intellect
live your dream

**Intellect/SEC/2023-24** **July 04, 2023**

1. **National Stock Exchange of India Limited,**
   Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

   **Scrip Symbol :** INTELLECT

2. **BSE Limited,**
   1st Floor, New Trade Ring, Rotunda Building, PJ Towers, Dalal Street, Fort, Mumbai – 400 001.

   **Scrip Code :** 538835

Sub: **Notice of the 12th Annual General Meeting and Annual Report for FY 2022-23**

Dear Sir/Madam,

We are submitting herewith a copy of Annual Report along with the Notice of Twelfth Annual General Meeting (AGM) of the Company for the Financial Year 2022-23. Kindly note that the 12th AGM of the Company is scheduled to be held on Friday, July 28' 2023 at 11.00 AM (IST) through Video Conferencing or Other Audio-Visual Means. It is also uploaded on the Company's website at https://www.intellectdesign.com/investor/annualreport/2023/Intellect-Annual-Report-FY-22-23.pdf

Kindly take the above information on record and treat the same as compliance.

Thanking you,

For **Intellect Design Arena Limited,**

VUDALI VENKATA NARESH

Digitally signed by VUDALI VENKATA NARESH
Date: 2023.07.04 16:37:48 +05'30'

**V V Naresh**

**Company Secretary and Compliance Officer**

***Enclosed: as above***

Annual Report 2022-23

intellect
live your dream

# eMACH.ai

## My Signature Solution

Events

Microservices

APIs

**The World's Largest, Most Comprehensive and Innovative Open Finance Platform**

# Table of contents

Chapter
01

# About Intellect Design Arena Limited

Intellect Design Arena Ltd. hosts the world's largest cloud-native, API-led microservices-based multi-product platform for Global leaders in Banking, Insurance, and Capital Markets. With over three decades of deep domain expertise, Intellect is the brand that progressive financial institutions rely on for digital transformation initiatives. It offers enterprise-grade, composable and contextual financial technology products and platforms on the cloud through its three lines of businesses - Intellect Global Transaction Banking – iGTB (explained in Chapter 9), Intellect Global Consumer Banking – iGCB (explained in Chapter 10), and IntellectAI (explained in Chapter 11).

Intellect is a research-based technology company specialising in designing licensable products and platforms for discerning customers and markets. The company's products command premium pricing as they provide significant value to banks and financial institutions, helping them improve their profit chain. One of the key drivers of Intellect's profitability is the leveraging of low code platform iTurmeric, the first-of-its-kind for design of Enterprise integration, User Experience and Process orchestration and AI & ML technology, Intellect Fabric Data Services that provides contextual an embedded intelligence through AI/ML technologies. These technologies enable Intellect to compose, configure and deliver solutions at a much faster pace compared to its competitors, reducing delivery costs by two times. This improvement in efficiency has been instrumental in enhancing Intellect's profitability year over year.

Intellect is the chosen partner for the Top 3 large banks in 6 countries - India, Canada, UK, France, UAE, and Saudi Arabia. It serves over 270 customers across 57 countries and with a diverse workforce of solution architects, domain and technology experts in major global financial hubs worldwide.

Intellect pioneered Design Thinking to create cutting-edge products and solutions for banking and insurance, with design being the key differentiator in enabling digital transformation. FT 8012, the world's first design center for financial technology, celebrated its 10th year anniversary recently, reflecting Intellect's commitment to continuous and impactful innovation, addressing the growing need for digital transformation.

These innovations in keeping customers at the center enabled us to be at the forefront of the overall journey and stand as testimony to a remarkable record-breaking win in the UK-based independent analysts, IBSI Sales League Table, securing the #1 position in Transaction Banking for the fourth consecutive year, Retail Core for the seventh consecutive year, and Retail Lending for the second consecutive year. The company has also been rated as a Leader in the Forrester Wave Digital Banking Processing Platform for Retail Banking and Corporate Banking, highlighting Intellect's industry-leading solutions and consistent excellence. Intellect also got recognised at Aite-Novarica's report in the Aite Matrix: as "BEST IN CLASS" amongst Payment Hub & Liquidity Management Platforms.

Chapter 02

# Numbers that matter

| | | | |
|---|---|---|---|
| ₹22,826 million<br>Consolidated Revenues for FY23 (INR) | ₹12,270 million<br>Consolidated Gross Margin for FY23 (INR) | ₹4,502 million<br>Consolidated EBITDA for FY23 (INR) | ₹2,686 million<br>Consolidated PAT for FY23 (INR) |
| ₹11,731 million<br>License Linked Revenue<br>(License+Subscription+ AMC Revenue) | ₹3,303 million<br>License Revenue | ₹4,610 million<br>Subscription/ Cloud Revenue | ₹3,818 million<br>AMC Revenue |

## 5 years CAGR Growth

| Revenue | EBITDA | PAT | Recurring Revenues |
|---|---|---|---|
| 16% | 49% | 42% | 34% |

Chapter
03

# Letter to Shareholders

**Dear Shareholders,**

I am pleased to share the progress of Intellect in a defining year of its journey. FY23 marks the culmination of Intellect 2.0 – the second phase of Intellect's metamorphosis and growth. We had commenced this five year journey in FY19 soon after Lakshya 2018, our organisation wide visioning exercise. We focused on three priorities – Industrialisation of our Products and Processes, Building deep Customer relationships and building monetisation models for our rich IP.

## Financial performance in Intellect 2.0 (FY19 - FY23)

As outlined in our Q4FY23 Investor communication, our revenue demonstrated a 16% CAGR during this period, with Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) reporting a strong 49% CAGR and Profit after Tax growing 42% annually during this period. As an IP-driven Co, we also measure ourselves by our Recurring revenues. This has again grown at a CAGR of 34% during this period.

## Our roadmap for the future

While the financial performance has been rewarding, the preparedness for the next phase of our journey is of equal importance in creating value for our stakeholders. During the Intellect 2.0 phase, we built a strong repository of IP commencing with Products for each of the Banking verticals and Insurance went on to upgrade some of those to Platforms, launched iTurmeric – our MACH composable platform for the design of Experience, Operations and Integration with the Ecosystem. We stepped up the investment in IP towards the Platformisation of our Products in the last year of Intellect 2.0 – FY23- and launched eMACH.ai – the MACH-compliant, open architecture-based, composable platform that is driven by Contextual Data & Embedded AI to support Flexible extensibility of applications – rich with over 285 Microservices, 200+ Events and 1214 APIs.

The superiority of our architecture and technology was repeatedly recognised by both Analyst accolades as well as in qualifying in rigorous technical evaluation and proofs of value/ concept by Tier 1 Financial Institutions across the globe, competing against both new age Technology startups as well as established players. These eventually led to the acquisition of Logos that are Global/ Regional leaders and the expansion of our footprint in key geographies. FY23 witnessed 42 deal wins. We are now catering to BankTech migration in the Europe & Americas for banks with asset sizes adding up to $200 Bn.

## Technology trends and Intellect's early mover advantage

Externally, two key technologies were significantly impacting the Market – Cloud and Artificial Intelligence / Machine Learning

(AI/ML). We had an early mover advantage in both – given our ahead-of-the-curve Technology investments commencing from an SOA-based architecture in the mid-2000s, Digital 360 investments in the mid-2010s that not only focused on the external Experience layer but holistically on the Internal process orchestration as well, a bouquet of low code/ no code platforms, a well-defined Business architecture and frameworks for Delivery Excellence and Product Industrialisation/ Maturity, we were well prepared as an organisation to take advantage of these technology shifts. Our products and Platforms are MACH compliant – ready for deployment on the Cloud and leverage AI/ML for operational efficiencies as well as for faster, incisive decisions. We have completed multiple successful implementations across Advanced geographies proving our adoption and deployment of these technologies in our IP portfolio.

Cloud technology also laid the foundation for Platforms and Ecosystems which potentially enhance the value proposition to our customers by being able to blend and choreograph applications and solutions from across vendors seamlessly to create 'My signature solutions'. As markets adopt these trends, Intellect is uniquely positioned to monetise this opportunity, leveraging the eMACH.ai platform and iTurmeric MACH composable technology.

### Intellect 3.0 – Our next growth charter

With the above Market trends and our readiness to capture the opportunity canvas, we hosted Lakshya 2023 earlier this year to envision the Intellect 3.0 journey over the next 3-5 years. We are upbeat and ebullient at the end of this exercise and have summarised the outcomes below

1. Our current products and platforms are likely to witness accelerated growth over the next 3-5 years

2. The profitability from these would improve during this time frame by leveraging on the investments already made, better referenceability and the advantage of our Architecture

3. We will progressively expand our footprint into new geographies as opportunities unfold based on affinities from existing Customer installations

4. We will incubate more platforms as future bets for growth

5. We will build a strong Partner Ecosystem, for which we have laid the foundation in FY23, to expand our footprint as well as collaborate technologically for greater reach

6. We will build on our relationship with our rich Customer base to be their Technology partners in Migrating to BankTech Wave 5 from their current states

I am confident that these, with the appropriate design of organisation, talent, systems & processes, business models, Technology & Infrastructure, Brand building and funding, will further accelerate our growth and profitability in Intellect 3.0.

### FY23 performance

Let me now review FY23 performance in this backdrop. Our revenues grew 21% over the prior year. This was led by a strong growth in Platform revenues – by 22% over a year ago. As mentioned in our Q1FY23 Investor communication, we foresaw the Market trends outlined above and decided to accelerate our Platform investments by ploughing back up to 5% of revenues in Manufacturing as well as GoTo Market investments. We, therefore, closed the year with 20% EBITDA Margins, with the absolute number being retained at FY22 levels. Our profit after tax was further impacted by a higher effective tax rate for the year, as our accumulated losses were wiped off last year. We added 42 new Customers during the year and helped 43 customers realise their digital transformation vision. As mentioned above, I expect Intellect to leverage the investments of FY23 for higher growth and profitability in the next 3-5 years of the journey.

### Live Your Dream – Beyond our associates and customers

As much as we are thrilled about the technologies that we experiment with, the impact that these create for our customers and the opportunities that these provide for our associates, I am equally excited to mention about the impact that Mission Samriddhi and the School of Design Thinking continue to create for holistic development of rural communities across India and in influencing the thinking process in Academia, Industry, Startup Ecosystem and in Governance. It has given us immense satisfaction in celebrating success stories of Rural transformation, connecting stakeholders across States and domains and catalysing the process of realising heir dreams. Yes, 'Live Your Dreams' is not just confined to our Customers and associates, but also to the community around us and the larger Ecosystem that we are a part of. I am proud of the passionate contribution of several of our associates in these endeavours.

On a personal note, I complete four decades of working in this Industry this year. With my co-founders, we started with a dream of creating world-class IP in India that Global leaders would adopt. The Intellect journey has been rewarding and gratifying in realising that dream. I look forward to sharing greater stories of success and accomplishments in the years ahead!

***"With the appropriate design of organisation, talent, systems & processes, business models, technology & infrastructure, brand building and funding, will further accelerate our growth and profitability in Intellect 3.0"***

**Arun Jain**
Chairman & Managing Director

Chapter
04

# Technology and Design Thinking Envisages Next Wave in BankTech

Economies worldwide have been drastically altered over the past ten years by the shift toward a tech-dominated lifestyle. Technology advancements over the past few decades have caused a significant transformation in the financial world. There are five distinct technological "waves" that make up this transformation. Financial technology (fintech) products and services have gotten more complex over time, with each wave building on the one before it. These advancements have facilitated quicker transactions, more individualised customer experiences, and easier access to financial markets. Challenges have also arisen, such as concerns over data privacy and risks related to cybersecurity. Despite these challenges, the fintech industry is still growing, and there are new innovations in the works that promise to further transform the financial industry.

**A Deep Dive into the Five Waves of BankTech:**

**Wave 1:** The initial wave involved mainframes and card machines, primarily focused on record-keeping, general ledger management, and calculations like interest calculations.

**Wave 2:** The advent of mini-computers and desktop terminals ushered in Wave 2, characterised by the development of applications for branch automation and back-end operations.

**Wave 3:** Wave 3 marked the expansion of banking services beyond physical branches. Software that could be run on servers and accessed by clients over a network allowed for core banking transformations through distributed computing technologies by 1993.

**Wave 4:** Wave 4 emerged with the rise of the internet, as banks started exploring digital channels to directly engage customers beyond physical branches. Additionally, there was a growing need for specialised products such as lending, trade finance, credit cards, and treasury services. These complex systems introduced multi-dimensional complexity by incorporating independent processes and data models.

