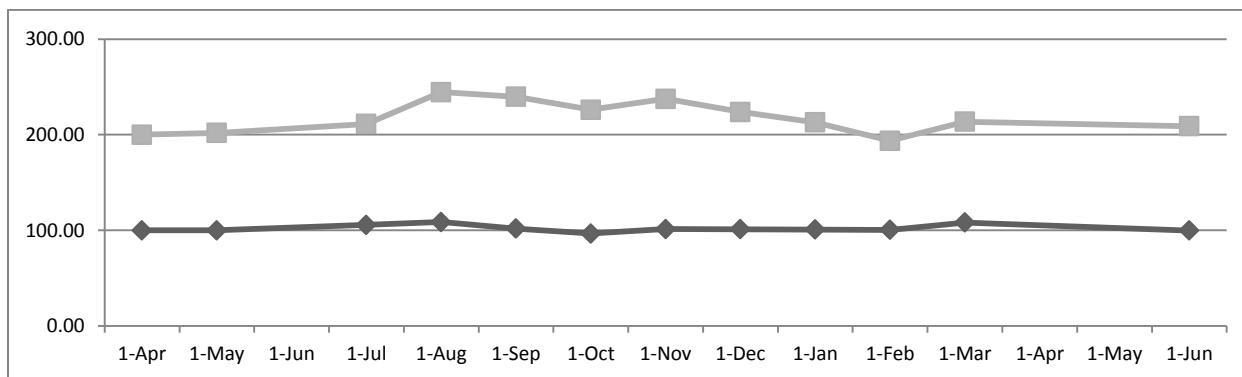
Stock Exchange	Yearly high price	Date	Yearly low price	Date
NSE	283.70	14/09/2018	151.05	18/02/2019
BSE	283.20	14/09/2018	151.10	18/02/2019

Table No. 5.20

**NIFTY vs INTELLECT @ NSE**

MONTH	Apr 18	May 18	June 18	July 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	March 19
NIFTY	10739.35	10736.15	10714.30	11356.50	11680.50	10930.45	10386.60	10876.75	10862.55	10830.95	10792.50	11623.90
INTELLECT	199.10	203.00	217.50	210.05	270.35	274.80	257.60	271.20	244.15	223.30	185.50	209.80

Table No. 5.21

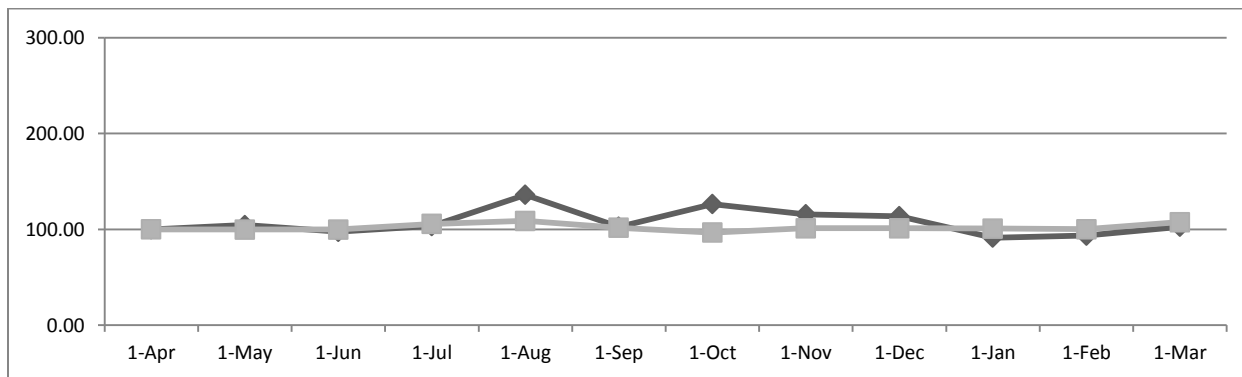


Base 100 = April 1, 2018

**SENSEX Vs INTELLECT @ BSE**

MONTH	Apr 18	May 18	June 18	July 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
INTELLECT	198.45	207.40	193.45	205.20	269.85	203.55	250.80	229.40	225.40	181.25	185.45	203.60
SENSEX	11244.63	11227.57	11224.18	11882.71	12230.81	11418.76	10871.49	11364.07	11367.43	11326.58	11262.85	12090.72

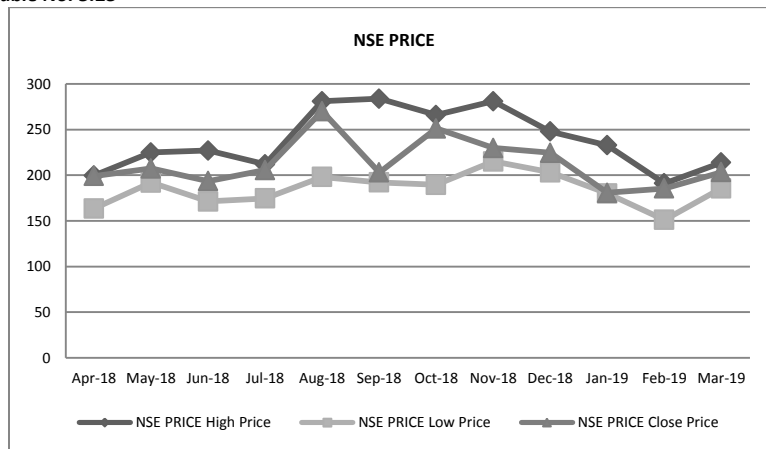
Table No. 5.22



Base 100 = April 1, 2018

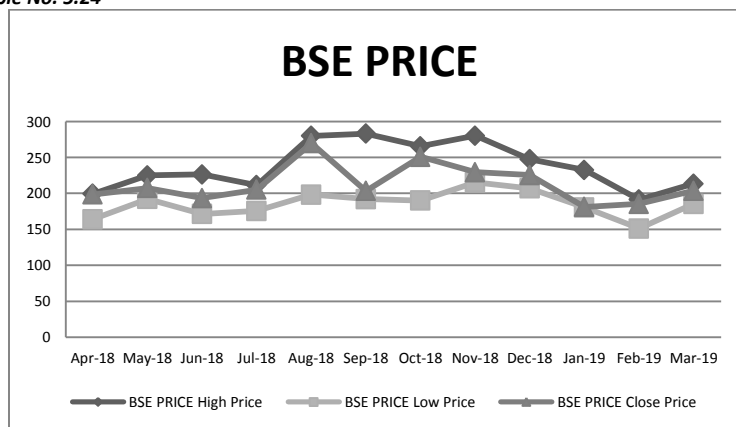
Month 2018-19	NSE PRICE			
	High Price	Low Price	Close Price	Volume
April 2018	199.70	163.50	199.10	5979188
May 2018	224.85	192.00	207.35	15057653
June 2018	227.00	171.25	193.50	12191958
July 2018	212.00	174.55	205.60	9073735
August 2018	281.00	198.15	270.15	23113563
September 2018	283.70	192.10	203.00	10721661
October 2018	265.85	189.55	251.10	19538021
November 2018	280.95	215.10	229.75	10738901
December 2018	247.80	203.15	224.60	6518035
January 2019	232.85	180.10	180.70	5751346
February 2019	191.10	151.05	185.45	8423359
March 2019	213.80	185.55	203.35	7519175
<b>TOTAL</b>				123904934

Table No. 5.23



Month 2018-19	BSE PRICE			
	High Price	Low Price	Close Price	Volume
April 2018	199.50	164.15	198.45	1868850
May 2018	225.00	192.30	207.40	3230916
June 2018	226.45	171.30	193.45	3062339
July 2018	211.50	175.60	205.20	1196338
August 2018	279.90	198.40	269.85	3790871
September 2018	283.20	192.10	203.55	1900642
October 2018	265.50	190.05	250.80	3302397
November 2018	280.25	215.55	229.40	2010704
December 2018	247.50	207.00	225.40	1021230
January 2019	232.70	180.60	181.25	954884
February 2019	191.50	151.10	185.45	1279617
March 2019	213.40	185.50	203.60	915568
<b>Total</b>				24534356

Table No. 5.24



## 15. Shareholding pattern of the Company as on March 31, 2019

Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No of Shares Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
									No of Voting Rights					Total as a % of (A+B+C)	No.	As a % of total Shares held	No.		As a % of total Shares held
									Class X	Class Y	Total								
(1)	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)		(XIII)		(XIV)	
(a)	Indian Individuals/Hindu undivided Family		2	9665429	0	0	9665429	7.33	9665429	0	9665429	7.33	0	7.33	2460945	25.46	0	0.00	9665429
	ARUN JAIN	AAGHA7341L	1	2109108	0	0	2109108	1.60	2109108	0	2109108	1.60	0	1.60	1093750	51.86	0	0.00	2109108
	ARUN JAIN	AAHPJ6020E	1	7556321	0	0	7556321	5.73	7556321	0	7556321	5.73	0	5.73	1367195	18.09	0	0.00	7556321
(b)	Central Government/State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Financial Institutions/Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other		1	31861000	0	0	31861000	24.18	31861000	0	31861000	24.18	0	24.18	0	0.00	0	0.00	31861000
	POLARIS BANYAN HOLDING PRIVATE LIMITED	AAJCA4622N	1	31861000	0	0	31861000	24.18	31861000	0	31861000	24.18	0	24.18	0	0.00	0	0.00	31861000
	<b>Sub-Total (A)(1)</b>		<b>3</b>	<b>41526429</b>	<b>0</b>	<b>0</b>	<b>41526429</b>	<b>31.51</b>	<b>41526429</b>	<b>0</b>	<b>41526429</b>	<b>31.51</b>	<b>0</b>	<b>31.51</b>	<b>2460945</b>	<b>5.93</b>	<b>0</b>	<b>0.00</b>	<b>41526429</b>
(2)	Foreign																		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	<b>Sub-Total (A)(2)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>		<b>3</b>	<b>41526429</b>	<b>0</b>	<b>0</b>	<b>41526429</b>	<b>31.51</b>	<b>41526429</b>	<b>0</b>	<b>41526429</b>	<b>31.51</b>	<b>0</b>	<b>31.51</b>	<b>2460945</b>	<b>5.93</b>	<b>0</b>	<b>0.00</b>	<b>41526429</b>

Table No. 5.25

## List of persons holding more than 1% of the total number of shares

Sl. No	Name	Shares	% Equity
1.	POLARIS BANYAN HOLDING PRIVATE LIMITED	3,18,61,000	24.18
2.	ARUN JAIN	75,56,321	5.73
3.	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL CAP FUND	4025218	3.05
4.	GOTHIC CORPORATION	3734820	2.83
5.	MANJU JAIN	3564891	2.71
6.	ATYANT CAPITAL INDIA FUND I	3104675	2.36
7.	RELIANCE CAPITAL TRUSTEE CO LTD A/C-RELIANCE REGULAR SAVINGS FUND - EQUITY OPTION	3102219	2.35
8.	YOGESH ANDLAY	2556047	1.94
9.	ARUN JAIN HUF	2109108	1.60
10.	MUKUL MAHAVIRPRASAD AGARWAL PARAM CAPITAL RESEARCH PVT LTD	2100000	1.59
11.	AL MEHWAR COMMERCIAL INVESTMENTS LLC - (WHITING)	1786636	1.36
12.	VANDERBILT UNIVERSITY A/C VANDERBILT UNIVERSITY-ATYANT CAPITAL MANAGEMENT LIMITED	1740961	1.32
13.	INDIA ACORN FUND LTD	1612166	1.22
14.	WHITE OAK INDIA EQUITY FUND	1490593	1.13
15.	THE DUKE ENDOWMENT	1331646	1.01
	<b>Total</b>	<b>71676301</b>	<b>54.39</b>