**BankTech Wave 5:** The current wave, Wave 5, revolves around larger banks transitioning towards marketplaces. Enabled by cloud computing, these marketplaces offer a wide range of financial products and services on a single platform. This wave presents an opportunity for banks to ride the wave and embrace the concept of marketplaces.

**Exploring Wave 5:** How Building Marketplaces is Improving Banking?

The newest and most exciting phase of technological development in the banking sector is known as BankTech Wave 5. It signals the start of a new era of development and innovation that is revolutionising how banks operate and offer value to their clients. It's about banking marketplaces, where banks use cloud computing to provide a variety of financial products and services on a single platform. This makes it possible to create original, scaleable solutions that enhance customer convenience, transparency, and choice while also boosting bank productivity and profitability.

**The elements of Wave 5:** Architecture, microservices, composability, embedded AI, hyper-personalisation, and ecosystem building—must be prioritised if banks are to successfully launch markets in the current digital era.

**The fintech industry is being transformed by eMACH.ai:**

By combining the three major technologies of events, microservices, and AI, Intellect 3.0 has invested more than Rs.600 crores in creating the largest Open Finance platform in the world, eMACH.ai, which is based on BankTech Wave 5. Leading this new wave of banking technology is eMACH.ai.

Our platform enables internal business, operations, and technical teams at banks to "Connect" gaps left by "Residual Legacy," create agile solutions using 285 separate microservices (Core Banking, Lending, Credit Card, Wealth and Corporate Banking), and tightly connect the entire ecosystem using 1214 APIs. This platform assists banks in co-designing technology transformation in a very methodical manner, assisting in a 20% reduction in operational costs.

The world's largest open finance platform, which is redefining the fintech industry, is designed for banks and financial technologies to reimagine the way they operate with their own unique “My Signature Solution”.

Chapter
05

# eMACH.ai - My Signature Solution

eMACH.ai, the most innovative open finance platform that offers banks and financial institutions the ability to compose their unique "My Signature Solution." With the rapid changes in the banking and financial industry, it's essential to stay ahead of the competition and simplify banking operations. eMACH.ai aims to revolutionise the way financial institutions operate by offering a broad, comprehensive, composable, and contextual platform that helps design the way operations are created in the bank.

The platform provides banks with the tools to automate their processes, optimise resources, and make data-driven decisions that drive growth and profitability. It is an arcade of the most comprehensive Microservices and APIs, enabling banks to move progressively from Wave 3 to Wave 5.

BankTech Wave 5, a significant phenomenon which helps banks rediscover ways to be customer-centric. The wave 5 envisages financial hubs moving from simple products to customised platforms and consumers transitioning towards creating their own marketplace.

We understand the complexities of the banking and financial industry, and we strive to simplify them by providing a platform that empowers financial institutions to create their unique solutions.

**285**
ready-to-use Microservices on Cloud

**1214**
APIs

**200+**
Events

Chapter 06

# Six Imperatives of BankTech Wave 5

## Introducing 6 Imperatives ABCDEF of BankTech Wave 5

### A — Architecture

It works on four principles namely Independence, Scale, Simplicity, and Resilience of the application making the tasks simple and scalable. For the marketplace, one needs to build the right architecture, in which the elements like data, microservices, events, etc, are separated from each other.

### B — Base of eMACH.ai

It works on Configurability, Richness, API, Scalability, Ease of Integration, and Composability. The microservices have to be well-defined, and there should be clear input and output. All the microservices should be available in a vault for the application builder.

### C — Composable

To compose the solution to deliver the right outcome. Composability works on four principles namely Hyper-personalised Experience Design, Low Touch/No-Touch Operation Design, Drag & Drop Integration Design, and Product to Platform.

### D — Data

It is the new oil, providing massive opportunities to the Companies that can gather, control & analyse data. Converting unstructured data into structured data is essential for enabling informed decision-making.

### E — Embedded AI and Intelligence

Helping banks to improve operational productivity or reduce the operation cost is what Embedded AI is all about. The AI should be embedded in the operations and not sitting separately or remotely, without which it is impossible to have the desired efficiency, real-time hyper automation and real-time decision-making.

### F — Flexible & Extensible

The use of cloud technology can assist banks operating on legacy platforms in transitioning more seamlessly to a marketplace model. Banks typically operate a combination of old and new systems, both on-premise and in the cloud.

Chapter
07

# iTurmeric - MACH composable platform

iTurmeric is a light weight JAVA based platform for composing MACH services. It is a low coding platform developed by Intellect Design Arena. The platform provides advanced and user-friendly SDK studio to design, develop and test composed user journeys.

The platform relieves non-technical developers from having to write code while still supporting professional developers by abstracting tedious plumbing and infrastructure tasks required in application integration. Working together, developers in the business and IT create, iterate, and release APIs and message driven business processes in quick time than it takes with traditional methods. This low-code application development enables production of a full range of integration patterns for disparate use cases. These integration patterns include publishing APIs, message listeners, message routers, transformations, rule based routing, message enhancements and complex orchestration.

While iTurmeric provides features to develop integration applications of disparate types, we can also use the platform for UI and Reports development. The UI as well as reports developed on iTurmeric platform can be made available on desktops, tablets and mobiles seamlessly.

### iTurmeric can be used for development of

1. Data Design
2. Process Design
3. Rules Design
4. Events Design
5. API Design
6. UI Design

iTurmeric allows enterprises to connect applications together quickly and easily, enabling them to exchange data. It enables easy integration of existing systems, regardless of different communication technologies that the applications use, including JMS, Restful, JDBC, HTTP, SFTP, FTP and more.

The key advantage of iTurmeric is that it allows different applications to communicate with each other by acting as a transit system for carrying data between applications within the enterprise or across Internet.

## Key Features of iTurmeric

**Flow Design and Hosting -** Enable new business flows on the fly, using sophisticated flow modeler. Host the flows on the light weight iTurmeric run time.

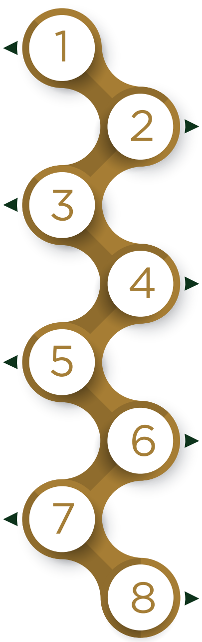
**API Management -** Enable new business flows on the fly, using sophisticated flow modeler. Host the flows on the light weight iTurmeric run time.

**Service Mediation -** Shield core applications and services from message formats and transport protocols

**Transport Services -** Enable new business flows on the fly, using sophisticated flow modeler. Host the flows on the light weight iTurmeric run time.

**Messaging Services -** Enable new business flows on the fly, using sophisticated flow modeler. Host the flows on the light weight iTurmeric run time.

## Compenents iTurmeric ecosystem




**Studio:** A visual based studio for weaving business flows using plug & play integration services. The studio can be deployed on bank's premises or on Cloud and is multi tenant enabled. Multiple project teams of the bank and Intellect can use the same instance to work on respective integration projects.

**Orchestration Engine:** The orchestration engine of iTurmeric platform provides features for defining complex orchestration across multiple system / applications. The orchestration engine supports features for message listening, message routing, data transformation, data enhancements, invoking APIs, invoking SOAP Services, conditional branching, joining of sub flows, event publishing and asynchronous processing. These features can be chained together to model a business operation which completely abstracts business services from actual implemented services.

**Administration and Monitoring:** A visual based application for runtime management & flow monitoring of an integration ecosystem. This module comes with an integrated UI Designer for which can be used to configure and publish domain specific custom web pages onto the iTurmeric runtime on the fly.

**Foundation Components:** The foundation components include job management, alerts engine, events hub, database adaptors and audit engine.

**Messaging Components:** Built-in parsers and generators for ISO 8583, Excel, CSV, Flat Files, XML, JSON and SWIFT formats.

**Transport Protocols:** Support for 100+ end points including IBM MQ, TCP/IP, RABBIT MQ, ACTIVE MQ, JMS, REST, SOAP, JMS, AS/400 Data Queues, SFTP, FTP, FTPS etc.

**API Manager:** API management is the process of designing, publishing, documenting and analysing APIs in a secure environment. Through an API management solution, an organisation can guarantee that both the public and internal APIs they create are consumable and secure.

**Security:** iTurmeric has a built-in security manager for securing all published services from unauthorised access. The security is implemented using encryption; digital signing and message digest concepts. The secret keys used in the security layer are maintained in a built-in vault to prevent unauthorised access.

Chapter
08

# Design Thinking
# The Art of the Possible

### Celebrating a decade of the journey with the single most powerful competitive differentiator for financial institutions

The 8012 FinTech Design Center is a physical manifestation of Intellect's commitment to Design.

Spread over a stimulating 30,000 sqft area, the 8012 FinTech Design Center, is a first of its kind in the industry was set up in Chennai, India, and opened for collaborative workshops in 2013. On one hand, the facility helped institutionalised Design Thinking across the enterprise and on the other, it powerfully connected the dots between Business, Technology and Operations, and accelerated the transformation change process not only for Intellect's customers but any institutional visitor who cares to listen and observe.

Design Thinking has transformed from a core iterative process to a rule book for all our products and platforms. The indispensable belief in Design Thinking catapulted into establishing the state-of-the-art Design Center, which allows us to interrogate a problem, challenge a statement, design a viable solution and demystify complexities to create algorithms.

An emphasis on design results in elegant solutions to the most challenging problems. A commitment to continuous innovation in a product company is only meaningful when it results in robust, high-performance products that directly address customer pain points.

Design is the single most powerful competitive differentiator for financial institutions.
The Design of the Business is described as the pace at which knowledge advances from an inexplicable problem to a rule of thumb that guides us to a solution, to a replicable success formula—traversing from mystery through heuristic to algorithm.

### The Design Thinking in Practice

The culture of Design Thinking involves a four-pronged strategy that is tightly integrated for future-focused solutions.

#### Design Mind

Transformation in the thought process is indispensable before the practical application of Design Thinking. The process of conditioning the mindset is called preparing the Design Mind.

#### Design Space

Space has a great impact on the human mind. We need to leverage spatial elements that help cross-collaboration and cross-pollination of ideas among participants.

#### Design Frameworks

Ideas need support from stakeholders for actualisation. As every stakeholder has stated and unstated needs and interests, sustainable models are required to bind all together. These models are called Design Frameworks.

#### Design Process

The actual Design Process is a 5-step process that leverages unique Design tools for practical application.

Chapter
09

# iGTB - Consumerisation of Commercial Banking: Beyond a Fad and Here to Stay!

Last year at SIBOS Amsterdam, we introduced the groundbreaking vision of "Consumerisation of Commercial Banking(CoCB)".

Consumerisation is the emergevnce of the individual consumer as the primary driver of product and service design, and COCB is the impact of a particular consumer's wants, needs and behaviour on commercial banking products and services.

## Context is King

The consumerisation of Commercial Banking represents a strategic approach that blends consumer-focused principles with commercial banking services, revolutionising how businesses are served. Gone are the days of rigid and complex processes that hindered efficiency and customer satisfaction. Instead, a new era has emerged, prioritising convenience, personalisation, and seamless interactions for business clients.

### C1 Hyper Personalisation -

This emphasises extreme personalisation, treating each customer as unique. This creates tailored experiences for a customer differentiated by customer intent and preference

### C2 Real-time Connected Journeys -

Connected journeys are composed of interconnected steps. By embedding the right technology, customer context propagates seamlessly across service providers throughout the journey

### C3 Action-triggering Insights -

Transforming data into insights, leveraging analytics for sophisticated decision-making and recommending appropriate actions

### C4 Friction-free experience - Even at scale -

Consumer consumption patterns vary significantly depending on the time of day, day

## Consumerisation has six tenets:

of the month or also with some trigger events. Friction-free experiences are paramount, even when consumption surges. The right technology architecture is crucial for meeting these expectati

## C5 Desire and Trust-based decision-making -

Being able to experience, touch and feel before making a decision creates desire and enables trust

## C6 Immediacy -

Recommending actions is good. Driving urgency and having them executed immediately, in a risk-free manner, is better!

Applying these tenets to Commercial banking will dramatically reorder the industry in the coming decade. While this represents a significant opportunity, how can banks harness disparate technologies to realise the tenets of consumerisation? What is the mechanism that transforms it into reality?

The answer is in the form of eMACH.ai. It is a six-dimensional holistic design principle that supports a progressive embrace of Consumerisation in Commercial banking.