Table No. 5.26

## Shareholding of Directors / office bearers as on March 31, 2019

Sl. No.	Name of the Director / Officer bearer	No. of shares	% of Share Capital
1.	Arun Jain, Chairman & Managing Director	75,56,321	5.73
2.	Anil Kumar Verma, Executive Director	1,07,433	0.08
3.	Aruna Krishnamurthy Rao, Director	6,860	0.00
4.	V.Balaraman, Director	20,000	0.01
5.	Arun Shekhar Aran, Director	5,82,413	0.44
6.	Andrew Ralph England, Director	-	-
7.	Vijaya Sampath, Director	-	-
8.	V.V.Naresh, Company Secretary	9,020	0.0
9.	Venkateswarlu Saranu, Chief Financial Officer	-	-

Table No. 5.27

## Distribution Schedule of Shareholding as on March 31, 2019

Sl. No	Category	Total		Physical		Electronic	
		No. of Share Holders	Shares	No. of Share Holders	Shares	No. of Share Holders	Shares
1	upto 1- 5000	50453	17812020	1071	119408	49382	17692612
2	5001 - 10000	2570	4290234	10	13650	2560	4276584
3	10001 - 20000	1475	4837711	10	25981	1465	4811730
4	20001 - 30000	522	2640950	0	0	522	2640950
5	30001 - 40000	253	2020782	0	0	253	2020782
6	40001 - 50000	169	1511656	0	0	169	1511656
7	50001 – 100000	342	3860430	0	0	342	3860430
8	100001 & Above	342	94800932	1	24668	341	94776264
	<b>Total:</b>	<b>56,126</b>	<b>131774715</b>	<b>1092</b>	<b>183707</b>	<b>55034</b>	<b>131591008</b>

Table No. 5.28

## Comparative distribution schedule as on March 31, 2019

Shares	Physical		Demat		Total	
	Nos.	%	Nos.	%	Nos.	%
31.03.2019	183707	0.14	131591008	99.86	131774715	100
<b>Shareholders</b>						
31.03.2019	1092	1.95	55034	98.05	56126	100

Table No. 5.29

## 16. Other Information to Shareholders

## Share Transfer System

The applications for transfers, transmission and transposition are received by the Company at its Registered Office address at Chennai or at M/s. Karvy Computershare Private Ltd., Hyderabad, Registrar and Share Transfer Agents (RTA) of the Company. As the Company's shares are currently traded in demat form, the transfers are processed and approved by NSDL/CDSL in the electronic form through its Depository Participants. The RTA on a regular basis processes the physical transfers and the share certificates are sent to the respective transferees.

**Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity** - Not applicable

## Dematerialization of Shares and Liquidity

Your Company's shares are admitted into both the Depositories i.e. NSDL and CDSL by the Company's Registrar and Share Transfer Agent, Karvy Fintech Private Ltd. 99.86% of the Company's shares are held in electronic/demat form as on March 31, 2019.

Particulars	Number of Shares	Percentage to Total Number of Shares Issued	Number of Shareholders	Percentage to Total Number of Shareholders
Held in dematerialized mode in NSDL	114158273	86.63	33617	59.90
Held in dematerialized mode in CDSL	17432735	13.23	21417	38.16
Total Demat Segment	131591008	99.86	55034	98.05
Physical Segment	183707	0.14	1092	1.95

Table No. 5.30

## Commodity price risk or foreign exchange risk and hedging activities

Your Company does not have any commodity price risk. Your Company has a formal Board approved hedging strategy which is reviewed periodically. Judiciously hedging against adverse foreign exchange exposures helps minimize the impact of exchange fluctuations. We continue to maintain a prudent and balanced forex management policy which will help us manage risk appropriately.

## Share Transaction Regulatory System in place for controlling insider trading policy on Insider Trading

A Policy on Insider Trading has been implemented pursuant to the guidelines issued by SEBI from time to time. This Policy deals with the rules, regulations and process for transactions in the shares of the Company and shall apply to all transactions and for all designated associates in whatever capacity they may be, including Directors.

## Details of shares under Unclaimed suspense account as per Regulation 39 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(a) Pursuant to the Demerger from Polaris Consulting & Services Limited ("Polaris"), all the shares held under Unclaimed Suspense Account in Polaris got transferred to Intellect.

As and when any shareholder approaches the Company or RTA to claim the shares held under Unclaimed Suspense Account, the Company or RTA as applicable after proper verification either credit the shares lying in the Unclaimed Suspense Account to the Demat account of the Shareholder to the extent of the shareholders' entitlement or deliver the physical certificates after re-materialising the same, depending on what has been opted by the shareholder. The voting rights shall remain frozen till the rightful owner of such shares claims the shares: -

Aggregate number of shareholders and the outstanding shares in the suspense account at the beginning of the year		Number of shareholders who approached listed entity for the transfer of shares and to whom the shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account at the end of the year	
Shareholders	Shares		Shareholders	Shares
523	86,300	2	521	86100

Table No. 5.31

(a) Pursuant to the Rights issue some shares have been transferred to Unclaimed suspense Account due to want of some information from the shareholders.



As and when any shareholder approaches the Company or RTA to claim the shares held under Unclaimed Suspense Account, the Company or RTA as applicable after proper verification either credit the shares lying in the Unclaimed Suspense Account to the Demat account of the Shareholder to the extent of the shareholders' entitlement or deliver the physical certificates after re-materialising the same, depending on what has been opted by the shareholder. The voting rights shall remain frozen till the rightful owner of such shares claims the shares: -

Aggregate number of shareholders and the outstanding shares in the suspense account at the beginning of the year		Number of shareholders who approached listed entity for the transfer of shares and to whom the shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account at the end of the year	
Shareholders	Shares		Shareholders	Shares
16	2,686	7	9	1715

**Table No. 5.32**

#### Locations

The branch locations consisting of address and other contact details have been provided separately in this Annual Report and the details are also available at <https://www.intellectdesign.com/contactus/global-offices.asp> Intellect also has 5 (Five ) subsidiaries in India namely:-

- (I) Intellect Commerce Limited
- (II) SEEC Technologies Asia Private Limited,
- (III) SFL Properties Private Limited
- (IV) Intellect Payments Limited
- (V) Intellect India Limited

#### Addresses for correspondence

The Company Secretary & Compliance Officer  
INTELLECT DESIGN ARENA LIMITED

Regd. Office:

244, Anna Salai, Chennai - 600 006

Phone: 044-3987 4000

Corporate Headquarters :-

Plot No. 3/G-3, SIPCOT

IT Park, Siruseri, Chennai - 600 130.

Phone: 044-3341 8000

E-mail: [shareholder.query@intellectdesign.com](mailto:shareholder.query@intellectdesign.com)

[company.secretary@intellectdesign.com](mailto:company.secretary@intellectdesign.com)

[naresh.vv@intellectdesign.com](mailto:naresh.vv@intellectdesign.com)

Place: Chennai

For Intellect Design Arena Limited

Date: 02<sup>nd</sup> May, 2019

**Arun Jain**  
Chairman & Managing Director  
DIN:- 00580919

**CEO & CFO UNDER REGULATION 17(8) OF LISTING REGULATIONS, 2015**

To: The Board of Directors of Intellect Design Arena Limited, Chennai

We, Arun Jain, Chairman & Managing Director and Venkateswarlu Saranu , Chief Financial Officer of Intellect Design Arena Limited., (“Company”) hereby certify that:-

- (a) We have reviewed financial statements and the Cash Flow Statement of the company for the financial year ended March 31, 2019 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company’s affairs and are in compliance with existing 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 violative 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 pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee that there have been no:
- (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and other than those have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of wherein there has been involvement of the management or an employee having a significant role in the company’s internal control system over financial reporting..

Place: Chennai

Date: May 02<sup>nd</sup>, 2019

**Arun Jain**  
Chairman & Managing Director  
DIN: 00580919

**Venkateswarlu Saranu**  
Chief Financial Officer

**Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

The Members of Intellect Design Arena Limited

1. The Corporate Governance Report prepared by Intellect Design Arena Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2019 as required by the Company for annual submission to the Stock exchanges.

**Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2019 and verified that at least one woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following committee meetings / other meetings held April 1, 2018 to March 31, 2019:
    - (a) Board of Directors;
    - (b) Audit Committee;
    - (c) Shareholder's meeting;
    - (d) Nomination and Remuneration Committee;
    - (e) Stakeholders Relationship Committee; and
    - (f) Risk Management Committee
    - (g) Corporate Social Responsibility Committee
  - v. Obtained necessary declarations from directors of the Company.
  - vi. Obtained and read the policy adopted by the Company for related party transactions.
  - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee, where applicable ;
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**Opinion**

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 4 above.

**Other matters and Restriction on Use**

10. This report 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

**ICAI Firm Registration Number:** 101049W/E300004

**per Bharath N.S.**

Partner

Membership Number: 210934

UDIN: 19210934AAAAAM6110

Place of Signature: Chennai

Date: May 2, 2019

To  
The Members  
Intellect Design Arena Limited  
Chennai

**Sub: Declaration by the CEO under Regulation 26(3) of Listing Regulations**

I, Arun Jain, Chairman & Managing Director of Intellect Design Arena Limited to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2019.

Place: Chennai  
Date: May 02<sup>nd</sup>, 2019

**Arun Jain**  
Chairman & Managing Director  
DIN: 00580919

**Certificate from Company Secretary in Practice pursuant to clause 10 of Part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To the *Members of Intellect Design Arena Limited*

In my opinion and to the best of my information and based on the disclosures / declarations received from Directors appointed on the Board of Intellect Design Arena Limited ("Company") and information available on the web portal of Ministry of Corporate Affairs as on March 31, 2019, I hereby certify that as on the said date, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority. This Certificate is issued in accordance with Regulation 34 (3) read with Schedule V Para C sub-clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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 **V. VASUMATHY & ASSOCIATES,**

**V. VASUMATHY**

Practising Company Secretary  
FCS No. 5424 / COP No. 9451

Place: Chennai  
Date: May 2, 2019

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## **MANAGEMENT DISCUSSION AND ANALYSIS**

## 1. Overview

### WHAT IS OUR BUSINESS?

Intellect is a Digital Financial Technology Products Company that addresses the business needs of the Banking and Financial services domains. We have a suite of 12 Products that cater to the three main verticals in the Banking Industry viz Retail Banking, Corporate Banking, Treasury & Capital Markets and the Insurance Industry. We differentiate ourselves by the principles and practice of Design Thinking in every aspect of our Business

### WHO ARE OUR CUSTOMERS AND WHAT PROBLEMS DO WE SOLVE FOR THEM?

Our customers include Commercial Banks, Central Banks, Non-Banking Financial institutions, Capital Market participants such as Brokerages, Stock Exchanges, Asset Managers, Wealth Management firms, Government enterprises and Insurance Carriers. We partner with them in their Digital transformation agenda as they set out to expand their Customer base, improve customer engagement, streamline their processes to improve standards of customer service and build efficiencies, while being compliant with the evolving regulatory landscape.

In the Financial Services space, technology is fast becoming a key differentiator moving ahead from its role of a Business enabler. As consumers of Financial services, we witness around us, the disruptive transformation of the space – in Product offerings, Engagement models, delivery channels, pricing as well as relationship. This innovation represents just one of the challenges faced by this Sector. To stay ahead in the race amidst this rampant innovation, Institutions increasingly count on Technology. Depending on the generation of Technology adopted, other dimensions of complexities such as co-existence of multiple generations of Technology, Integration with the Ecosystem and need to juggle with multiple data architectures crop up. Given these complexities, Financial institutions are increasingly resorting to 'buying' solutions rather than 'building' them – which spurs demand for Technology Products.

Each of our twelve products help our Customers navigate through these challenges and emerge as winners.

### WHAT PRODUCTS DO WE OFFER THEM?

Our Products address the requirements of the three Banking verticals – Retail / Consumer Banking, Corporate / Transaction Banking and Treasury & Capital Markets as well as the Insurance majors.

Intellect Digital Core, our flagship Core Banking platform that enables Banks to offer contextual, real time Banking by addressing their Digital Transformation agenda doubles up as a System of Records as well as System of Engagement with significant differentiators that equip the Banks with agility and speed to Market, Operational cost saves, higher omni-channel Customer Engagement, Ability to micro segment the Markets with deep Analytics and ready connects to the Eco system. Our market is from Digital Challenger Banks – new format Banks that operate only in the Digital space, Banks that seek to modernize their Back end platforms that were set up over two decades ago, new Bank licensees and Banks that set out on a progressive modernization initiative of renovating their technology architecture. The Product has won two deals in Europe, an assertion of our ability to meet the Regulatory as well as Advanced Market demands. The Product is available both on on-premise and Cloud model.

Intellect Lending is a specialized suite that addresses the Lending cycle end to end commencing from Origination to Disbursement, Loan Life Cycle Management, Collection Management, Dispute Management and Credit History Management. Powered by Purple Fabric, Intellect's Artificial Intelligence / Machine Learning platform this suite builds real time

intelligence in Credit decisions and Collection decisions. This Product is adopted by Banks that seek more sophisticated Lending capabilities than that offered by a Core Banking platform apart from those catering to niche segments such as Corporate and SME Lending or Non Banking Financial Institutions, Development Finance Organizations, Housing Finance Banks and Co-operatives

Intellect Cards is again a very specialized Product that addresses the Credit Cards segment. Intellect had pioneered the Cards Product for over three decades now working with the World Leader. With very granular detailing of capabilities in Onboarding, Merchant Management, Loyalty Management, Pattern analysis and Collection Management, this Product has found adoption with Market leaders in India, Middle East and Latin America. Enhanced to manage e-Wallet capabilities, this Product is also being offered as a Platform as a Service (PaaS) model with revenues accruing on a per transaction basis.

Quantum, is Intellect's Core Banking Engine for Central Banks that enables them meet their unique governance responsibilities such as Currency Management, Treasury role for the Government, Managing Governments' payments and receipts, acting as the Government's Debt Manager and so on. Our Wins and implementations across continents spanning diverse regulatory regimes prove the versatility of this Product. Opportunities for this product exist with other Central Banks, Modernization projects initiated by agencies such as World Bank, Cross/Up sell opportunities with existing Customers and individual Product opportunities such as Debt Management, Payments/ Receipts Engine with Government departments, State Governments

Capital Cube is a high end combination of Treasury and Asset Liability Management. This is for Banks in Tier 2 / Tier 3 and for functionalities beyond what standard Core system can offer. With high end capabilities for Risk Management, Liquidity Management, Treasury, Trading Analytics, Capital adequacy and Customer servicing, this product has a significant footprint in Growth Markets apart from powering the multi continent Treasury Operations of the World's Leading Bank in Treasury Operations. Apart from Banks, the Product also finds Markets in other Financial Institutions such as Insurance Cos, development finance institutions and large corporates. Opportunities arise alongwith Core Banking implementation as well as subsequently as a Wave 2 Transformation.

Capital Alpha is our solution for the Capital Markets that combines the functionalities of Front, Mid and Back office of retail and enterprise broker houses and offer the combined benefit of Speed, Leverage, Risk Management and Analytics. The product integrates with and supports other Capital Market functionalities such as Custodians, Registrar and Transfer agents and Mutual Fund participants. The Product has been approved across Stock Exchanges and offers multi-exchange, multi-currency support with contextual research and analytics. The Product targets both enterprise and retail broker houses and also seeks to replace disparate solutions implemented for each of the Front, Mid and Back offices.

For the Transaction / Corporate Banking vertical, iGTB's Digital Transaction Banking suite (DTB) enables Banks to deliver seamless experience across the Corporate Financial supply chain. The platform enables Banks maximise fee income, improve cross-sell and address the effectiveness of the Bank's distribution channels. A category leader in Growth Markets, this Product is fast capturing market share across countries and finding adoption from both mature Banks as well as aspirant entrants to the Transaction Banking Business

Another product is the CBX - Contextual Banking Experience – the Digital Banking platform for Cash management. The Product supports a comprehensive set of user journeys across Corporate Banking and enables context aware recommendations to Customers driven by an AI/ML engine that generates predictive analytics. With its leading edge User Interface,



the Product has established a significant footprint in both advanced and Growth Markets

The third product for the Transaction banking vertical is the Payments Services hub that enables payment processing and orchestration through pre-defined , intelligent workflows that aggregate across payment channels and address the payment cycle end to end, ensuring a very high level of straight through processing

Intellect's Liquidity platform supports Corporate Liquidity management with intelligent functionalities for Pooling, Sweeping, Investments and consolidation across geographies, currencies and categories.

Lastly, Intellect's Trade & Supply Chain Finance platform integrates the partners across the Supply chains of organizations presenting them a unified platform

These five products are targeted at Banks in the Corporate / Transaction Banking space. Depending on the geography and stage of maturity , the Products are targeted based on the specific requirements of Banks in Advanced Markets – such as Payments which are impacted by the developments in Regulation / Ecosystem or Digital transformation . As mentioned earlier, the DTB suite is targeted towards customers predominantly in Growth markets.. Collectively, the Transaction Banking business has over 80 customers with 90 installations , many with multiple product installs.

Intellect's WealthQube is targeted at Wealth Managers , Private Bankers , Advisory firms and independent financial advisors. The product places the role of the Relationship manager at the centre and addresses their priorities of better engagement with and providing intelligent advise to their clients through a 360 deg view , apart from the ability to transact across Exchanges, currencies and asset classes. With a promise of 20% higher productivity and 20% higher revenues, the Product has established a footprint with key clients in Growth Markets and is targeting specific countries based on current Wins and implementations.

Intellect SEEC that addresses the Digital and Data needs of the Insurance carriers both through products and by offering Data as a Service offers Xponent , an Underwriting workstation that is powered by AI and advanced analytics . This product, delivered in Cloud model, enables underwriters to come up with intelligent quotes by providing them intelligence from both structured and unstructured data sources. The product has been adopted by leading Insurers in the US , a strong endorsement of its superior functionality.

All of these products have won multiple accolades and ratings from leading Analysts and awards for Customer implementations. These have been detailed earlier in this report

These apart, we operate the Government eMarketplace portal (GeM) as a Managed Service provider along with our consortium partners and earn a fee based on the transaction value This portal has already crossed Rs. 20,000 Cr in GMV and is set to scale much higher values in subsequent financial years, as more State Governments, Departments and Public Sector Enterprises are onboarded and commence transacting on the portal

#### WHY WOULD OUR CUSTOMERS CHOOSE US OVER OTHERS?

We differentiate ourselves by applying Design Thinking in every facet of our Business process – Development of Products, Adopting technology, Deployment of Frameworks that demystify understanding of Domain and Technology, Building and adoption of low coding platforms that accelerate development of robust and yet agile products that the Market demands and in delivering them in full and ahead of schedule to our Customers. These have been dealt with in detail earlier in this Report. By this differentiated approach, we deliver significantly higher value to our

Customers both in supporting their Revenue growth by enabling speed, agility and Customer engagement and in simplifying operational processes, increasing throughput, reducing turnaround times and costs. Our Design Thinking manifests itself in our unified open architecture that is cloud ready, high technology performance, comprehensive functionality and integration with the most recent advancements such as Artificial Intelligence, Machine Learning, Big Data analytics, Robotics Process Automation

Currently, we have over 240 active Customers that we service – across continents and countries. In 24 countries across the globe, one of the Top 3 Financial institutions is our Customer – these include 9 countries in Advanced Markets of Europe, Americas , Japan, Singapore and Australia and 15 countries in other Growth markets.

In the Transaction Banking space, we have 80 customers, which represents a little over 25% of the defined space of about 300+ Banks that are engaged in this Business .

#### WHAT IS OUR BUSINESS MODEL?

Intellect generates revenue from its Customers in the following streams

1. License fee paid by Customers for use of our Software products in an on-premise model
2. Implementation and Customization fees paid by Customers for rolling out our software products and customizing to their specific requirements
3. Annual Maintenance fee paid for maintaining the software and making upgrades available, where applicable
4. Subscription fees for use of Software on Hosted model or Cloud deployment
5. Dedicated teams for supporting our Customers' production environments

While our Revenue has hitherto been largely on the License model, we are seeing an increase in Subscription based model as well, especially so, in our Insurance line of Business as well as in IDC (Intellect Digital Core) deployments. Our infrastructure Management capabilities have been matured to support both Private cloud deployments as well as those on Public cloud services. Thus, Intellect is geared to take advantage of any possible shift in Delivery models as well. The subscription model also offers significant revenue upside possibilities when tied to operational / performance metrics of our Customers such as Revenues, number of Accounts, number / Quantum of Transactions, enabling us to grow with our Customers.

Intellect measures its growth and performance in terms of License revenue earned. Our License revenues have grown by over 40% in the last four years and over 60% over prior year. There are two dimensions to this growth

1. **Increasing Win rate :** With strong investments in Product development, Market development, Branding and Delivery capabilities and increasing referenceable footprint, we qualify in the last two in most deals and our Win rate is accelerating
2. **Higher share of Wins in Advanced Markets:** Our Products find increasing acceptance in Advanced Markets, registering wins with Global Leaders in each vertical. As a result, the share of our revenues from Advanced Markets has steadily moved up. Advanced Markets help improve License realizations

3. **Increased License realization:** Our average License value has therefore grown from \$263k to \$947k over this four year period when our License revenues multiplied by 4X. This is bolstered by our ability to command premium pricing over our competition.

Higher license values also translate to higher maintenance revenue streams, especially so when Maintenance is charged as a percent of license cost. In addition, our expanding footprint also contributes to acceleration of Maintenance revenues.

The growing Customer base, apart from providing referenceability across Geographies, Banking verticals and tiers of Customers also opens up another stream of revenue generation - through Cross / Up sell / Upgrades. As a metric, we work towards increasing the number of Products per Customer – by offering more Products to the same Customer by partnering with them and developing a deeper understanding of their Business priorities. We have examples across our lines of Business, where we have deepened the engagement to realize higher revenues, while addressing the demands of their growing Business portfolios. We also generate revenue in developing customer specific, unique differentiators to our Products. These reflect in increased revenue realization per customer – especially so, in Accounts where we are deeply engaged. Our average revenue with our Top 20 customers has grown to over Rs. 40 crs from Rs. 31 crs during the prior year.