## How does eMACH.ai bring CoCB to reality?

eMACH.ai deconstructs the same tenets of consumerisation into 6 design principles:

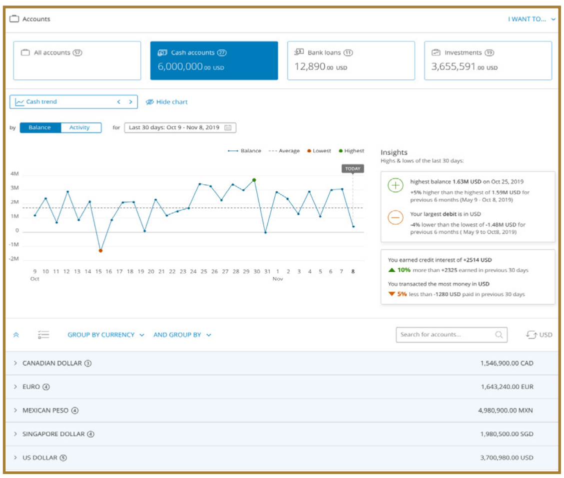
## A - Architecture

eMACH.ai showcases a cloud-native architecture built upon the principles advocated by the Cloud Native Computing Foundation (CNCF). The platform embraces 18 crucial factors to ensure seamless and elastic scalability. It empowers organisations to efficiently leverage multiple cloud environments, enabling flexibility and resilience in the ever-evolving landscape of cloud computing.

## B - Base

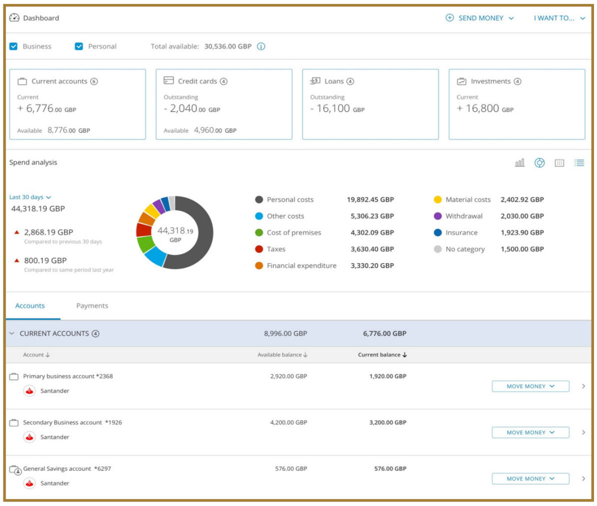

eMACH.ai's base is deeply rooted in domain capability, offering ready-to-use microservices tailored for the cloud. With a focus on domain-driven design, such as ISO20022, the platform's feature-rich solution covers cash and trade. It provides well-defined APIs and events, ensuring seamless transaction banking experiences.

## C - Composable



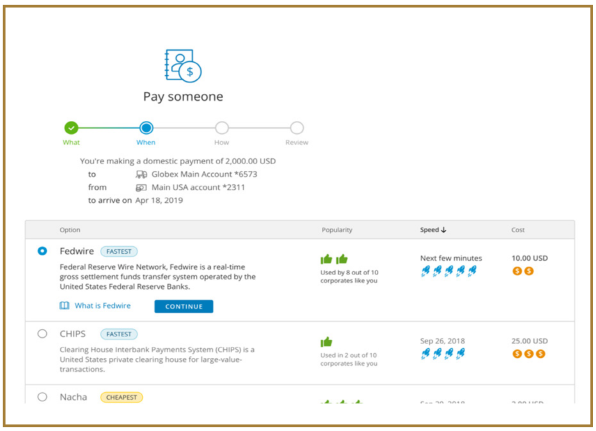
The composability of eMACH.ai allows banks to transform domain capability into hyper-personalised solutions for different customer segments and customer roles.

## D - Data



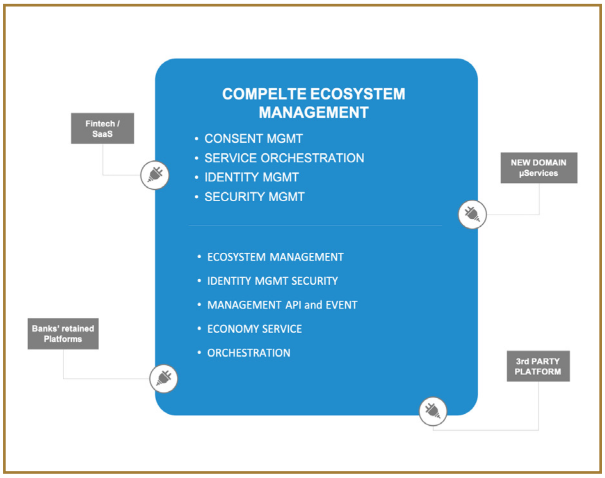

Data is the new gold. Data has become the critical driver of any process, offering immense opportunities for companies proficient in gathering, controlling, and analysing data. The transformation of unstructured data into structured data, breaking down data silos and creating smart data linkages is vital, enabling intelligent decision-making that drives success in the digital era.

## E - Embedded AI




eMACH.ai's embedded AI revolutionises banking by providing contextuality, insights and recommendations or nudges. The ability to embed AI is fundamental to automating manual processes and increasing operational efficiency.

## F - Flexible and Extensible




For banks to consume, subsume, and co-exist with various systems, be it legacy or modern, on-premise or in the cloud, flexibility is vital. eMACH.ai allows the platform to live within other ecosystems, seamlessly integrating diverse media and maximising its adaptability within the ever-evolving financial landscape1.

# 9.1 Digital Transaction Banking (DTB)

## Industry Overview

The Global Cash Management System market size is expected to reach $20.6 billion by 2025, rising at a market growth of 13.5% CAGR during the forecast period. World output is expected to reach pre-pandemic levels by mid-2022. However, for banks to stay relevant to their customers and investors they need to increasingly embrace simplicity in cash management transformation and adopt the latest cloud technology without high CAPEX investments and bust the myth of endless technology projects that must span into years.

## Challenges and Opportunity

The need to embrace simplicity has left banks on the path to improve customer experience to the fullest and expand the business ecosystem through new and efficient digital technology to transform cash management and significantly increase the competitive edge for the bank. Thus, the need arises for a transformative cash management platform to deliver a seamless customer experience with a completely cloud-native digital integrated suite with the ability to deploy new customers quickly, handle large volumes of transactions, improve operational efficiency and help reduce complexity and cost. Banks can now achieve their goal of becoming the most customer-friendly technology-driven banks.

## The Intellect Promise

Intellect's fully managed; cloud-ready Digital Transaction Banking Platform will help de-risk banks' IT operations with up to 40% reduction in IT total cost of operations (TCO).

Pre-configured domain packs will speed up the bank's go-to-market product launch aided by an operationally-ready suite of 135+ Open Banking APIs to help roll out consumer-friendly innovative features. Corporates and SMEs can be rapidly onboarded, saving up to 70% in onboarding costs, bringing in operational efficiency, and driving down acquisition costs. All this is backed by pay-as-you-grow ready plans that can help banks go live in as fast as 10 weeks, leveraging our global cloud infrastructure from Microsoft Azure.

## Product Highlights

Digital Transaction Banking on iGTB Cloud is the world's first composable, fully-integrated transaction banking cloud platform, powered by microservices and Open APIs.

Banks can run transaction banking from iGTB Cloud, where Intellect's expert managed services provides full mission-critical service delivery, leaving banks to focus on their corporate customers & SMEs. DTB on iGTB Cloud powers the comprehensive product coverage across cash management, payments, account services, self-onboarding, liquidity & virtual accounts and is offered as three easy-to-consume Business Service Packs - BSP 1 Innovate Business Banking, BSP2 - Rejuvenate SME Banking, BSP3 - Scale Mid-Large Corporates. The bundles are specially curated for various stages of transaction banking digital maturity, to accelerate sales cycles for banks, increase stickiness across their client segments.

# 9.2 PayCash - CX (Contextual Experience)

### Industry Overview

In a scenario of rising interest rates and high cost of working capital corporates want their banks to provide holistic payments and cash management solutions to optimise liquidity and help them improve return on capital employed. Similarly banks themselves are under cost pressure which comes from both operational cost, technology cost and regulatory cost as a result of investment in multiple platforms for payments, collections, receivables and digital client experience. Hence banks are also looking for full-stack-solutions for payments and cash management to help them improve their Cost to Income ratio, win more client wallet share and become the principal banker to their corporates. Throw in the Gen X customer experience expectations where like hyper personalisation offered via generative AI/ ML algorithms to retail customers, commercialisation of corporate banking demands a rich, frictionless experience being offered to corporate users too.

### Challenges and Opportunity

Digital Client Experience Layer

- Banks face the challenge of not being able to fully own, enhance, brand, and white label the client UI-UX.
- The slow onboarding process for corporates and the absence of self-administration contribute to high costs for banks.
- The absence of a horizontal framework hinders banks from providing an open embedded ecosystem experience to their clients.

### Payment, Collections and Cash Management business products

- Banks face challenges in offering client segment and sector-specific payment products, such as Government Payments, Tax Payments, Insurance Payments, and more.
- Corporates have a growing demand for unique embedded low-touch experiences, where payments can be initiated directly from their ERP or TMS systems.
- Banks are dealing with legacy architectures that struggle to handle the high volumes of real-time payments. The Cap Gemini World Payments Report 2022 reveals that 27% of banks face challenges with monolithic payment hubs, while on the other hand, the B2B and SME sector experiences explosive growth with highly fragmented Accounts Payable (AP) and Accounts Receivable (AR) spaces.

### Payment Processing

- Banks have an opportunity to enhance their services by providing the Next Best Action, Next Best Offers, and optimal Methods of Payment recommendations to their clients.
- Limited payments orchestration, repair, enrichment, and exception processing lead to high operational costs and low Straight-Through Processing (STP) rates for banks.
- Opportunity for banks to mitigate credit risk exposure by offering real-time net position and

- gross position checks across multiple accounts for payment transaction limits management.

### Methods of Payment to their clients

- High operational cost and low STP rates for banks due to limited payments orchestration, repair, enrichment and exception processing
- High credit risk exposure to banks because of the inability to offer real-time net position and gross position checks across multiple accounts for payments transaction limits management

### The Intellect Promise

PayCash-CX from Intellect helps banks gain and retain wallet share in the highly competitive space of Payments and Collections for their customers. PayCash-CX helps businesses optimise working capital, reduce DSO, streamline Payables processing and improve rates of receivable reconciliation. CBOS and CBX provide a market-leading Omni-channel Digital client experience to banks and enhance client stickiness multiple times. Intellect is one of the most mature vendors in the market today, able to offer a full-stack, front-to-back, cloud-native, e-MACH.ai-enabled solution covering Payments, Collections, Liquidity Management and Virtual Accounts.

### Product Highlights

- Benefit from a modern open-source, real-time architecture based on eMach.ai ( Events, Microservices, Cloud Native, API First, Headless and AI based ), enabling embedding deep and yet with ease into fintech partner ecosystem, open banking, ERP / Accounting systems or offering a headless BYO UI/UX capability
- Become the principal bank using contextual payments delighting customers via generative AI and ML recommendations to manage payment shortfalls or FX payments
- Simplify corporate bulk payment file pre-processing, orchestration and full-processing
- Achieve real-time exposure management with transaction limits management
- Get ahead of the competition with real-time payments execution

### Product Milestone

1. Rated as “Best-In-Class” payment hub by Aite Novarica Dec 2022 and Rated in the Leader Quadrant for “Digital Banking Engagement Experience” by Forrester and consistently ranked #1 by IBS for 3 years in a row for global transaction banking
2. Processed 1 million payments per hour in live use
3. Are benchmarked for 1000 TPS
4. Processing over $500bn of payments per day at large bank in the UK
5. Processing over 75m payments per year at a large bank in Canada

# 9.3 Corporate Treasury Exchange (CTX)

## Liquidity, Virtual Accounts and Embeded Finance

### Industry Overview

The world's treasurers continue to place the greatest importance on active cash management. MNCs, large local corporations, regional conglomerates, mid-caps and SMEs all require automated, contextualised liquidity management due to the constantly changing needs in a globalised environment. According to the Deloitte Global Treasury Survey 2022, 64% of respondents identified visibility into global operations, cash, and financial risk exposure as a major challenge. They also identified improved cash forecasting capabilities (41%) and enhanced liquidity management (56%) as top priorities for the following three years. Liquidity management is no longer a reactive discipline but today - and in the future – an increasingly proactive and essential exercise with the goal of optimising returns and making better-informed choices in real time.