#### WHAT ARE THE LEAD INDICATORS FOR OUR GROWTH?

Over the last six Quarters, our deal pipeline as well as leads have been increasing both in quantitative terms and more importantly qualitative terms – by way of well qualified, real and rich pipeline. Several of these are with Global or Continental leaders. We are in the last two in about 40 destiny deals each of Rs. 20 Crs in value or more. The overall deal pipeline is over \$500m, while order backlog from License and Subscription deals is over Rs. 1,800 Crs. 85% of our revenues are from existing Customers – an assertion of their endorsement of our engagement

#### WHAT IS OUR COST STRUCTURE?

Our key costs are towards

1. **Product Manufacturing** – Development of Products, Building next versions of current Products and adding User Journeys
2. **Research & Engineering** – Costs in building core technology components / frameworks / architectures and tools
3. **Service Delivery** – Implementation costs in delivering the Products to our Customers (roll out costs ) plus costs of offering Production support/ maintenance
4. **Sales & Marketing** – Business development, Branding, Market development, Marketing and Pre-Sales costs
5. **General Admin costs** – Costs of infrastructure , shared and support services including Corporate Management

We have invested in both Product development and Sales & Marketing over the last 3-4 years. With revenues accelerating however, Sales & Marketing / General Admin costs are now at around 31% of revenues as compared to 43% couple of years ago. Similarly Product development and Research & Engineering costs are under 15% of revenues against 19% couple of years back, though we continue to keep our thrust on focused and targeted investments

Owing to maturity of our delivery processes, our Margins are maintained at nearly 50% of revenues over years, despite our investments to address delivery requirements of recent wins

- A more detailed coverage of our financial performance , accounting policies, competition and risks/ concerns are addressed in the following sections.

#### 2. FACTORS IMPACTING OUR RESULTS OF OPERATIONS

Our Company's consolidated revenue for Financial Year 2018-19 was Rs.1,512,27.51 lakhs. Our Company's consolidated profit / (loss) after tax for Financial Year 2018-19 was Rs.131,26.06 lakhs. Our Company's standalone revenue for Financial Year 2018-19 was Rs.992,76.27 lakhs. Our Company's standalone profit / (loss) after tax for the Financial Year 2018-19 was Rs. 137,08.80 lakhs.

##### Other factors

In addition to the above factors, the following factors could cause actual results to differ materially from our expectations:

1. Overall global economy;
2. Changes in fiscal, economic or political conditions in India;
3. Company's ability to successfully implement its strategy and its growth and expansion plans;
4. Increasing competition;
5. Changes in the value of the Indian rupee and other currencies; and
6. Regulatory changes pertaining to the BFSI industry in which our Company operates and our Company's ability to respond to them.

#### 3. Principal components of our statement of profit and loss account

##### Revenue

Our revenue consists of:

- a. **Revenue from operations** – Our revenue from operations comprises revenue from our four business verticals viz., global consumer banking and central banking, risk, treasury & markets, global transaction banking and insurance.
- b. **Finance Income** – Our finance income comprises of interest/dividend from fixed deposits/mutual funds].
- c. **Other income** – Other income consisting of interest received on deposits with banks, interest on others, dividends on investments in mutual funds, profit on sale of investments, provision for diminution in value of investments miscellaneous income, profit / (loss) on sale of assets and net gain on foreign currency transactions and translation (other than those considered as finance cost).

Our total revenue, as per the Consolidated Summary Statements, for the Financial Year 2019 and the Financial Year 2018 was Rs.1,512,27.51 lakhs, and Rs. 1,113,96.89 lakhs respectively.

##### Expenses

Our expenses comprised employee benefit expenses, other expenses and finance cost and depreciation and amortisation expenses.

- a. **Employee benefit expenses** – Employee benefit expenses comprises salaries, wages and bonus, contribution to provident and other fund, superannuation scheme, other funds, gratuity expense, cost of technical sub-contractors, social security and other benefit plans for overseas employees and staff welfare expenses.
- b. **Depreciation and amortisation expense** - Depreciation and amortisation expense comprises depreciation on fixed assets of the company.
- c. **Finance cost** – Finance cost comprises interest related expenses.

**d. Other expenses** – Other expenses comprises cost of software packages, consumable and maintenance, travelling expenses, communication expenses, professional and legal charges payment to the auditors, power and fuel, rent, repairs - plant and machinery, repairs - building, repairs - others, business promotion, office maintenance, provision for doubtful debts, bad debts/advances written off, insurance, printing and stationery, rates and taxes excluding taxes on income, directors' sitting fees, bank charges and commission, miscellaneous expenses and net loss on foreign currency transaction and translation (other than considered as finance cost).

Our total expense, as per the Consolidated Summary Statements, for the Financial Year 2019 and Financial Year 2018 was Rs.1,375,03.29 lakhs and Rs. 1,055,27 lakhs respectively.

#### Tax Expense

##### Current Tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to our Company. The current tax provision and advance income tax as at balance sheet date have been arrived at after setting off advance tax and current tax provision where our Company has a legally enforceable right to set off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

##### Deferred Tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the year that includes the enactment date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as our Company does not have legal right to do so.

### RESULTS OF OPERATIONS FOR FINANCIAL YEAR 2018-19 COMPARED TO FINANCIAL YEAR 2017-18

#### Revenue

Our total revenue, as per the Consolidated Summary Statements, increased by 35.76% from Rs.1,113,96.89 lakhs in Financial Year 2018 to Rs.1,512,27.51 lakhs in Financial Year 2019. This increase was primarily due to incremental customer acquisitions and growth in revenue from the existing customer base.

#### Revenue from operations

Our revenue from operations increased by 33.32% from Rs.1,087,29.07 lakhs in Financial Year 2018 to Rs.1,449,56.94 lakhs in Financial Year 2019. The increase is because of licence revenue growth as well as incremental customer acquisitions and growth in revenue from the existing customer base.

#### Finance income

Our finance income decreased by 3.20% from Rs.6,02.98 lakhs in Financial Year 2018 to Rs.5,83.67 lakhs in Financial Year 2019. This was primarily due to decrease in income from interest received on deposits with Banks.

#### Other income

Our other income increased by 175.42% from Rs.20,64.84 lakhs in Financial Year 2018 to Rs.56,86.90 lakhs in Financial Year 2019. This was primarily due to profit on sale of asset

#### Expenses

Our total expenses increased by 30.30% from Rs.1,055,27 lakhs in Financial Year 2018 to Rs.1,375,03.29 lakhs in Financial Year 2019.

#### Employee benefit expenses

Our employee benefit expenses comprising salaries, wages and bonus, contribution to provident and other fund, gratuity etc., increased by 30.81% from Rs. 767,11.78 lakhs in Financial Year 2018 to Rs.1,003,44.83 lakhs in Financial Year 2019. This increase was primarily due to annual salary increase and increase in the number of employees by close to 259.

#### Depreciation and amortisation expenses

Our depreciation and amortisation expenses increased by 56.61% from Rs. 26,53.49 lakhs in Financial Year 2018 to Rs.41,55.71 lakhs in Financial Year 2019, primarily, due to the addition of fixed assets and amortisation of intangibles.

#### Finance cost

Our finance cost comprising interest expense decreased by 17.24% from Rs.13,82.62 lakhs in Financial Year 2018 to Rs.11,44.24 lakhs in Financial Year 2019 primarily due to savings in usage of working capital loans for operations and on account of infusion of equity capital by way of preferential allotment.

#### Other expenses

Our other expenses comprising payment to auditors, cost of software packages, consumable and maintenance, travelling expenses, professional legal charges, rent, business etc., increased by 28.57% from Rs. 247,79.11 lakhs in Financial Year 2018 to Rs.318,58.51 lakhs in Financial Year 2019 mainly because of increase in cost of software packages, consumables & maintenance

#### Profit / (Loss) after tax

As a result of the foregoing factors, our total consolidated profit / (loss) after tax increased from Rs. 56,70.96 lakhs in Financial Year 2018 to Rs.131,26.06 lakhs in Financial Year 2019.

#### Liquidity and capital resources

Historically, our primary liquidity requirements have been to finance our working capital requirements for our operations and for capital expenditures. We have met these requirements through cash flows from operations as well as through borrowings. As on March 31, 2019, we had Rs.81,87.20 lakhs in cash and bank balances, and Rs.37,18.04 lakhs in short term borrowings.

#### Cash flows

The table below summarizes the statement of cash flows, as per our Consolidated Summary Statement of Cash Flows, for the year / period indicated:

Particulars	Financial Year	
	2019	2018
Net cash generated from / (used in) operating activities	(50,34.41)	49,46.20
Net cash generated from / (used in) investing activities	1,10.43	(149,49.00)
Net cash generated from / (used in) financing activities	62,97.10	142,50.91

(in Rs.lakhs)

#### Operating activities

Net cash flow from operating activities comprises (cash consumed) / generated from operations and increase / decrease in working capital. Net cash used in operating activities in Financial Year 2018 increased from Rs.49,46.20 lakhs to Rs.(50,34.41) lakhs in 2019 mainly due to increase in Changes in movement of Working Capital.

**Investing activities**

Net cash used in investing activities comprises sale of non-trade of investments, proceeds received from sale of fixed assets, increase in purchase of property, plant and equipment.

Net cash generated / (used) in investing activities increased from Rs.(149,49.00) lakhs in Financial Year 2018 to Rs.1,10.43 lakhs in 2019. The increase was primarily due to profit on sale of Asset.

**Financing activities**

Net cash flow from financing activities comprises proceeds / repayment of loans.

Net cash generated / (used) from financing activities decreased from Rs.142,50.91 lakhs in 2018 to Rs.62,97.10 lakhs in 2019. The increase in last year was primarily due to proceeds from rights issue during the year 2017-18.

**Indebtedness**

As on March 31, 2019 at standalone level, we had a sanctioned term loan of USD 200 lakhs out of which USD 141.1 lakhs were outstanding. As on that date, we had sanctioned funded and non funded working capital facilities aggregating Rs.128,00 lakhs and Rs.221,22 lakhs respectively, out of which Rs.91,67.83 lakhs were outstanding against funded and the utilisation of non funded working capital facility is Rs.189,38.62 lakhs. Of the said working capital outstanding, loans aggregating Rs.128,00 lakhs were secured and the remaining Rs.NIL lakhs were unsecured.

**Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with any entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

**Related Party Transactions**

We confirm that none of our debtors are related parties within the meaning of Accounting Standard INDAS-24 issued by the ICAI other than as disclosed in the financial statements.

**Contingent liabilities**

The following table sets forth our contingent liabilities.

(in Rs. lakhs)

Particulars	Financial Year 2019	Financial Year 2018
Capital commitments (net of advances and deposit)	1,79.69	1,50.63
Demand from Indian income tax authorities	11,67.27	9,98.85
Sales Tax demand from Commercial Tax Officer, Chennai.	77.21	43.13
Service tax demand from Commissioner of Central excise, Chennai	80.81	80.81

The above contingent liabilities disclosed in the Consolidated Summary Statements are in accordance with INDAS 37 on Provisions, Contingent Liabilities and Contingent Assets.

**Key Financial Ratio analysis**

Below are some of the key ratios indicating the financial status

Particulars	Financial Year		Reason for changes
	2019	2018	
Debtors Turnover Ratio	6.53	4.88	Company has improved the collections from debtors effectively
Interest coverage ratio	13.25	5.61	Improvement in operating income and decrease in interest exp
Debt Equity Ratio	0.10	0.16	Long term liability of Company has decreased and Reserve funds have increased due to profit. Accordingly this ratio has come down
Operating Profit Margin Ratio	0.06	0.04	Company's operating profit has increased considerably and hence this ratio has also increased
Net Profit Margin Ratio	0.09	0.05	Company's Net profit has increased considerably and hence this ratio has also increased
Return on Networth	0.13	0.07	Company's profit has increased considerably and hence this ratio has also increased

**Changes in accounting policies**

Our Company has not changed its accounting policies in the last five financial years.

**Qualifications and matters of emphasis**

Our Financial Statements do not contain any qualifications, reservations and matters of emphasis by our statutory auditors in their audit reports relating to the respective periods.

**Significant developments after March 31, 2019 that may affect our future results of operations**

No circumstances have arisen since the date of the last Financial Statements which materially and adversely affect or is likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months of the date of the last Financial Statements as disclosed.

There is no development subsequent to March 31, 2019 that we believe is expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

## SECTION D – MD & A

### Strengths

Intellect continues to grow and expand its footprint in various geographies. Its rich industry experience of over 30 years in the Banking, Financial Services and Insurance segment has helped to establish itself as a global leader. Some of the strengths that made this happen are:

- Intellect has a full spectrum of technology products for Banking, Financial Services & Insurance. Most others in this space are niche players with a narrow product range. This also allows us to manage the cyclicity of the sub segments in BFSI much better since we are not dependent on any single sub-segment.
- Taking advantage of the digital transformation wave in banking technology, our products are designed to enable this digital transformation in a progressive manner. The architectural design of the Intellect suite of products has digital transformation capabilities built in it.
- Intellect uses the India Engineering Centers in a major way. This ensures a pipeline of the best technologists.
- Continuous investment in R&D to keep our product offerings updated, relevant and competitive in the market place.
- A dedicated Design Center, FT 8012, the world's first design center focused on Financial Technology, reflecting the company's commitment to continuous and impactful innovation.
- Intellect has been cited in over 50 plus Analyst reports every year, reflecting rich functionality and global market acceptance of the product suite.
- Proven track record of implementing global roll outs of products in both developed markets and growth markets. Several of these are marquee customer accounts that serve as a role model for other banks to emulate and bring in the global best practices.
- Significant investment in Sales and Marketing to take on the competition and create the right push for our products.

### Competition

As mentioned above, Intellect suite is a full spectrum banking technology product for Banking, Financial Services & Insurance. Intellect's product spread spans across Global Transaction Banking Consumer Banking Treasury & Capital Markets and Insurance.

At a broad level, Intellect products compete with global players such as Temenos, Oracle Financial Services, Finastra, FIS, FISERVE, ACI Worldwide and Indian competitors such as Infosys, TCS along with few regionally available solutions providers in different geographies. The competition is spread across various segments of the BFSI sector based on the offerings. A segment wise analysis is given below:

- Intellect Global Transaction Banking** brings contextual banking to banks and by extension, their business clients. Our solutions are integrated and spur banks into a digital transformation through open APIs and machine learning. Our Contextual Banking Experience application provides microservices – maximising compatibility – and makes full use of Platform-as-a-Service technology.

Our products are Digital Payment, Liquidity, Trade and Supply Chain Finance.

Competitors for Global Transaction Banking are Finastra, Infosys.

- Intellect has a full-spectrum suite of Consumer Banking products** spanning Digital Core, Digital Lending, Digital Wealth & Quantum Central Banking. Designed around the Digital 360 approach, our products present both worlds, i.e. Customer Experience (Digital Outside) and Operational Efficiency (Digital Inside) to our customer banks. Our products have been designed not only to reduce the complexity in transformation, but the design incorporates agile frameworks that enable Speed and Ease of change.

Competitors for Intellect's Consumer Banking division are Temenos (T24), Infosys (Finacle), Oracle Financial (Flex cube), Finastra

- Intellect Treasury & Capital Markets** provides a comprehensive suite of solutions to address the requirements in Treasury (Capital Cube) and Capital Markets (Capital Alpha and Capital Sigma), which are designed to deliver extreme performance, enhance customer experience and cater to diverse customer segments. They deliver performance through a user configurable system. This system supports Straight-Through-Processing (STP) while eliminating redundant manual processes thus enabling the user to focus on managing the exceptions within the firm's transaction flow. The product suite supports various asset classes over a highly configurable and scalable platform. The comprehensive and modular feature of the Treasury solution ensures that the various requirements of Treasurers, CFO's and Liquidity Risk Officers and our Capital Market Solution ensures that the evolving needs of Brokers, Asset Managers, Custodians, Portfolio & Fund Managers are met with.

#### Competitors are:

- Capital Cube: Calypso, Murex, Finastra, FIS
- Capital Alpha: Fidessa, Flextrade
- Capital Sigma: Calypso, Vermeq, Temenos, TCS

- Insurance** - provides differentiated solutions in Digital Distribution, Commercial Underwriting and Risk Analytics, and Life Claims. Our geographical focus for this product is the developed markets like US, Canada, UK and also India.

Competitors for the insurance division of Intellect are Guidewire, Fineos and iPipeline

- Wealth & Asset Management** - Intellect Wealth Qube is a relationship centric, one-stop Digital Wealth Management solution with STP processing from front, mid to back office for Private & Commercial Banks, Wealth & Asset Management firms, Advisory firms, Broker/Dealer's, Trusts and IFAs to service various client segments from UHNI to Mass Affluent, Households and Institutions. A strong economic performance across the globe in the past few years has increased investible wealth to a new high. To tap this increase in investible wealth, Intellect offers Wealth Qube as a state-of-the-art, API based scalable WM platform enabled by 6 Offices (Functional Units) and 23 Desks (Functions) with full spectrum of 139 Tools having modernized UI/UX, DIY features to position as an extended arm for businesses to deliver 2020 Advantage. 2020 Advantage signifies Wealth Qube's capability to deliver "20% growth in revenue year-on-year through 20% reduction in business operating costs" thereby fuelling increase in market and wallet share with reduced cost to service per client.

Competitors are Temenos, Avaloq, Misys, Additiv, Edgeverve, Sage

### Threat

Our market, the global financial industry continues to face uncertain times with opportunities as well as risks & challenges. On one side are tighter regulations which have led to a number of laws in different countries of our markets. These may pose entry barrier of localization for some of our products as these regulations will have to be incorporated for these markets. The ROI pressure on new projects has increased as IT departments try to achieve more with less. Some new projects face budget constraints as the focus is still on regulatory compliance.

Strategy and operational plans are continuously recalibrated to minimize the impact of such threats to business objectives and goals.

On the other side, the threat is from disruptive technologies/start ups. Our technology is quite contemporary and we continuously keep upgrading our technology. This is a threat that every technology company, especially in the products space, has to monitor and take mitigating action on a continuous basis.

**Risks & Concern**

Our risks are evaluated under the following categories.

- Market Risk
- Financial Risk

- Business Risk
- Regulatory & Compliance Risk
- Intellectual Property Risk
- Cyber Security, Data Privacy & Regulations

<b>1. Market Risk</b>		
1.1 Global Economic Scenario	Technology investments are linked to a country's GDP. Low economic outlook in our key operational markets can affect the growth	<ul style="list-style-type: none"> <li>• Intellect has four lines of business to de-risk its product portfolio</li> <li>• Our products cater to different markets from highly developed to developing markets thereby de-risking the geographical dependence</li> </ul>
1.2 Business Model Changes	Disruptive technologies such as Cloud, Big data, social and smart devices can change the way business is done	<ul style="list-style-type: none"> <li>• Focused investment in R&amp;D to keep the products relevant and competitive in market place</li> <li>• Creating products with Digital technologies</li> <li>• Our Cloud offering is growing</li> </ul>
<b>2. Financial Risk</b>		
2.1 Exchange Risk	Fluctuation in exchange rates	<ul style="list-style-type: none"> <li>• Quotations in foreign currencies are restricted to few selected major currencies. Quotations are highly controlled for any other currency</li> <li>• We have hedged a portion of our Forex earnings</li> </ul>
2.2 Tax Regime Changes	Tax rates, TP policies and concessions for this new emerging area may see changes, having impact on profitability	<ul style="list-style-type: none"> <li>• Represent to the government through industry and trade body for a stable IP tax regime. Investing in R&amp;D which is the essence of IP creation also results in tax benefits</li> </ul>
2.3 Long gestation period - from IP creation to Revenue	IP lead business has a larger cash cycle hence it requires investments	<ul style="list-style-type: none"> <li>• Meticulously plan and monitor CAPEX budget for IP creation</li> </ul>
2.4 Larger Cash Cycle	Larger working capital requirement	<ul style="list-style-type: none"> <li>• Monitoring the DSO tightly and plan for a realistic working capital well in advance</li> </ul>
<b>3. Business Risk</b>		
3.1 Implementation Delays	Implementation delays can trigger liability as the compensation is based on the terms of the contract	<ul style="list-style-type: none"> <li>• Delivery is monitored rigorously through Delivery Excellence processes and Tools</li> <li>• Insurance cover</li> </ul>
3.2 New Country Entry Risk	Economic, Social, Political conditions and Events which could adversely affect the financial performance / position of the organization while doing business in a foreign country	<ul style="list-style-type: none"> <li>• A Country risk assessment clearance from the Risk Department is enforced for any business opportunity in a new country</li> </ul>
3.3 Frauds	Possible fraudulent activities through criminal hacking	<ul style="list-style-type: none"> <li>• Vulnerability Assessment &amp; Penetration Test (VAPT) is being enforced across all Product releases</li> </ul>
3.4 General Liability	Bodily Injury or Property damage to Third party arising out of Intellect's Business operations	<ul style="list-style-type: none"> <li>• Insurance cover to manage any contingency</li> </ul>
3.5 Unanticipated Risks	Natural calamity as well as man-made disasters may lead to service disruption to the customers	<ul style="list-style-type: none"> <li>• Intellect has an established enterprise Business Continuity management framework and project level BCPs are effected</li> <li>• Our contract clauses provide protection for Force Majeure incidents</li> </ul>
<b>4. Regulatory &amp; Compliance Risk</b>		
	Government Regulation	<ul style="list-style-type: none"> <li>• A dedicated Legal team takes care of the legal activities</li> <li>• The Company Secretarial team takes care of the secretarial &amp; compliance related activities</li> <li>• Country specific statutory compliance requirements of our Overseas Subsidiaries is regularly monitored and reported</li> </ul>
<b>5. Intellectual Property Risk</b>		
5.1 IP Protection	Difficulties in protecting our IP in some countries that are pivotal for generating revenues	<ul style="list-style-type: none"> <li>• Registration of the IP in countries that have safe IP protection laws</li> </ul>
5.2 Use of Third Party IP – COTS & FOSS	Failure to abide with the terms of the open source licenses could have a negative impact on our business	<ul style="list-style-type: none"> <li>• Usage of COTS are under agreement and audited from time to time by our IT department</li> <li>• FOSS used by the respective Business units is reported to the IT Department</li> </ul>

<b>6. Cyber Security, Data Protection &amp; Privacy Risk</b>		
6.1 Cyber Security	Market penetration, new product roadmaps, emerging technology adoptions and regulatory obligations	<ul style="list-style-type: none"> <li>• Intellect product council oversees the new technology road map with Chief Architect and CTO on the emerging technology needs. Market specific regulatory needs are also incorporated as part of the roadmap</li> <li>• Intellect ensures all its hosted solutions address security requirements of the customer and /or as adopted by the industry</li> <li>• Intellect does both internal and external security control assessments in the form of Audits, Certifications like ISO27001, PCIDSS and SOC2</li> <li>• Intellect Security policy is institutionalized across the organization. Central Security Group facilitates internal and external assessments on an ongoing and need basis</li> <li>• Insurance cover for Cyber Security</li> </ul>
6.2 Data Protection & Privacy	Global business nature brings in Data Protection & Privacy scope to Intellect. Any inadvertent information leakage could lead to hefty penalties and reputational loss.	<ul style="list-style-type: none"> <li>• We have an established Information and Cyber Security forum and a Central Security Group to cater to the needs of the organization and customers</li> <li>• Data Protection &amp; Privacy programs are covered along with information security practices. GDPR specific assessments were initiated and tracked to closure</li> <li>• Vulnerability Assessment &amp; Penetration Test (VAPT) is being enforced across all Product releases</li> <li>• By adopting new contractual provisions in existing and new contracts</li> </ul>

#### Internal Financial Control and their Adequacy

The Company has disclosure controls and procedures in place that are designed to provide reasonable assurance that material information relating to Intellect is disclosed on a timely basis. Management has reviewed the Company's disclosure controls and concluded that they were effective during the reporting period.