For multi-country conglomerates with accounts spread across their geographies, currencies and entities, optimisation of liquidity has become critical. We understand that every dollar of corporate liquidity is a dollar of bank liability. Our unique vision is to enable our clients' clients to optimise their returns on cash capital while simultaneously protecting the bank and helping the bank to deliver higher returns on equity.

### Challenges and Opportunity

The last few years saw frequent fluctuations in the global economy, ultra-low interest rates and geopolitical uncertainties. This made businesses more risk-averse, resulting in surplus unutilised liquidity lying idle in demand deposits at the best-rated financial institutions. Today, interest rates have risen rapidly and there are many better opportunities to deploy this excess cash. At the same time, AI-driven treasury management is enabling data-backed best decisions.

### The Intellect promise

- Intellect's position is based on the depth and breadth of its products' functionalities, established on our knowledge of corporate treasury and liquidity management dynamics, our dominance in the field, and our client's endorsements and references. Intellect's overall strength can be appreciated when we consider that 3 of the 4 tier-one GSIBs and the world's largest custodian bank have all selected Intellect to deliver their corporate treasury, liquidity management and cash pooling capabilities.
- Intellect CTX offers an end-to-end corporate cash management suite with its composable services viz.

- **Liquidity Management Services:** Cash concentration (CC), intercompany loans (ICL), notional pooling (NP), investment sweeps (iSweeps), transactions limit management (TLM), digital bank user information (MIS)
- Corporate Treasury Services: Balance and transaction reporting (BTR), cash flow forecaster (CFF), global deposit manager (GDM), operational account manager (OPAC), contextual banking experience (CBX),
- investment portal (iPORT)
- Sub-accounting services: Virtual account management (VAM), escrow services (ESCROW), banking as a service (BaaS)

**Product Highlights**

- Real-time visibility of cash positions across accounts (physical/virtual), across currencies and across countries
- ESG contextual product support including bonus interest rates, green deposits and investments
- Cross-sell opportunities for financial institutions to their end customers by rewarding loyalty and stickiness
- Reduction in non-operational balance overheads reducing the capital required to support the bank's liability book for a better return on bank equity
- AI/ML-enabled treasury services delivering deep insights and better informed decision-making

# 9.4 iColumbus.ai

## Industry Overview

According to ICC, there is a $60 billion trade finance opportunity for banks and a $20 billion SCF opportunity for banks. Banks now desire a strategy to maintain a contextual trade and supply chain finance platform that enables financial institutions to carry out all the trade and supply chain finance operations smoothly and effectively through a simplified process that offers a 360-degree capability to digitise operations

## Challenges and Opportunity

There is an accelerated demand for and development of new models for both risk and financing. Banks looking to 'de-risk' trade business and make more efficient use of capital.

The terms of trade today are increasingly buyer-driven and there is a displacement of traditional trading relationships, along with an emergence of high-growth strategic markets and new entrants in open account and FSCM.

Digitalisation transforming cost and agility will also have a radical impact on the industry going forward with open APIs, DLT, smart contracts and the like garnering attention.

## The Intellect promise

- Intellect brings intelligence to the trade and supply chain finance with five magic accelerators to delight clients and increase revenue.
- Fully integrated trade & supply chain finance
- AI-based smart data capture compliance
- Advanced analytics dashboards
- Digital marketplace with open APIs
- Risk distribution and limits management

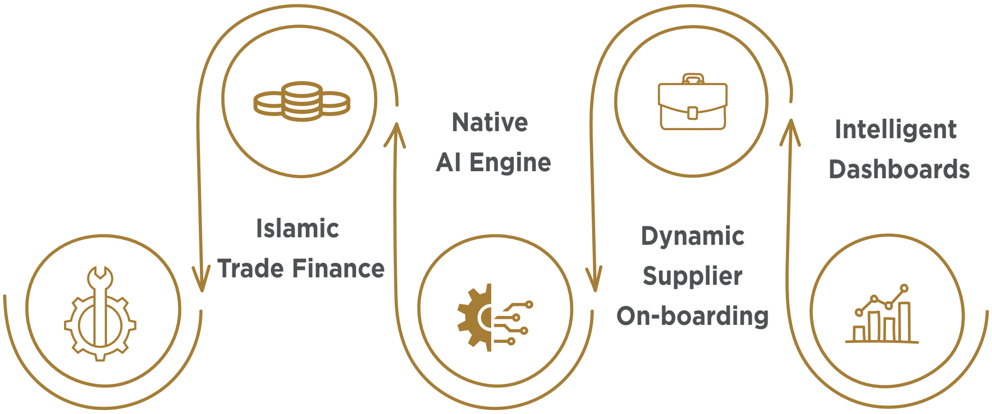
## Product Highlights

iColumbus.ai is an integrated Trade and Supply Chain Finance Platform. It has been built on a modern API first microservices architecture designed to leverage the power of digital technologies. It comprises an omnichannel digital front end supporting communication between the corporate and the bank; a security layer covering authorisations and entitlements; a trade finance application and a supply chain finance application sitting on a shared platform with a number of shared components for e.g. fees and billing, limits management, risk distribution etc.; a unique native AI engine to support data capture and data compliance; and an integration layer supporting the exchange of data with strategic partners via open APIs. iColumbus.ai is the only product that:

- Delivers a sustainable solution for paperless trade supporting the integration of ESG ratings
- Provides a comprehensive and fully integrated solution for trade and SCF on a single platform
- Has comprehensive limits management and inbuilt risk distribution module
- Offers a fully integrated native AI engine using a combination of OCR, AI, ML and NLP
- Is the most powerful integration tools and the

- most reliable security engine
- Provides a dedicated module for Islamic finance
- Has an SCF application that combines Payables Finance with Supplier Onboarding and Dynamic Discounting
- Boasts a Centre of Excellence approach to implementation, supported by flexible deployment models and agile delivery capabilities

## What's New for 2023



Chapter 10

# iGCB - *ArchiTecht* Your Bank

The banking industry is facing a paradigm shift. Led by digitisation, the arrival of Fintechs and e-commerce industries, today's customer expects the bank to truly understand their unique lifestyle and offer contextual experience by embedding products and experiences across life stages. Adding to the shift are an ever-increasing number of regulations, and pressure to innovate and keep up with the latest technology trends while maintaining profitability.

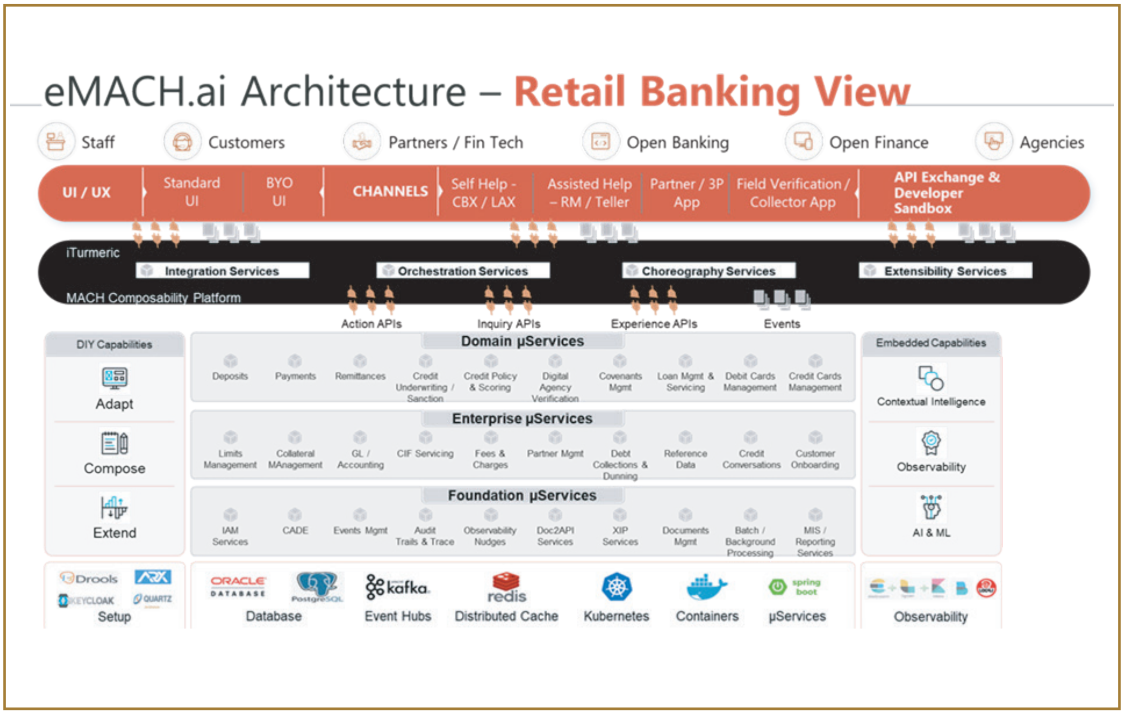
At Intellect Global Consumer Banking (iGCB), we are enabling banks and financial institutions to convert these challenges into opportunities. Our suite of platforms and products spread across Core Banking, Lending, Cards, Treasury, Digital Banking, and Central Banking are built on eMACH.ai (event-driven, microservices-based, API-enabled, cloud-native, headless with underlying AI models). Banks and financial institutions can pick and choose the relevant microservices that best suit their business needs and growth aspirations.

At iGCB, we have been serving the most innovative banks around the world for over 25 years.

### Your Retail Bank, Your Way

iGCB's Open Finance enabled Retail Banking Platform enables banks to architect their signature solutions across Core Banking (Savings, Deposits, Payments, Cards, Lending, Trade Finance, Treasury), Credit and Digital Banking. Being powered by eMACH.ai, banks can use the world's largest, most comprehensive and innovative Open Finance Platform with domain and technology embedded to compose your unique "My signature Solution".

- **Event-Driven Architecture -** Architectural Contextualisation through Event Triggers and Event Queues
- **Microservices -** Architectural Composability through Componentisation of Functionality to Independently Manageable Microservices
- **Open API Framework -** Architectural Extensibility through Open APIs and Democratisation through API Exchange Portal
- **Cloud-Native & Cloud-Agnostic -** Cloud-Native Architecture combined with Proven Implementation Experience with Multiple Cloud Partner
- **Headless Capability -** Composable set of Business Components at the heart of Banks' IT systems with highly Curated Integrations to Front-End and Third Party Systems
- **Embedded Artificial Intelligence -** Use of Artificial Intelligence through Machine Learning and Robotic Process Automation in select User Journeys to Power Customer Experience, Efficiency and Usability




## Deliver the bank of the future today

Ranked number 1 in Retail Banking for 6 years in a row by IBS Intelligence, iGCB's Open Finance enabled Retail Banking Platform, enables banks to:

## Design their growth plans

- Design a progressive transformation journey that best suits their business needs and growth aspirations
- Financial Services players can pick and choose the relevant microservices, in addition to the current processes they may have

## Leverage Ecosystem and Partner network

- Financial Services can integrate with Fintechs to widen their product reach and also access external prospect portfolios
- Offer services outside Bank's core strength - They can also enrich their Market Value Proposition by enabling unique propositions in partnership with ecosystem partners

## Enable Quick go to market and superior client promise

- On-board a customer in three minutes
- Drive 'Application To Sanction' in minutes
- Offer unique credit experiences like Buy Now Pay Later and more
- Reduce extreme dependence on technology vendors for enhancements with iTurmeric (an integrated platform for Composable Business Design in a single collaborative enterprise integration)
- Create apps with a Drag & Drop UI Designer

- Design, build, test, secure, manage and retire APIs using one platform
- Test complex business flows that span across multiple disparate systems, on-the-fly using an advanced orchestration engine and a runtime debugger
- Connect multiple applications using out-of-the-box integration tools

**Prioritise technological progress**

- Pay-as-you-grow commercial model

**Reducing Complexity at Central Banks**

- Intellect Quantum Central Banking Solution is designed specifically for Central Banks, aimed at reducing complexity. It is built on an underlying technology design, driven by four parameters - real-time informed decision-making & risk management, unmatched configurability for speed and ease of change, tightly integrated analytics and uncompromising security
- The award-winning Intellect Quantum Central Banking Solution (QCBS) empowers Central Banks to progressively modernise and transform through a formidable range of instruments including currency chest management, public debt & depository management, enterprise general ledger, cash management, liquidity management, reconciliation and collateral management system
- Intellect Quantum Central Banking Solution allows central banks to view accurate and timely financial institution balances and enable collateral, credit, liquidity and performance tracking through a 360 dashboard view. Central banks are able to rapidly adapt to new policies and instruments, get periodic financial statements and reports on demand and have an integrated view of position and settlement operations. The platform also provides transparency and accountability for central bank operations, banking clients, financial infrastructure and governments

# 10.1 Intellect Digital Core

### Industry Overview

Led by progressive digitisation, the customer of today demands a relationship beyond frictionless digital banking. Banks now face the challenge of delivering a contextual experience to meet the expectations of this ever-evolving customer. Further, as the horizons of digital technologies and banking expand, banks must invest in platforms that evolve and power their own transformations.

### Challenges and Opportunity

CXOs face 5 key challenges when it comes to core banking modernisation. The first is the identification of a platform which keeps up with advancements in the technologies and supports the bank's future growth. The core banking system, by its nature, is the heart of the bank. Hence the second concern is managing innumerable changes across technology, training employees and getting customers up-to-date with the new experience. The third is ensuring faster go-live. The fourth challenge is reducing the cost of acquisition and increasing the addressable market. The fifth is quick compliance with changing regulations.

A modern digital core will allow banks and financial institutions to offer a comprehensive suite of offerings, provide a contextual experience across devices in real-time, connect with the external ecosystem to accelerate innovation, create their own offering set by connecting composable components and the ability to scale up or down on a cloud. A composable architecture also solves the second challenge.

Organisations can divide the entire transformation into phases, test the waters, get comfort and move to the next phase. A robust technology stack, agile implementation methodology, expertise in change management, and data migration can ensure a go-live on time. Open finance-led use cases can help banks partner with other banks or Fintechs to offer existing products to a wider base or offer products beyond their core offering to their existing base. A core banking platform which supports Open Finance can unlock countless possibilities for banks. A composable platform which is low code and hosted on the cloud is an easy way to be up to date with changing regulations.

### The Intellect Promise

With IDC, banks can:

- Jumpstart with comprehensive depth and breadth of solutions across the customer's financial life cycle - IDC comes with an integrated banking suite (Current & Savings, Deposits, Lending, Credit Card, Trade Finance, Treasury, Digital Banking) with Workflow-based processes (Onboarding, Origination, Integration). Packed with AI/ML based Behavioral model and Rule based Engines, banks can create a superlative experience for their customers. The Online Real-time N-tier General Ledger leads to Zero Reconciliation errors
- Drive meaningful experiences right from onboarding to servicing - IDC is fully contextual allowing for an omni-channel experience on digital devices, reduced waiting time at branches and improved engagement across

- channels. Its Contextual Dashboards help bank employees suggest the right upsell or cross sell to end customers. IDC can integrate with our Digital Engagement Platform or bank's own digital platform. Banks can offer fully digital account opening and onboarding journey. Features like Revenue Management, Gap Analysis & Prescriptive decision points, Dynamic customer banding, Differential pricing in terms of interest and non interest (fees and charges) and event based alerts improve customer's overall experience
- Expand your boundaries by collaborating with partners - IDC is open finance compliant and comes pre-integrated with country specific marketplace. Its connected ecosystem supports integration with Intellect Marketplace and third party ecosystem to allow continuous innovation. Based on a microser-vices based composable architecture, IDC can be deployed on private, hybrid and public cloud environments
- Drive sustainability in banking - With IDC, banks can offer sustainable banking options to their customers. Banks can enable their customers to be more socially conscious by offsetting their transaction carbon footprint in 1 click or design differentiated products to promote sustainable businesses and lifestyle

**Product Highlights**

Intellect Digital Core (IDC) is a comprehensive Core Banking Product by Intellect Global Consumer Banking (iGCB). Powered by a revolutionary eMACH.ai (Events driven. Microservices-based, API-enabled, Cloud Native, Headless with underlying AI models) architecture, IDC enables banks to create signature banking for their evolving customers. The platform delivers a contextual experience to end customers throughout their journey. The platform is available on a Pay-as-you-grow model with end-to-end financial lifecycle management on a single platform.

Ranked number 1 for Retail Banking for the sixth consecutive year in IBS Intelligence Annual Sales League Table 2022, the fully integrated digital platform caters to Retail, Corporate and SME banking segments.

# 10.2 iKredit360

### Industry Overview

Credit is fast becoming a lifestyle choice, customers are increasingly preferring the convenience of using payments, lending and other financial services embedded in their day-to-day apps, rather than accessing standalone services from traditional financial institutions.

The era of embedded finance is dawning, spurring on a shift to "banking without banks", and with an estimated market value of over $138 billion in 2026, it's clear that it's not just a financial fad, it is the future.

### Challenges and Opportunity

The blurring of the ecosystem boundaries presents a huge opportunity for banks, e-Commerce players, and NBFIs - to think beyond lending products and deliver an integrated experience across the credit ecosystem.

A state-of-the art credit platform with a country-ready comprehensive marketplace will allow banks and financial institutions to collaborate and accelerate business growth efficiently. The platform will also help banks in enhancing customer experience with an end-to-end digitisation of the credit process and increasing customer lifetime value while mitigating risks through a real-time 360 degree customer view.

### The Intellect promise

iKredit360 is a complete asset 360 platform on the cloud that enables banks to curate bespoke credit experiences encompassing multiple channels, products, business segments, and fintech partners. Banks can now launch their credit business in 50 Days with minimal CAPEX commitment. With the provision of a "pay as you grow" model, the state-of-the-art credit solution enables banks to manage the end-to-end credit lifecycle of their customers on a single platform. iKredit360 is pre-integrated with best-in-class fintech partners allowing banks to offer differentiated solutions.

### Powered by eMACH.ai Architecture

The award winning iKredit360 is powered by an event driven MACH architecture - Micro services-based with autonomous building blocks of credit, API-enabled, Cloud Native, Headless Architecture which allows banks to deliver new and innovative credit solutions rapidly. The MACH Composability Platform (iTurmeric) provides banks a Compose It Yourself (CIY) Experience.

### Product Highlights

With its ability to converge multiple elements such as internal and external systems, financial products, credit lifecycle, and FinTechs, iKredit360 empowers financial institutions to become the primary engagement point for their customers by offering both commoditised and specialised credit products across all business segments including Retail, Corporate, SME and Agri.

iKredit360 is an all-in-one credit platform for comprehensive digital credit transformation enabling banks to enhance customer experience with smarter and faster origination. The platform allows omni-channel origination with customer initiated/RM assisted journeys and also comes with the provision of API-based origination enabling collaboration with FinTechs. Banks can aggregate digital data through structured and unstructured data sources and also ensure zero touch documentation through digital signatures.

iKredit360 also has a comprehensive and flexible loan management system with a powerful product configuration engine that helps banks reduce their time to market. The platform provides superior flexibility in amortisation, enables loan restructuring & modifications and provides exhaustive loan parameters.

With iKredit360, banks are able to minimise risk with multi-dimensional exposure management. The platform enables centralised real-time monitoring across varied lines of business. Banks can now have a single view of borrower's exposure across multiple levels and track margins in real-time enabling them to take more effective decisions faster.

iKredit360 also enables banks to protect and maximise revenue with integrated debt management. The sophisticated platform provides a real-time performance analysis and shares an intuitive collection score for segmentation. Banks can ensure personalised follow ups and also drive customer-centric collection strategies while streamlining collection processes.

# 10.3 Quantum Central Banking Solution

### Industry Overview

Central Banking as we know it is constantly being redefined by a myriad of intensifying centrifugal forces - both local and global. Their role is more vital than ever as the responsibility of being the nation's financial custodians becomes imperative in today's fast-paced and rapidly evolving economic landscape.

### Challenges and Opportunity

From a day-to-day functioning standpoint, Central Banks need clear objectives, flexible choice of instruments, timely intervention, and liquid and stable markets to achieve their monetary management and macroeconomic objectives.

All this calls for state-of-the-art IT infrastructure that provides smooth operations, zero downtimes and covers the following:

- Accurate and timely financial institution balances, collateral, credit, liquidity and performance tracking through a 360 dashboard view
- Flexibility to adapt to new policies and instruments
- Balance the risk through a well-diversified and controlled collateral portfolio spread across multiple countries
- Provide transparency and accountability for central bank operations, banking clients, financial infrastructure and governments
- Have an integrated view of position and settlement operations with payment systems, CSDs and ICSDs, and foreign central bank correspondents
- On demand and periodic financial statements and reports
- Automated and manual interventions to anticipate and resolve exceptions scenarios
- Integrated risk visualisation and analytics

### The Intellect promise

Intellect Quantum - the world's first and only core banking solution that is designed for Central banks - is designed to uncomplicate Central Banking. Our award-winning core banking platform delivers speed, agility, real-time monitoring, and extreme risk mitigation, all at never before ROIs. The solution enables central banks to launch curated products that are contextual to the nation's economy; the powerful functionality helps generate balance sheets in real-time, Zero Recon & EOD in minutes, among other game-changing benefits.

Engineered for excellence, the solution has been benchmarked to support over 100 million transactions on a peak day. Intellect Quantum powers the central banking in countries that constitute 24% of the Global Population and generate up to 6% of the Global GDP.

**Powered by eMACH.ai Architecture**

Intellect Quantum's superior functionality is built on the bedrock of next-gen tech - our revolutionary API-first, cloud-native, microservices architecture empowers central banks with real-time informed decision-making & risk Management. Unprecedented security, Unmatched modularity, and smart analytics will power central banking to the next frontier of high performance.

**Product Highlights**

- **Time to Market –** Rapid policy implementation with 2,000+ configurable attributes
- **Time to Diagnose –** Zero recon and online real-time balance sheet with GL to transaction navigation
- **Time to Monitor –** Real-time one click dashboards with a 360-degree view and risk analytics
- **Time to Consolidate –** National level balance consolidation & treasury single account (TSA) for knowing the Govt. account balances
- **Time to Collaborate –** Online portal with workflow management
- **Time to Service –** Auction management and depository with complete life cycle support for securities up to redemption
- **Time to Circulate Money –** Currency lifecycle management with automated asset balancing with real-time monitoring at the country level
- **Time to Pledge/Release –** Real-time collateral and liquidity management with support for complex monetary policies and intraday liquidity
- **Time to Process –** 24x7 Reliable and secure operation with 99.99% uptime and EOD time <15 minutes
- **Time to Adopt –** Implementation certainty with agile delivery model and leveraging best-practices from multiple central banks

# 10.4 Intellect Capital Cube

### Industry Overview

For a bank's treasury, there are 3 main industry drivers – regulation and compliance, cost pressure and pace of technology disruption. Banks that can quickly embrace modern technology and use it to reduce operational costs, introduce innovative products and business models, and comply with regulations, will have an advantage over banks that have not embraced such technologies.

### Challenges and Opportunity

Legacy versus digital innovation as on-premises legacy technology stacks are slowing down the rapid rollout of new products. AI & ML tools are bringing about disruption in treasury by ushering in digital models.

High, up-front capital investments in infrastructure and hardware are driving the thrust towards being more cost efficient by having a leaner cost base. Rolling out new products or regulatory compliance updates need changes to the existing system which could be a tedious process lengthening the time to market.

Cloudification of treasury will drive digital transformation, reduce cost and accelerate innovation. The key benefits of the cloud would be coreduction, reduced time to market, improved customer experience and agile working processes.

### The Intellect promise

Intellect Capital Cube has the potential to improve both the top line and bottom line through:

- Revenue Accelerators - Pre-deal yield simulators and rich portfolio analytics help maximise trading profits. Real-time simulators help improve NII/NIM. Increase in fee-based income through a Corporate FX channel and enhancing margins through branch FX. Efficient intraday liquidity management reduces the liquidity requirement, increasing investment opportunities. Just-in-time funding reduces the funding cost
- Optimum Capital Leverage - Alternate Capital Assessment model, Profit Attribution analytics, Reduced Compliance cost, Sensitivity, Stress & Shock tests and improved Tier 1 & CAR help maintain optimal capital and efficient leverage of funds, leading to an increase in profits
- Digital Treasury - STP of 95%+ reduces per transaction processing cost. Integrated front to back treasury on a single platform reduces technology cost. Cloud-enabled and multi-database compliance reduces TCO. Standard APIs to market data providers reduce implementation cost

### Product Highlights

Intellect Capital Cube is an integrated cross-asset, high-performance treasury platform that covers the complete trade cycle from trade initiation, capture to settlements, maturity. Capital Cube delivers operational performance via a configurable straight-through-processing (STP) mechanism across front, middle and back offices, which improves the efficiency of trading, operations, and risk management functions by eliminating redundant manual processes and lets the user focus on management of the exceptions within your transaction flow. Capital Cube includes various point solutions including portfolio risk analytics, reconciliation, instrument pricing analytics along with asset liability management. Built on eMACH.ai (event-driven, microservices-based, API-enabled, cloud-native, headless with underlying AI models), Capital Cube enables Banks and financial institutions to pick and choose the relevant microservices that best suit their business needs and growth aspirations.