The Managing Director and the Chief Financial Officer (CFO) have evaluated the effectiveness of the Company's disclosure controls and procedures related to the preparation of Management's Discussion and Analysis and the consolidated financial statements. They have concluded that the Company's disclosure controls and procedures were effective, at a reasonable assurance level, to ensure that material information relating to the Company and its consolidated subsidiaries would be made known to them by others within those entities, particularly during the period in which the management's discussion and analysis and the consolidated financial statements contained in this report were being prepared.

The Company's management, with the participation of its MD and CFO, are also responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian GAAP. Under the supervision of the MD and CFO, the Company's internal 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 the Indian GAAP.

The company has a robust financial control in place through a combination of internal control and processes. The controls ensure that transactions are recorded in timely manner, they are complete in all aspects, effectively utilizes the resources of the company and safeguarding the assets.

In line with Sec 134 of the Companies Act 2013, new processes were initiated for its compliance. As a first step the Testing framework was designed, next an auditing firm did the testing according to this framework over a period of 8 weeks. The Testing finding was presented to the Statutory Auditors and to the Board of Directors. Both expressed satisfaction over the internal control operating within the Company.

There have been no changes in the Company's disclosure controls or internal controls over financial reporting during FY2018-19 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company's MD and CFO expect to certify Intellect's annual filings with the Indian securities regulatory authorities.

Also, the company has an Internal Auditing system in place handled by a reputed Chartered Accounting firm. The findings are discussed with the process owners and corrective action is taken as necessary and the report presented to the Audit Committee.

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## Notice

**NOTICE IS HEREBY GIVEN THAT THE EIGHTH ANNUAL GENERAL MEETING OF INTELLECT DESIGN ARENA LIMITED WILL BE HELD ON WEDNESDAY, AUGUST 21, 2019 AT 10.30 A.M AT RANI SEETHAI HALL, 603, 1ST FLOOR, RAJA ANNAMALAI CHETTIAR MEMORIAL BUILDING, ANNA SALAI, THOUSAND LIGHTS, CHENNAI - 600 006, INDIA TO TRANSACT THE FOLLOWING BUSINESSES:**

### Ordinary Business

#### Item No. 1. – Adoption of Financial Statements

To receive, consider and adopt:

- (i) The Audited standalone financial statements of the Company for the financial year ended 31st March, 2019 together with the reports of the Board of Directors and Auditors thereon
- (ii) The Audited Consolidated Financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the reports of the Board of Directors and Auditors thereon  
And in this regard, pass the following resolutions as an ordinary resolutions:
  - (a) **“RESOLVED THAT** the audited standalone financial statements of the Company for the Financial year ended 31st March, 2019 together with the reports of the Board of Directors and Auditors thereon laid before this said meeting be and hereby considered, approved and adopted.”
  - (b) **“RESOLVED THAT** the audited Consolidated Financial statements of the Company for the financial year ended 31st March, 2019 together with the reports of the Board of Directors and Auditors thereon laid before this said meeting be and hereby considered, approved and adopted.”

**Item No. 2 – To appoint a Director in the place of Mr. Anil Kumar Verma (DIN-01957168), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an Ordinary resolution**

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Anil Kumar Verma (DIN-01957168), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

#### Item No.3 – Appointment of Statutory Auditors

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 read with the rules prescribed under Companies (Audit and Auditors Rules), 2014 and other applicable provisions, M/s S.R. Batliboi & Associates LLP, Chartered Accountants (Reg No. 101049W/E300004), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of the Eighth Annual General meeting until the conclusion of the thirteenth Annual General Meeting of the Company and the annual remuneration / fee for the financial year ending March 31, 2020 is Rs. 60,00,000/- (Rupees Sixty lakhs only), plus out of pocket expenses and taxes at the applicable rates, for the purpose of the statutory audit of the Company.

**RESOLVED FURTHER THAT** the Board, including relevant committee(s) thereof, shall be given the power to agree, alter and vary the terms and conditions of such appointment, remuneration etc. including by reason of necessity on account of conditions as may be stipulated by the Companies Act, 2013, in such manner and to such extent as may be mutually agreed with the auditors.

**RESOLVED FURTHER THAT** in addition to the above and in accordance with the provisions of the Act, the Board / committees thereof, may approve other services, as deemed appropriate, and remuneration for such services as required by law or otherwise, subject to the provisions of section 144 of the Act. “

### Special Business

#### Item No. 4 – To appoint Ms. Vijaya Sampath (DIN-00641110), as an Independent Director

To appoint Ms. Vijaya Sampath as an Independent Director and in this regard to consider and if thought fit to pass the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT,** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with applicable provisions of SEBI(Listing Obligation and Disclosure Requirements), Regulations, 2015, Ms. Vijaya Sampath (DIN-00641110), who qualifies for being appointed as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for first term of 5 (five) years w.e.f 25th October, 2018 until the conclusion of Annual General Meeting of the Company to be held in the calendar year 2023, not liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorised severally to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard, as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

#### Item No. 5 – To appoint Mr. Andrew Ralph England (DIN- 08211307), as a Non-Executive Director

To appoint Mr. Andrew Ralph England as a Non-Executive Director and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to Section 152 of the Companies Act, 2013 and in accordance with applicable provisions of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, Mr. Andrew Ralph England (DIN-08211307), be and is hereby appointed as a Non-Executive Director of the Company, who is liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorised severally to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard, as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

#### Item No. 6: To Re-appoint Mr. Arun Shekhar Aran (DIN- 00015335) as an Independent Director

To appoint Mr. Arun Shekhar Aran as an Independent Director and in this regard, to consider and if thought fit, pass the following resolution as a Special Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Arun Shekhar

Aran (DIN- 00015335), who was appointed as an Independent Director of the Company in 2016 and whose term expires at the conclusion of 08th Annual General Meeting and being eligible, be and is hereby re-appointed as an Independent Director of the Company to hold office for the second term of 5 (five) years to hold office until the conclusion of 13th Annual General Meeting of the Company to be held in the calendar year 2024, not liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorised severally to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard, as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

**Item No.7: Commission payable to Non-Executive Directors / Independent Directors of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 197, 198 read with relevant Rules made thereunder the Companies Act 2013 and clause 34(f) of Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration and

Compensation Committee and the Board, the Company be and is hereby authorized to pay to its directors (other than Managing Director and Whole time Director); in addition to the sitting fees for attending meetings of Board and its Committee; such sums which shall not exceed upto 1% of the net profit of the Company in any financial year computed in the manner laid down under Section 198 of Companies Act, 2013 or subject to a maximum of Rs. 50 Lakhs (Rupees fifty Lakhs) whichever is less.

**RESOLVED FURTHER THAT** any Director or the Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to this resolution”

By Order of the Board  
for Intellect Design Arena Limited

**V.V.Naresh**  
Company Secretary & Compliance Officer

Place: Chennai  
Date: : 02nd May, 2019

## Notes

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF IN THE MEETING AND SUCH PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS OF THE COMPANY NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARES. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing the Proxy, duly completed must be deposited at the Company's Registered Office not less than 48 hours before the commencement of the meeting. A Proxy form for the ANNUAL GENERAL MEETING is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members/Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the ANNUAL GENERAL MEETING.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the ANNUAL GENERAL MEETING.
8. The certificate from the Auditors of the Company certifying that the Company's Associate Stock Option Plan(s) are being implemented in accordance with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share Based Employee Benefits) Regulations, 2014 as applicable and in accordance with the resolution of the Members in the General Meeting will be available for inspection by the Members at the Annual General Meeting.
9. The Register of Members and Share Transfer Books of the Company will remain closed from 09th August, 2019 to 21st August, 2019 (both days inclusive) for the purpose of the ANNUAL GENERAL MEETING.
10. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective Depository Participant(s). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
11. Members are requested to quote their Registered Folio Number or Demat Account number & Depository Participant (DP) ID number on all correspondences with the Company. The transfer deeds, communication for change of address, bank details, ECS details, mandates (if any), should be lodged with Registrar & Share Transfer Agents (RTA) of the Company, M/s.Karvy Fintech Private Limited, Hyderabad. Members whose shares are held in the electronic mode are requested to intimate the same to their respective Depository Participants.
12. The Company is concerned about the environment and utilizing natural resources in a suitable way. We request you to update your email address with your Depository Participant to enable us to send you the quarterly reports and other communications via email. Annual Report 2019 with Attendance Slip and Proxy form are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for 2019 are being sent by the permitted mode.
13. Members may also note that the Notice of the 08th Annual General Meeting and the Annual Report 2019 will also be available on the Company's website [www.intellectdesign.com](http://www.intellectdesign.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Anna Salai, Chennai and Corporate Office in Siruseri, Chennai for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [shareholder.query@intellectdesign.com](mailto:shareholder.query@intellectdesign.com)/[company.secretary@intellectdesign.com](mailto:company.secretary@intellectdesign.com).
14. Additional information pursuant to Regulation 36(3) of the Listing Regulations with the Stock Exchanges in respect of the Directors seeking appointment at the ANNUAL GENERAL MEETING are furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / reappointment.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
16. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 08th annual general meeting to be held on Wednesday, August 21, 2019, at 10.30 a.m. The Company has engaged the services of Karvy Fintech Private Limited to provide the e-voting facility:  
The e-voting facility is available at the link <http://www.evotingkarvy.com/>
17. The facility for voting through Instapoll shall be made available at the AGM, to all the members attending the AGM, who have not opted evoting facility. Further, the members who have opted evoting facility may also attend the AGM but shall not be entitled to cast their vote again at the AGM.
18. E-voting commences on 18th August, 2019 at 9.00 AM and will end at 20th August, 2019 at 5.00 PM and at the end of e-voting period, the facility shall forthwith be blocked.
19. The results for the e-voting shall be declared within 2 days from the date of AGM. The results along with Scrutinizer's Report, shall also be placed on the website of the stock exchange, Company and Karvy Fintech Private Limited

20. The Detailed instructions on remote e-voting is made part of a separate sheet "Instructions for e-voting" attached to this Notice.
21. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the Depositories as on the cut-off date, i.e., 14th August, 2019 only shall be entitled to avail the facility of remote e-voting/ Instapoll. A person who is not a member as on the cut-off date, should treat this Notice for information purpose only.
22. All documents referred in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection in physical or electronic form at the Registered Office of the Company during business hours on all working days upto the date of declaration of the result of the 08th Annual General Meeting of the Company and the copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the Company and also at the meeting.
23. Your Company is pleased to provide the facility of live webcast of proceedings of AGM. Members entitled to participate in the AGM can view the proceedings of AGM by logging on the e-voting website of Karvy at <https://evoting.karvy.com/> using their secure login credentials. Members are encouraged to use this facility of webcast.