Chapter
11

# IntellectAI - Unlocking The Magic of AI

## Formerly Intellect SEEC, IntellectAI was launched in Q3 FY23 reflective of its

**DNA of Design Thinking and its innovative use of AI in the marketplace**

The name and positioning of IntellectAI are in alignment with the core of Intellect and the passion of its people - Data, AI and Design Thinking. With a proven footprint in emerging technologies, advanced AI, domain-specific large language models, contextual usage of evolving data and insights, and seamless user journeys, IntellectAI simplifies business complexities and effectively positions companies for the future with sustainable outcomes in an ever-evolving marketplace.

As unique risks, new investment opportunities and stringent regulatory processes evolve, the industry is challenged with uncertainty and is grappling to rapidly innovate its core for sustenance, relevance and future growth.

Some focus areas of digital transformation across multiple verticals such as insurance, wealth and capital markets, include intelligent automation technologies for next-gen operating efficiencies, cloud-native technologies for security and scale, solutions with embedded AI and data analytics for improved underwriting effectiveness and product development flexibility, long-term data strategies combining the ‘old with the new’, and real-time contextual digital experiences as the key user demographic changes. All this at minimal costs while maximising ROI on legacy environments.

IntellectAI is a leader with its multi-tenant, cloud-native, composable and contextual business solutions powered by contemporary artificial intelligence triggers and sophisticated data insights for the highest quality and consistency of outcomes across the entire value chain. Our products are offered in a SaaS model.

Intellect continuously pushes the envelope of innovative thinking bringing together AI and Data contextually in a single platform. Over the past 5 years we have increased our technology sophistication and have gradually shifted from Data and AI solutions offering specific but strong solutions with measurable value such as IDX for Wealth and Risk Analyst & Xponent Workbench for Insurance, to Data and AI Products, such as Magic Submission, Magic Invoice, Risk Analyst, ESG Edge, and Sherlock, enabling transformational capabilities across lines of business and segments with seamless customer experience, to Data and AI as a Platform, enabling self-service with integrated services, experiences and data offerings such as Doc2API and FABRIC Data Platform.

Intellect’s contemporary platform is being further enhanced currently driving towards Data and AI as an Ecosystem, that will democratise Data and AI, as we move into ‘Innovation as a Service’ allowing our customers to develop and deploy their own AI models and App builders for business use cases, and create their own ecosystems to self-innovate rapidly using our platform. A truly unbiased, open and innovative ecosystem to help customers & fintechs' partners' at every layer of the AI stack.

**IntellectAI and eMACH.ai**

Intellect's multi-tenant, cloud-native platform complies with eMACH.ai standards featuring Event-driven, Microservices enabled, API-led, Cloud native, Headless architecture with Embedded AI.

Our wealth solutions are driven by eMACH.ai standards that empower the delivery of modern and exceptional customer experiences with hyper-personalisation and intelligent automation. Our solution, driven by design thinking principles, places a strong emphasis on leveraging data and business intelligence, including custom ESG insights with sentiment analysis for socially conscious investors. Headless architecture offers the ability to consume the services easily. On top of the MACH is the intelligence which makes that journey contextual and relevant for each customer rather than having one journey for all customers. Our eMACH.ai-powered wealth architecture helps adopt the current trend while conforming to regulatory norms, which is crucial in today's market. WealthForce.AI has over 20 Microservices and 270-plus APIs.

WealthForce.AI has bundled sophisticated AI such as intelligent document and data processing, customer churn prediction, enhanced statements with comprehensive and insightful analytical data, and state-of-the-art Large Language Models (LLMs) such as ChatGPT, Llama, and PaLM. This infusion of AI will make the interactions with the platform more intuitive and responsive.

In insurance, the customisable, and composable platform of eMACH.ai provides for bespoke user experiences and custom user journeys for different product lines and allows for the speed and flexibility required for Specialty and E&S lines. Pre-built insurance-specific accelerators include hundreds of APIs, event-driven workflows, User Interface components, domain-specific data models and insurance-specific microservices enabling rapid deployment. Hyper automation optimises the entire operations value chain.

Domain-specific AI and large language models generate signature solutions with bespoke user experiences. Our cognitive ingestion engine uses underwriting-specific deep learning technologies in NLP (Natural Language Processing) and CV (Computer Vision) to extract contextual information and process single or multi-line submissions from across structured and unstructured documents. As a pioneer in the industry, our proprietary ML models automatically reverse engineer location-level NAICS / ISO from free text descriptions with the highest accuracy. In real-time, our products consume deep risk insights from our sophisticated data platform derived through proprietary ML models and 'trust and consensus algorithms' for the highest accuracy of outcomes.

# 11.1 Insurance

### Industry Overview

The US Property & Casualty insurance market is expected to register a CAGR of 6% during the period 2019-2028, according to Mordor Intelligence. In recent hard markets and a very turbulent couple of years, the insurance industry has been forced to navigate the changing nature of risks, raise the standard on product flexibility, adapt new distribution models, modernise customer engagement, and improve operational efficiency. Companies are focused on finding optimal approaches to quickly improve combined ratios, utilise emerging data and technologies, and raise the bar on employee and customer experience. It is evident that embedded AI, intelligent automation, deep analytics across external and internal data, and new investment strategies are at the forefront of priorities for these companies.

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, heavy dependence on manual processes, and high premium leakage and loss ratios.

### Challenges and Opportunity

One of the biggest and most common challenges across the insurance industry includes streamlining the experience to new-age expectations, using AI and data to contextually serve customers and out-select competition, and building technology agility. Commercial and Specialty insurance companies deal with data in gigantic volumes. Filtering out and recording the relevant details for properties and businesses is no easy feat.

At the front end, it is common to still find lengthy submission processing times and minimal exposure insights, causing the underwriters to spend unnecessary time on non-value add tasks. Moreover, fragmented information across external and internal sources causes further delays in risk evaluation and inconsistencies in decisioning due to gaps in information, underwriter biases or scenario-relevant hidden risks. There is a need to deliver faster decisions, reduce the loss ratio, and enrich the data sets used to evaluate the risk being written.

Furthermore, new risks and market changes require product flexibility and speed to bind to overcome the potential loss of 'in appetite' business. Underwriting is required to create a profitable and sustainable portfolio, and emerging technologies need to co-exist with legacy environments to support growth.

### The Intellect Promise

We have invested in the utilisation of Artificial Intelligence (AI) augmented innovative solutions for new business and underwriting and underwriting lifecycle, with a simplistic user experience. Given the legacy environments at many companies, focused initiatives around cloud, APIs, and data management are at an all-time high.

### Product Highlights

Intellect's feature-rich and comprehensive AI powered 'underwriting ecosystem', addresses the entire underwriting value chain and seamlessly handles the differences and complexities between Commercial and Specialty insurance.  The embedded AI and data insights at relevant stages of the underwriting process ensures quick and accurate decisioning with full traceability of source. Intellect's multi-tenant platform hosts our cloud native offerings that are powered by our eMACH.ai standards.

# 11.2 Magic Submission

## AI powered Smart Ingestion Engine

### The Intellect Promise

Automate your intake and routing with Intellect Magic Submission. Purpose-built for commercial underwriting across multiple business lines can transform your business with the Power of AI.

### Product Highlights

Magic Submission is the most sophisticated AI-powered intelligent document ingestion technology with domain-trained AI models to automatically read, understand and contextually process multi-line submission documents. The powerful ML (machine learning) models can ingest submissions from any channel and understand any document type including emails, ACORD forms, loss runs, broker specifications, carrier supplemental forms, statement of values (SOV), excel exposures and unstructured statements.

The product has a number of capabilities including automatic classification, contextual extraction and validation, upfront appetite check with knockout, clearance check, risk data enrichment, dynamic business rule application, submission prioritisation, data normalisation and integration in required formats.

### Differentiators

- No touch omni-channel ingestion and triage of single/multi line submissions with advanced AI
- Sophisticated & domain trained NLP/NLU/NER, CNN, TA and proprietary AI/ML models to contextually read and process submissions
- Intellect’s operations team - Human in the Loop handles exceptions for highest output quality
- Real time integration to Intellect’s data platform - Risk Analyst - for submission data validation and exposure enrichment
- Sophisticated ML models to automatically reverse engineer NAICS / ISO from text descriptions with highest accuracy and consistency
- End-to-end triage with clearance and submission prioritisation based on appetite enables STP or underwriter to focus on best ‘accounts’
- Real time broker and expert collaboration (email integration)
- Intrinsic machine learning tools for continuous learning

# 11.3 Xponent

## Intelligent Underwriting Workbench

### The Intellect Promise

Intellect Xponent is the Commercial and Specialty underwriters' AI-powered workbench that utilises big data, risk analysis frameworks and a configurable workflow to provide a truly next-gen experience in commercial underwriting.

### Product Highlights

Xponent is a highly configurable, feature-rich workbench for account centric underwriting and AI-driven risk monitoring for Commercial lines. Sample capabilities include account/submission level exposure insights, enhanced qualification and STP rules, underwriting guidelines at LOB/Account/Industry level, capacity and exposure management, audits, loss control, robust workflow and process orchestration, LOA configuration, referrals, differentiated documentation capabilities, alerts, personalisation and robust graphical dashboards.

The second variation is our no-code platform that is specifically designed to cater to the needs of Specialty and E&S lines. It provides extreme flexibility by driving bespoke user experiences and custom user journeys for different products providing the speed and agility required

### Differentiators

- 90+pre-built underwriting capabilities and 15+ pre-built commercial lines out of the box
- Pre-integrated to Magic Submission and Risk Analyst providing comprehensive capabilities
- Account centric underwriting with AI driven risk monitoring
- Full lifecycle support (quote, rate, bind, issue, endorse)
- Write monoline, multiline, and package within a single opportunity
- Deep and contextual underwriting insights with alerts for decision accuracy & consistency via Risk Analyst

# 11.4 Risk Analyst
## Data and Insights Platform

### The Intellect Promise

Intellect's Risk Analyst can uncover 10x more insights on company, people and insured items. It is an AI and ML-based solution that enriches structured and unstructured data to helps commercial insurance companies unearth 360° intel on any entity.

### Product Highlights

Intellect's Risk Analyst identifies risk factors from hundreds of structured and unstructured sources including line-specific guidance to ensure underwriters pay attention to insights that actually matter. We also integrate with the carrier analytics engine/DWH to pick up context sensitive alerts and promptly relay it back to the underwriter. These can be done in a synchronous mode.

### Differentiators

- 3000+ data points and 800+ insights out of the box
- Transparency of source (insights)
- Sophisticated triangulation algorithms with line specific guidance for underwriters to pay attention to insights that actually matter
- New data connectors can be rolled out in 1 week
- Dynamic and custom data packages can be rolled out in a few hours – 3 days
- Use headless or standalone with UI

# 11.5 Wealth

### Industry Overview

The wealth industry has grown at a compound annual growth rate (CAGR) of 4.8% since 2015. The wealth market is expected to grow from $475.8 billion in 2020 to $730.7 billion in 2025 at a rate of 9.0%. The CAGR of the wealth market will grow at a rate of 8.8% from 2025 and reach $1,116.1 billion in 2030.

The new normal has caused a shift in customer demands across segments - a need for hyper personalised comprehensive advisory services, DIY capabilities and an inclination towards sustainable investment has emerged. Banks are now striving to expand services to focus on the growing and uncontested bottom of the AUM pyramid. The strategy is to redraw the industry boundaries thus making competition irrelevant.

### Challenges and Opportunity

Due to the uncertainty brought about by the pandemic, banks now face challenges in retaining customers and providing them with differentiated offerings and more transparency. The frequent attrition of RMs and changing hands upset established clients and advisor relationships. The Global crises have made individuals less confident about their investment decisions and in today's world, hyper-personalisation is acting as a critical feature in achieving loyalty in the growing millennial population.

The hunt for fee based income remains fierce, low interest regimes has pressurised NIM's and NII's. Investor beliefs are changing with sustainable and responsible investing becoming crucial to meet new customer expectations.

### WealthForce.AI Overview

WealthForce.AI is an AI driven, BIAN compliant, revolutionary offering designed to enhance relationship managers (RMs) productivity, while ensuring hyper-personalisation in each customer's wealth journey

The platform has embedded AI tools at relevant touchpoints of the RM and Customer journeys, bundled within each of the three core pillars of business growth. Hyper-automation – eliminate operational friction and reduce the time that RMs spend on mundane work; hyper-personalisation – using data to provide information and "nudges" for clients; and superior customer experience, enabling RMs/advisors to have a rich and beneficial relationship with clients. All this is delivered keeping in mind risk and compliance standards in the markets

WealthForce.AI is designed around 3 pillars -

1. Hyper Personalisation - to provide highly sophisticated personal insights
2. Hyper Automation - seamless automation of mundane tasks
3. Superior Customer Experience. These pillars provide a robust 3D compliance and enhance revenue

It is a future-proof solution with:

- A basket of AI/ML tools for banks to choose from - catering to advanced business needs
- Organised at the API level which enables product customisation and collaboration for open innovation. It allows changing

- and customising the front end design by the bank, without disrupting the legacy backend
- Wealth Marketplace that provides future ready next generation digital architecture with a rich partner network. It is built to help Fintechs and FIs take advantage of the best breed of the functionalities available with the advanced market players. It enables Open Banking, Collaboration, Communication, Reporting, access to Government Central databases and depository systems
- ESG functionality that leverages AI to replace the tedious process of identifying a company's ESG position with minimal inputs. The solution is cloud native and can be consumed as a standalone application or integrated with an organisation's systems through APIs
- Nudges that make use of biases and mental shortcuts to influence behaviour and decisions while preserving freedom of choice. Our wealth nudges, backed by deep data analytics, formulate real time alerts for multiple customer actionables
- Smarter Virtual Engagement for a high-touch experience in today's world. It simulates proactive, in-person experiences for the client anytime, anywhere

### Wealth Qube Overview

Intellect's comprehensive wealth platform - Wealth Qube® is designed around 6 Offices – catering to various roles in a wealth business – which are further supported by 23 Desks and 150+ Tools. Wealth Qube® is a complete solution serving the needs of Wealth Managers and Private Bankers.

The Tool based architecture of Wealth Qube® coupled with its API-first design allows for many advantages. The first of these being to provide the financial institutions an ability to retain their competitive advantage by selectively upgrading the tools. The second one being the ability to preserve their investments in the earlier systems, as the up-gradation can be done at the tool level. Given the dynamic and personalised nature of the wealth business, the key technology thrust for IntellectAI has been to allow each institution to maintain its competitive edge by allowing them to compose their own solutions.

# 11.6 ESG Edge

### Challenges and Opportunity

The biggest challenges in ESG are the availability and accessibility of ESG data. Finding relevant and accurate ESG data can be a challenge as information may be present in many different sources and parsing this information to extract the information needed can be cost-prohibitive and time-consuming. Many times in ESG, the research is manually intensive, information quality is poor, risk analysis can be inflexible and scalable solutions are not available.

However, these challenges present an opportunity for a solution that differentiates itself from others with a simple UI, real-time contextual data and composable architecture. Our vision is to create a world driven by transparent, sustainable, and ethical financing and we believe that this can be achieved through democratising access to ESG data for financial service organisations allowing them to embed sustainability as a core part of their products and services.

### Product Highlights

Intellect's cutting-edge AI platform offers the next generation of corporate risk analysis, allowing clients to dive into a suite of custom Environmental, Social and Governance metrics and insights with a simple 'google-like' search.

Built on a foundation of explainable AI, ESG Edge unearths sustainability related metrics transparently with auditability – allowing for business grade decisioning based on recent events. It allows drill down from a high-level portfolio view to a low-level individual company and data point level, allowing clients to tailor the output to measure ESG Risk or ESG impact based on their particular use case. The tool parses through news and media sources in near real time, to determine pubic sentiment and flag adverse events associated with third party companies.

ESG Edge leverages Intellect's Data Platform for extensive coverage and highest accuracy information. Intellect is targeting 150+ data points, 40+ ESG topics, and 10,000+ companies covered globally by the end of the year.

# 11.7 Capital Markets

### Industry Overview

Firms are under severe competitive pressure to keep 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 for today's brokerage firms is to therefore provide a differentiated solution to their customers, in terms of omni-channel consistent experience, ease and speed of trading, contextual research and analytics on finger tips, and provision of an e-marketplace across markets and asset classes.

### Challenges and Opportunity

While there is a need to grow the top-line, the cost of regulatory compliance can have a significant drain on the bottom-line. Availability of newer products accessing investments in global markets is driving the push for brokers to handle multi-currency, different asset classes and complying with regulations governing cross border trading. A huge wave of technology disruption with RPA, open finance technologies like API factory and microservices are driving dramatic changes and have a profound, lasting impact on broker firms' operations. These technologies collectively offer enormous potential to improve efficiency, reduce risk, and enhance the quality of service to clients.

### Capital Alpha Overview

Capital Alpha is a "Broker-In-A-Box" solution which provides omni-channel trading experience for the customer through contextual trading backed by research and analytics, ensures compliance through a real-time and integrated pre and post trade risk management, and increases efficiency of operations through a comprehensive back-office combining clearing & settlements, fees & commissions, corporate actions, reports and interfaces to market entities.

Backed by powerful tech enablers of Interface Studio for minimal coding enterprise integration and Experience Studio for personalised and contextual trading experience.

Chapter
12

# Board of Directors

**Arun Jain**
Chairman & Managing Director

**Anil Verma**
Executive Director

**Arun Shekhar Aran**
Independent Director

**Andrew England**
Non-Executive Director

**Vijaya Sampath**
Independent Director

**Abhay Anant Gupte**
Independent Director

**Ambrish Pandey Jain**
Independent Director
(Effective 05th May, 2022)

Chapter 13

# Leadership Team

**Arun Jain**
Chairman & Managing Director

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

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

**Banesh Prabhu**
Chief Executive Officer, IntellectAI

**Venkateswarlu Saranu**
Chief Financial Officer

**Padmini Sharathkumar**
Chief Talent Officer

**Sudha Gopalakrishnan**
Global Head – Governance & Quality

**Debanjan Kumar**
Chief Executive Officer, iDigital

**Ramanan SV**
Chief Executive Officer, India & South Asia

**Uppili Srinivasan**
President – Business Head for Digital, Payments and Liquidity

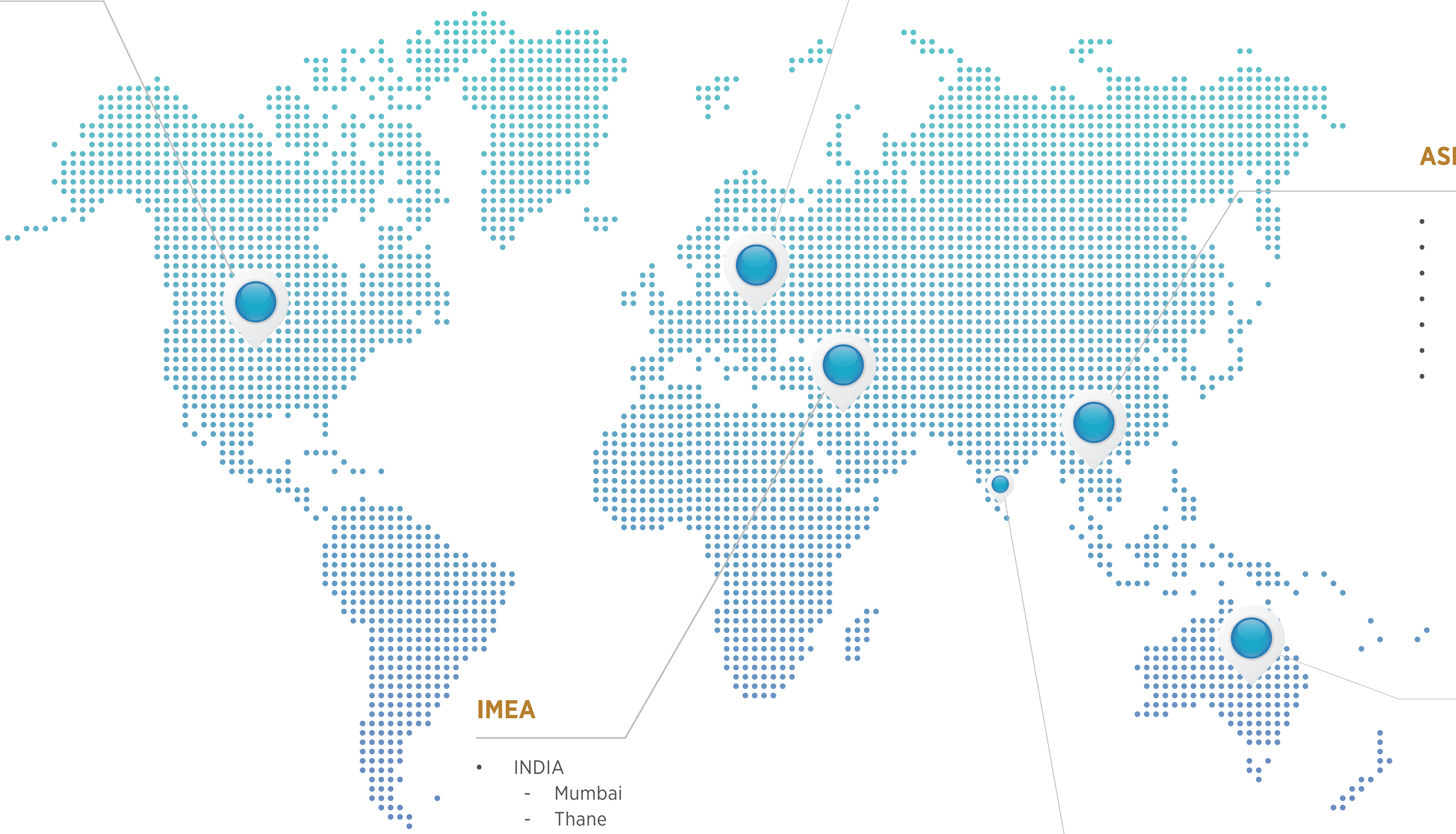
**Debal Dutt**
Chief Marketing Officer

**Krishna Rajaraman**
Chief Technology Officer

**Kannan Ramasamy**
Global Head – Partnership & Alliances

Chapter
14

# Global Offices



## EUROPE
- UNITED KINGDOM
- SWITZERLAND
- FRANCE
- SWEDEN
- SPAIN
- GERMANY
- AUSTRIA
- PORTUGAL

## AMERICAS
- USA
- CANADA
- CHILE

## ASIAPACIFIC
- SINGAPORE
- INDONESIA
- VIETNAM
- PHILIPPINES
- THAILAND
- JAPAN
- MALAYSIA

## ANZ
- AUSTRALIA

## IMEA
- INDIA
  - Mumbai
  - Thane
  - Pune
  - Gurgaon
  - Hyderabad
- SRI LANKA
- BANGLADESH
- UAE
- Saudi Arabia
- KENYA
- MAURITIUS

## REGISTERED OFFICE
INTELLECT DESIGN ARENA LIMITED
No. 244, Anna Salai, Chennai – 600 006, India

## CORPORATE HEADQUARTERS
## NxT LvL
INTELLECT DESIGN ARENA LIMITED
Plot No.3/G-3, SIPCOT IT Park,
Siruseri, Chennai – 600 130, India

# INTELLECT DESIGN ARENA LIMITED

Annual Report for the year ended March 31, 2023

Regd. Office: No.244, Anna Salai, Chennai - 600 006. INDIA.

## FINANCIAL REPORT



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

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

# DIRECTORS' REPORT

**DIRECTORS' REPORT**

Dear Members,
We are pleased to present the 12th Annual Report on our business and operations for the year ended March 31, 2023 of Intellect Design Arena Limited ("the Company"). This is our ninth year of business operations.