By Order of the Board  
for Intellect Design Arena Limited

V.V.Naresh  
Company Secretary & Compliance Officer

Place: Chennai  
Date: 02nd May, 2019

#### STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

##### Item No.3

Pursuant to Section 139 of the Companies Act, 2013 ("Act") and the Rules made thereunder, it is mandatory for the Company to appoint its statutory auditors for a term of 5 years. M/s S.R.Batliboi & Associates LLP, Chartered Accountants, have been the statutory auditors of the Company for a term of five years and are eligible for re-appointment for another term of five years. Accordingly, it is proposed to appoint M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) as the statutory auditors of the Company, to hold office for a period of five consecutive years from the conclusion of the 08th Annual General Meeting of the Company till the conclusion of the 13th Annual General Meeting to be held in the year 2024.

The annual remuneration / fee for the financial year ending March 31, 2020 is proposed at Rs. 60,00,000/- (Rupees Sixty lakhs only), plus out of pocket expenses and taxes at the applicable rates, for the purpose of the statutory audit of the Company. The Board, including relevant committee(s) thereof, shall be given the power to agree, alter and vary the terms and conditions of such appointment, remuneration etc. including by reason of necessity on account of conditions as may be stipulated by the Companies Act, 2013, in such manner and to such extent as may be mutually agreed with the auditors. In addition to the above and in accordance with the provisions of the Act, the Board / committees thereof, may approve other services, as deemed appropriate, and remuneration for such services as required by law or otherwise, subject to the provisions of section 144 of the Act.

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants have confirmed their consent and eligibility to be appointed as Statutory Auditors in terms of Section 141 of the Companies Act, 2013 and applicable rules. The audit committee and the Board have recommended the reappointment of M/s S.R. Batliboi & Associates LLP, Chartered Accountants as the statutory auditors of the Company for a second term of 5 years.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the passing of this resolution.

##### Brief Profile of the auditors

S.R. Batliboi & Associates LLP (FRN 101049W/E300004), ("the Audit Firm"), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Audit Firm was established in the year 1965 and is a limited liability partnership firm ("LLP") incorporated in India. It has registered office at 22, Camac Street, Kolkata and has 9 branch offices in various cities in India. The Audit Firm has a valid Peer Review certificate. It is primarily engaged in providing audit and assurance services to its clients.

##### Item No. 4:

Ms. Vijaya Sampath (DIN-00641110) joined the Board of Directors of the Company on October 25, 2018 as an Additional Independent Director of the Company pursuant to Section 149, 152 and 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013 Ms. Vijaya Sampath shall hold office upto the date of ensuing Annual General Meeting.

In terms of Section 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, based on the recommendation of Nomination and Remuneration & Compensation Committee, the Board of Directors at the meeting held on 02nd May, 2019 recommended for the approval of the Members, the appointment of Ms. Vijaya Sampath (DIN-00641110) as an Independent Director for the first term of 5(Five) years w.e.f 25th October, 2018 until the conclusion of Annual General Meeting of the Company to be held in the calendar year 2023.

The Company has received from Ms. Vijaya Sampath (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under subsection (2) of Section 164 of the Companies Act, 2013 (iii) Declaration of Independence, that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015.

Draft letter for appointment of Ms. Vijaya Sampath as director setting out terms and conditions will be available for inspection in physical or electronic form at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 8th Annual General Meeting of the Company and the copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the company and also at the meeting

##### Justification for appointment of Ms. Vijaya Sampath as an Independent Director

Vijaya Sampath has an experience of 36 years in the legal field. She was the a Company Secretary of Airtel. She is an independent director on the Board of listed and unlisted companies in the renewable energy, branded luggage, power, pharmaceuticals and auto component sectors. The Board considers that her proposed association as an Independent Director would be of immense benefit to the Company and it is desirable to avail the services of Ms. Vijaya Sampath as an Independent Director. No Director, Key Managerial Personnel or their relatives, except Ms. Vijaya Sampath to whom the resolution relates, is interested or concerned in the Resolution.

The Board recommends the Ordinary Resolution set forth in Item No. 4 of the Notice for the approval of the members.

**Item No.5:**

In accordance with Section 149 and read with relevant rules prescribed under Companies Act, 2013, the Board of Directors at its meeting held on October 25, 2018 approved the appointment of Mr. Andrew Ralph England (DIN- 08211307) as an Additional Non-Executive Director of the Company, subject to the approval of Shareholders at the ensuing Annual General Meeting.

Based on the recommendations of Nomination and Remuneration and Compensation Committee and the Board, the Company be and hereby recommends to the shareholders of the Company for appointing Mr. Andrew Ralph England as a Non-Executive Director.

The Company has received declarations from Mr. Andrew Ralph England (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under subsection (2) of Section 164 of the Companies Act, 2013.

None of the Director, Key Managerial Personnel, or their relatives, except Mr. Andrew Ralph England to whom the resolution relates, is interested or concerned in the Resolution.

The Board recommends the Ordinary Resolution set forth in Item No. 5 of the Notice for the approval of the members.

**Item No. 6:-**

Mr. Arun Shekhar Aran (DIN: 00015335) was appointed as independent director at the 5<sup>th</sup> Annual General Meeting held on 21<sup>st</sup> July 2016 for a period of three (3) years and hold office upto to the conclusion of this annual general meeting.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Mr. Arun Shekhar Aran as Independent Director for a second term of 5 consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Director and as per the recommendation of Nomination and Remuneration Committee, considers that, given his background, experience and contributions made by him during his tenure, the continued association of Mr. Arun Shekhar Aran would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint Mr. Arun Shekhar Aran as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5(Five) consecutive years on the Board of the Company.

In terms of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Mr. Arun Shekhar Aran (DIN: 00015335) is proposed to be re-appointed as Independent Director for a term of 5(Five) years.

The Company has received from Mr. Arun Shekhar Aran (DIN: 00015335) (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 (iii) Declaration of Independence, that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015.

Draft letter for appointment of Mr. Arun Shekhar Aran (DIN: 00015335) as director setting out terms and conditions will be available for inspection in physical or electronic form at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 8th Annual General Meeting of the Company and the copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the company and also at the meeting.

None of the Directors, Key Managerial Personnel, or their relatives, except Mr. Arun Shekhar Aran to whom the resolution relates, is interested or concerned in the Resolution.

The Board recommends the resolution set forth in Item No.6 for the approval of members.

**Item No.7:**

Pursuant to the provisions of Section 197 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof of the time being enforced) of the Companies Act, 2013, the remuneration payable to the Directors who is neither Managing Director or a Whole Time Director shall not exceed (a) 1% of the net profit of the Company, if there is a Managing Director or Whole Time Director or Manager (b) three percent of the net profits in any other case.

Under the Companies Act, 2013, Non-Executive Directors have been entrusted with new responsibilities to make their role more objective and purposeful. Keeping in view responsibilities to make their role, responsibilities and duties of Directors, it is considered appropriate that the remuneration payable to the Non- Executive Directors by the Company should be commensurate with their increased role, responsibilities and duties.

The Board of Directors of the Company have, subject to the approval of the members of the Company, proposed to remunerate the Non-Executive Directors

“The Non- Executive Directors (i.e. Directors other than Managing Director and Whole Time Directors) may be paid remuneration not exceeding in aggregate 1% of the net profits of the Company for each financial year, as commuted in the manner laid down in section 198 of the Act or subject to a maximum of Rs. 50 Lakhs (Rupees Fifty Lakhs) in aggregate, whichever is less.

The said remuneration to Non- Executive Directors shall be in addition to the sitting fees payable to them for attending meetings of the Board and Committees thereof.

Save and except all the Non- Executive Directors of the Company and their relatives, to the extent of their shareholding interest, if any in the Company, none of other Directors/Key Managerial Personnel of the company, their relatives, are in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 7 of the Notice.

The Board recommends the Special Resolution set out at item no. 7 of the notice for approval by the shareholders.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING IN ACCORDANCE WITH REGULATION 36(3) OF SEBI(LODR), 2015 AND SS-2**

The brief resume, experience and functional and the membership on various Boards and Committee of Directors proposed to be appointed / re-appointed at the Serial Number 2,4,5 and 6 of the Notice convening 08<sup>th</sup> Annual General Meeting as per the Corporate Governance Code as defined under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are furnished below:-

S.NO	PARTICULARS	NAME OF THE DIRECTOR			
		Ms. Vijaya Sampath	Mr. Andrew Ralph England	Mr. Arun Shekhar Aran	Mr. Anil Kumar Verma
1.	Date of Birth	26.05.1953	06.07.1957	30.04.1959	05.07.1955
2.	Age	66 years	62 years	60 years	64 years
3.	Qualifications	Bachelor of Arts from Madras University and Law degree from Mysore university. She is a fellow member of Institute of Company Secretaries of India(ICS)	M.A English language and literature St Andrews University, Scotland	Bachelor of technology from IIT, Delhi and MBA from IIM, Ahmedabad	Bachelor of Electrical Engineering from IIT, Delhi and post-graduate in Instructional Design from the University of Wollongong in Australia
4.	Experience	Approx. 36 years	Approx. 36 years	37 years	35 years
5.	Expertise in functional areas	Opulent experience in the areas of Corporate law and legal field. She is an Independent Director on the Board of various listed and other unlisted Companies	Rich experience in running transaction banking in leading global banks. Has been in the positions of Managing Director and Head of Transaction Banking at Lloyds Banking Group, Head of CEE Global Transaction Banking	Well experienced in the areas of software development and maintenance career	Well experienced in the areas of accounting, finance, management, and corporate advisory services.
6.	No. of Board Meeting attended during the Financial Year 2018-19	3 Meetings	3 Meetings	8 Meetings	7 Meetings
7.	Terms and Conditions of appointment	<ol style="list-style-type: none"> <li>The appointment of Ms. Vijaya Sampath as Independent Director, subject to the approval of shareholders w.ef. 25th October, 2018 till the conclusion of 12th AGM spanning for 5 consecutive years.</li> <li>Sitting fees shall be paid to her for attending the meetings of Board of Directors and Committees</li> <li>Non-Executive Director/ Independent Directors shall be paid commission upto 1% or maximum of Rs. 50 Lakhs whichever is less subject to shareholders approval at the ensuing Annual General Meeting</li> </ol>	<ol style="list-style-type: none"> <li>The appointment of Mr. Andrew England as Non Executive Director, liable to retire by rotation subject to the approval of shareholders.</li> <li>Sitting fees shall be paid to him for attending the meetings of Board of Directors and Committees</li> <li>Non-Executive Director/ Independent Directors shall be paid commission upto 1% or Rs. 50 Lakhs whichever is less subject to shareholders approval at the ensuing Annual General Meeting</li> </ol>	The terms and conditions of re-appointment will be on the same terms as approved by the members of the company in the AGM held on July 21, 2016	The terms and conditions of re-appointment will be on the same terms as approved by the members of the company in the AGM held on July 28, 2015
8.	Date of appointment on the Board of Directors	October 25, 2018	October 25, 2018	May 3, 2016	September 30,2014
9.	Shareholding as on March 31, 2019	Nil	Nil	5,82,413	1,07,433
10.	Relationship with other Directors / KMP	Nil	Nil	Nil	He is the brother-in-law of Mr. Arun Jain, Chairman and MD
11.	Directorship, Membership / Chairmanship of Committees of other Board	<ol style="list-style-type: none"> <li>Eris Lifesciences Limited- Chairman of Audit Committee and Stakeholder Relationship Committee and Member of Nomination and</li> </ol>	Nil	<ol style="list-style-type: none"> <li>Nuc Soft Limited</li> <li>OSS Software Solutions Labs Private Limited</li> <li>Nucsoft OSS Labs</li> </ol>	<ol style="list-style-type: none"> <li>Oculus Healthcare Private Limited</li> <li>Artec Intractives Pty Ltd</li> </ol>

S.NO	PARTICULARS	NAME OF THE DIRECTOR			
		Ms. Vijaya Sampath	Mr. Andrew Ralph England	Mr. Arun Shekhar Aran	Mr. Anil Kumar Verma
		Remuneration Committee 2. Safari Industries (India) 3. Limited- Member of Nomination and Remuneration Committee 4. Varroc Engineering 5. Limited- Member of Nomination and Remuneration Committee and Audit Committee 6. Suzlon Energy Limited- Member of Nomination and Remuneration Committee 7. Craftsman Automation Limited 8. L&T- Mhps Boilers Private Limited- Member of Nomination and Remuneration Committee 9. L&T - Mhps Turbine Generators Private Limited- Member of Nomination and Remuneration Committee 10. Nabha Power Limited 11. Gvs Envicon Technologies Pvt. Ltd. 12. Ingersoll Rand (India) Limited- Member of Audit Committee and Stakeholder Relationship Committee 13. V CapLegal LLP- Designated Partner		Private Limited	

#### Brief Resume of Ms. Vijaya Sampath

Vijaya Sampath has been a lawyer for over 36 years. She is an independent director on the Board of listed and unlisted companies in the renewable energy, branded luggage, power, pharmaceuticals and auto component sectors. Two of these companies (non- listed) are Japanese joint ventures with Larsen & Toubro. She is also the Ombudsperson for the Bharti Airtel group with oversight of the code of conduct and was its group general counsel for over 10 years. She has been the in-house counsel for large Indian conglomerates and multinational companies as well as the corporate law partner in renowned national law firms.

Vijaya holds a graduate degree in English literature and law and is a fellow member of the Institute of Company Secretaries of India. She has attended the Advanced Management Program in Harvard Business School and the Strategic Alliances Program conducted by the Wharton Business School.

Vijaya is also the chairperson of the corporate law committee in FICCI and works with industry on regulation and policy relating to company law. She has written articles lectured/ been a speaker at various forums on women in professions, governance, ethics, law and practice

#### Brief Resume of Mr. Andrew Ralph England

Andrew Ralph England currently serves as Director of Intellect's subsidiary Intellect Design Arena Limited, UK and Head of Strategy iGTB. He joined us from McKinsey, where he was the External Senior Advisor of Transaction Banking.

Andrew brings with him an experience of running transaction banking in leading global banks. He has held the positions of Managing Director and Head of Transaction Banking at Lloyds Banking Group, Head of CEE Global Transaction Banking at Unicredit Group and Head of Cash & Trade Product at Deutsche Bank, where he was also an Executive Committee member for Global Transaction Banking. These roles followed on from a successful career of various leadership positions at Citi and Lloyds.

#### Brief Resume of Mr. Arun Shekhar Aran

Mr. Arun Shekhar Aran had technical education from IIT, Delhi completing B Tech in Mechanical engineering. Subsequently, spent two years at IIM, Ahmedabad learning management through their flagship course PGDM specialization in systems.

He started working in Asian Paints Ltd, which was very much respected for the quality of its management talent at that point of time. He established a lot of path breaking usages for computers at Asian Paints during his stint of seven years there while he rose to a middle management position

He moved out of a good going job in 1989 to join some of his friends in an entrepreneurial venture to add their development team and be instrumental in writing some of the new age softwares for their clients at that time. In 1994 as a part of the group initiative he moved to Mumbai and set up a new team in the name of Nucsoft Ltd which also worked with clients in Banking and Financial areas.

**Brief Resume of Mr. Anil Kumar Verma**

Mr. Anil Kumar Verma is a key contributor to the strategic vision of the organization. A Bachelor of Electrical Engineering from IIT Delhi and post-graduate in instructional design from the University of Wollongong in Australia, Anil has rich and global professional experience of over 40 years in the industry.

Anil established and nurtured deep relationships for strengthening Intellect brand in Australia. Earlier, he was part of the core group that conceptualized and created FINDIT (Forum of Indian IT Companies in Australia) that later became NASSCOM Australia, an influential industry body that he led as founder President for several years. Living the spirit of deeper connect with the local community, Anil established long term relationship with the Western Sydney University in Australia where he was instrumental in creating graduate and post graduate course on

software testing. He has contributed significantly in promoting collaboration between India and Australia in the field of ICT. In 1997 he was nominated for prestigious Australia Day award for his contribution to the Aboriginal community.

Anil has been associated with the Australian Computer Society, AIIA – FSG (Australian Information Industry Association – Financial Services Group) and Financial Services Institute of Australia (FINSIA) for a long time.

Mr. Anil Kumar Verma is the brother-in-law of Mr. Arun Jain, Chairman & Managing Director.



**INTELLECT DESIGN ARENA LIMITED**

(CIN:L72900TN2011PLC080183)

Registered Office: No.244, Anna Salai, Chennai - 600 006, Ph : 044 3987 4000

Corporate Office : Plot No.3/G-3, SIPCOT IT Park, Siruseri, Chennai – 600 130, Ph : 044 3341 8000, fax: 044 3341 8874

Email id : shareholder.query@intellectdesign.com, company.secretary@intellectdesign.com Website: www.intellectdesign.com;

**08th Annual General Meeting to be held on August 21, 2019 at 10:30 AM**

**RANI SEETHAI HALL, 603, 1ST FLOOR, RAJA ANNAMALAI CHETTIAR MEMORIAL BUILDING,  
ANNA SALAI, THOUSAND LIGHTS, CHENNAI- 600 006, INDIA**

**ATTENDANCE SLIP**

Registered Folio No : .....(or)

Demat Account No. ....D.P.ID.No.....

Name of Shareholder(s) .....

I/We certify that I am/we are the Member(s) / Proxy of the Member(s) of the Company holding \_\_\_\_\_ Shares.

.....

Signature of Member(s) / Proxy

- A member or his duly appointed Proxy wishing to attend the meeting must complete this Admission Slip and hand it over at the entrance of the meeting hall.
- Name of the Proxy in BLOCK letters ..... (in case a Proxy attends the meeting)
- Those who hold shares in Demat form to quote their Demat Account No. and Depository Participant (D.P.) ID. No. ....



**Form No. MGT-11**

**Proxy Form**

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

**CIN:** L72900TN2011PLC080183

**Name of the Company:** Intellect Design Arena Limited

**Registered office:** 244, Anna Salai, Chennai – 600 006

**Corporate Office :** Plot No.3/G-3, SIPCOT IT Park, Siruseri, Chennai – 600 130

Name of the Member (s)

Registered Address

E-mail ID

Folio No./ Client Id & DP. ID

I/We being the Member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him \_\_\_\_\_
2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him \_\_\_\_\_
3. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him \_\_\_\_\_

as my / our proxy to attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Company, to be held on **Wednesday, the August 21st, 2019, at 10:30 a.m. at RANI SEETHAI HALL, 603, 1ST FLOOR, RAJA ANNAMALAI CHETTIAR MEMORIAL BUILDING, ANNA SALAI, THOUSAND LIGHTS, CHENNAI- 600 006, INDIA** and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution Nos.**

1. Adoption of Financial Statements.
2. Re- appointment of Mr. Anil Kumar Verma
3. Appointment of Statutory Auditors
4. Appointment of Ms. Vijaya Sampath as an Independent Director
5. Appointment of Mr. Andrew Ralph England as Non-Executive Director
6. Re-appointment of Mr. Arun Shekhar Aran as an Independent Director
7. Commission payable to Non-Executive Directors /Independent Directors of the Company

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

Affix Revenue Stamp

Signature of shareholder(s)

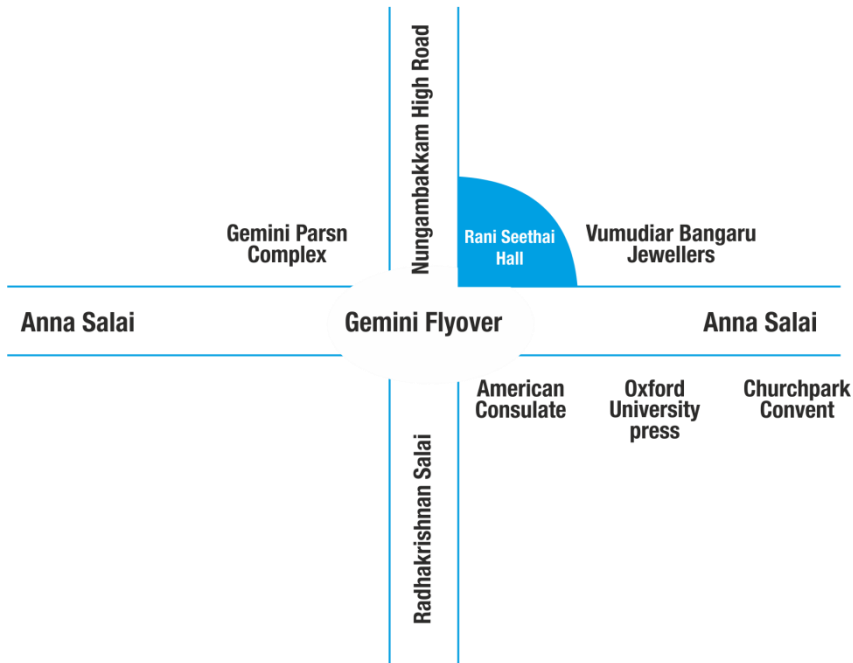
Signature of Proxy holder(s)

Re.1  
Revenue  
stamp

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
3. A holder of this proxy may vote either for or against any of the aforesaid resolutions.

## Venue of 08th AGM of Intellect



# DESIGN CENTER FOR FINANCIAL INSTITUTIONS



**DESIGN FOCUSES ON CONNECTING THE DOTS OF INNOVATION WHERE DESIRABILITY, FEASIBILITY AND VIABILITY CONVERGE. INNOVATION NEED NOT RESTRICT ITSELF TO THE CORPORATE WORLD.**

Arun Jain  
Chairman & Managing Director,  
Intellect Design Arena Ltd.