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

| Description | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Year ended March 31 | | | |
| | 2023 | 2022 | 2023 | 2022 |
| Revenue from operations (including other income) | 15,145 | **12,914** | 22,826 | **19,187** |
| Operating expenses (excluding, depreciation and finance cost) | 12,299 | **9,550** | 17,961 | **14,061** |
| **Profit before interest, depreciation and tax** | 2,846 | **3,364** | 4,865 | **5,126** |
| Finance cost | 22 | **30** | 32 | **43** |
| Depreciation and amortisation | 801 | **690** | 1,215 | **976** |
| **Profit before share of profit from associate and tax** | 2.023 | **2,644** | 3,618 | **4,107** |
| Add: Share of profit on associate companies (net of tax) | - | - | 15 | **25** |
| **Profit before tax** | 2,023 | **2,644** | 3,633 | **4,132** |
| Income tax expenses | 683 | **623** | 947 | **628** |
| **Profit after tax** | 1,340 | **2,021** | 2,686 | **3,504** |
| Remeasurement (losses)/gains on defined benefit plans | (102) | **16** | (101) | **16** |
| Exchange differences on translation of foreign operations | - | - | 257 | **(5)** |
| Net movement on cash flow hedges | (488) | **155** | (487) | **155** |
| **Other comprehensive (loss)/income for the year, net of tax** | (590) | **171** | (330) | **166** |
| **Total comprehensive income for the year, net of tax** | 1,190 | **2,192** | 2,355 | **3,671** |
| Less: Non-controlling interest | - | - | (14) | **17** |
| **Total comprehensive income for the year (attributable to owners of the Company)** | 750 | **2,192** | 2,359 | **3,654** |
| **EPS** | | | | |
| Basic Rs. | 9.98 | **15.19** | 19.90 | **26.25** |
| Diluted Rs. | 9.64 | **14.55** | 19.23 | **25.14** |

Table No. 1.1

**Function wise classification of statement of consolidated Profit and Loss**

In Rs. Million

| PARTICULARS | Year Ended | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| **INCOME** | | |
| Income from software product license and related services | 22,460 | 18,565 |
| **Total income** | 22,460 | 18,565 |
| **EXPENDITURE** | | |
| Software development expenses | 10,180 | 7,976 |
| **Gross margin** | **12,280** | **10,589** |
| **Gross margin %** | **55%** | **57%** |
| Selling and marketing, general and administrative expenses | 6,054 | 4,898 |
| Research and engineering expenses | 1,724 | 1,187 |
| **Total expenditure** | **17,958** | **14,061** |
| **EBITDA** | **4,502** | **4,504** |
| Depreciation and amortisation | (1,215) | (976) |
| Hedge impact | (147) | 217 |
| Fx reinstatement gain/ (loss) | 129 | (32) |
| Other income | 384 | 342 |
| **Profit before tax** | **3,621** | **4,055** |
| Tax expenses | (947) | (628) |
| **Profit after tax (attributable to owners of the Company)** | **2,673** | **3,491** |

Table No. 1.2

**2. State of Company's affairs**

The consolidated revenue from operations (including other income) for the year ended March 31, 2023 stood at Rs. 22,826 million, registering a growth of 19%, over the previous year's revenue of Rs. 19,187 million. The consolidated profit after tax for the year ended March 31, 2023 and 2022 stood at Rs. 2,686 million and Rs. 3,504 million, respectively. The consolidated reserves and surplus as of March 31, 2023 stood at Rs. 19,898 million as against Rs.17,414 million as of March 31, 2022. For FY 23, 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. Dividend**

The Board at its meeting held on May 11, 2023 has proposed a final dividend of Rs. 2.50 per share at face value of Rs. 5 for the financial year ended March 31, 2023, subject to the approval of shareholders at the ensuing Annual General Meeting and if approved would result in the cash flow of Rs. 339 million.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is uploaded on the Company's website.

The weblink of the Dividend Distribution Policy is

https://www.intellectdesign.com/investor/general/2018-apr-dividend-distribution-policy.pdf.

**5. Subsidiary and Associate Companies**

**Details of Subsidiary Companies, Associate Companies, and their financial position.**

Your Company has 22 (12 direct and 10 step down) subsidiary companies and 2 associate companies as on March 31, 2023. The information as required under the first provision to sub-section (3) of Section 129 is given in Form AOC-1 in Annexure 1.

**6. Cash Position**

Your Company has a cash position of Rs. 5,477 million.

**7. Share Capital**

The paid-up capital of the Company increased to Rs. 67,86,12,875 through share allotments made against exercise of Options (11,68,961 equity shares) under the ASOP / ISOP / IIPS Schemes, and comprises 13,57,22,575 equity shares at a face value of Rs. 5 each as on March 31, 2023.

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

**8. Corporate Governance**

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

**9. 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"), dividend that remains 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").

According to Section 124 of Companies Act, 2013 the Company has transferred unpaid or unclaimed dividend amount within 7 days after expiry of thirty days to the account opened by the Company on that behalf in the bank called the Unpaid Dividend Account. Further pursuant to sub-section (5) of section 124 if the amount has not been paid or claimed for seven consecutive years or more shall be transferred by the company to the Investor Education and Protection Fund (IEPF).

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

The particulars as prescribed under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out in Annexure 3 of this Report.

**11. Particulars of employees**

(a) The statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 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.

(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 Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are part of this report as Annexure 4.

**12. Business Responsibility and Sustainability Report**

In accordance with Regulation 34(2)(f) of the Listing Regulations, Business Responsibility and Sustainability Report ("BRSR") covering disclosures in the prescribed format for FY 2022-23 forming part of this report, is provided elsewhere in the Annual Report.

**13. 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 and there are no material departures;

b) they have selected such accounting policies, 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) they 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) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

**(a) Board Meetings:**

The Board of Directors of the Company met 5 times during the year 2022-23. 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) Re-Appointment**

Mrs. Vijaya Sampath (DIN:00641110) was appointed as an Independent Woman Director at the 8th Annual General Meeting with effect from October 25, 2018 to hold office for first term for a period of 5 (five) years upto the conclusion of 12th Annual General meeting of the Company to be held in the calendar year 2023 and whose term of office is liable to expire on October 24, 2023.

Based on the recommendation of the Nomination, Remuneration and Compensation Committee and subject to the approval of shareholders, wherever applicable, the Board of Directors has at its meeting held on May 11, 2023 approved the re-appointment of Mrs. Vijaya Sampath (DIN: 00641110) as an Independent Woman Director for a period of 5 years with effect from October 25, 2023 to October 24, 2028. Brief Profile of Mrs. Vijaya Sampath form part of the Notice convening the 12th Annual General Meeting of the Company.

**(c) Director liable to retire by rotation**

In terms of Section 152 (6) of the Companies Act, 2013 and as per Article 34 (l) of the Articles of Association of the Company, one third of the Directors other than Independent Directors are liable to retire by rotation at the Annual General Meeting of the Company. Mr. Anil Kumar Verma Whole Time Director, is liable to retire by rotation and offers himself for re-appointment.

**(d) Independent Directors**

Mr. Arun Shekhar Aran (DIN: 00015335) was appointed as an Independent Director for a term of three (3) years on May 3, 2016 and re-appointed at the 8th AGM held on August 21, 2019 for a second term of Five (5) years upto May 1, 2024.

Mrs. Vijaya Sampath (DIN: 00641110) was appointed as an Independent Director w.e.f. October 25, 2018 for the first term of 5 years and was regularised at the AGM held on August 21, 2019.

Mr. Abhay Anant Gupte (DIN: 00389288) was appointed as an Independent Director w.e.f. June 15, 2020 for the first term of 5 years and was regularised at the AGM held on August 21, 2020.

Mr. Ambrish Pandey Jain (DIN: 07068438) was appointed as an Additional Independent Director w.e.f May 05, 2022 and was regularised at the AGM held on July 29, 2022 to hold office for a term consisting of 5 years until May 4, 2027.

No Directors resigned during the financial year 2022-2023.

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 and in accordance with Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, no Independent Director is a non-independent Director of another company on the Board on which any non-independent Director of the listed entity is an Independent Director and no Director has been debarred by any order / judgement of any regulator in force.

**(e) Details of remuneration to Directors:** The information relating to remuneration of directors as required under Section 197(12) of the Companies Act, 2013, is given elsewhere in the report.

**(f) Board Committees**

The Company has the following Board Committees:

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

**Sub-committees:**

1. Share Transfer Committee
2. Cyber Security 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 Nomination, 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 as 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 the 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 (3) of the Act can be accessed through https://www.intellectdesign.com/investor/general/remuneration-policy.pdf. 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.

**(h) Board Evaluation**

As required under the provisions of Section 134 (3) (p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance and that of its committees and individual directors. The manner in which such performance evaluation was carried out is as under:

The performance evaluation framework is in place. Dr. Ashok Korwar, a renowned management consultant, has had technical education at IIT Bombay, completing a B.Tech Degree. Subsequently, he also studied management at Indian Institute of Management, Ahmedabad and completed Ph.D at UCLA Anderson School of Management. He specialises in strategic thinking, go to market strategies and executing coaching. He has created and developed workshops on account management, finance for project managers and Design Thinking. He was appointed to evaluate the performance of the Directors and made a presentation to the Board summarising the views and suggestions made by the individual Directors and the Board. The performance of the Board was evaluated 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, Remuneration and Compensation Committee reviewed the performance of Individual Directors on the basis of criteria such as exercise of responsibilities in a bonafide 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 held on March 22, 2023, performance of Non-Independent Directors, performance of the Chairman of the Company and the performance of the Board as a whole were evaluated.

**(i) Vigil Mechanism**

The Company has established a whistle-blower policy and also 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) read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in Form AOC-2 in Annexure 5.

**15. Auditor reports and auditors**

**Statutory Auditors:** M/s. S.R. Batliboi & Associates LLP, Chennai, Chartered Accountants have been appointed at the Annual General Meeting held on August 21, 2019 to hold office as statutory auditors until the conclusion of the 13th Annual General Meeting of the Company. There are no qualifications or adverse remarks in the Auditor's Report for the financial year ended March 31, 2023.

**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 B Ravi & Associates, Company Secretaries, and their report is annexed as Annexure 6.

In connection with the observations made in Annexure 6, though not in the nature of qualifications, the management herewith provides the following clarifications to avoid any ambiguity:

(i) The Company has complied with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as on 31.03.2023 which was also affirmed by the Secretarial Auditor in his Secretarial Compliance Report for the year ended 31.03.2023.

(ii) There was a minor delay by a few hours in intimating to the stock exchanges regarding the grant of Options / RSU's to the employees under the schemes in force.

**Internal Auditors:** Pursuant to Section 138 of the Companies Act, 2013, M/s. ANB & Co. was re-appointed as the Internal Auditors of the Company for a period of 6 months with effect from April 01, 2022 and was subsequently re-appointed for another period of 6 months with effect from October 01, 2022 and whose term of office had expired on March 31, 2023. Reports of the Internal Auditors' has been reviewed and taken on record by the Audit Committee of the Board of Directors of the Company.

Pursuant to the provisions of Section 138 of the Companies Act 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 and other applicable provisions, the Board has appointed M/s. Sharp & Tannan, Chartered Accountants having FRN-109983W as Internal Auditors of the Company for a period of 2 (Two) Years with effect from April 01, 2023.

**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.

**16. Deposits**

The 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, 2023.

17. **Reporting of fraud:**

During the year under review, there were no instances of fraud as required to be reported by the Statutory Auditors / Secretarial auditors of the Company.

**18. Social Connect**

**Ullas Trust**

Is the collective social responsibility of Intellect that brings together our associates with the adolescent young minds in the communities we live and work in, and even going to back our roots in the districts, to experience the magic of mentoring young minds! Magic as one experiences the joy of shaping young minds, but also the reverse learning that one receives from these bright sparks that inspires every mentor to do more and be more.

Since its inception in 1997, Ullas has grown into a thriving community of dedicated associate volunteer mentors from Intellect, from our Clients, and other Corporates; partners from Civil Society Organisations, and youth from Colleges – all united by the common purpose of shaping the thinking of adolescent young minds. Over the 25 years, Ullas has sown the seed of a dream, ignited and nurtured over 18 lakh young minds across 115 Districts, in 8 States and 2 Union Territories.

Primary motive of the Trust continues to be - to ignite young minds and nurture them during their most vulnerable space in life (adolescence). This is accomplished through seeding the "Can Do" spirit, encouraging them to dream big with conviction, positive role model influences, and enrichment programs delivered by mentors to nurture them towards achieving their potential and their dreams.

Academic Year 2022-23 also marked the coming back of Ullas from 2 years of virtual engagements to in person mode of engagements successfully. It was with renewed energy and vigour that Ullas along with its selfless volunteers and mentors reached out to Young Achievers, Young Leaders and the schools and delivered the interventions under Summit, Touch the Soil and Higher Education Scholarship Program in alignment with the purpose of "igniting young minds", and sowing the seeds of "Can Do" spirit in every intervention.

Highlights of this Academic Year:

- Silver Jubilee Year of Ullas - Ullas Trust celebrated its silver jubilee by recognising young achievers and inspiring them to pursue their dreams, during their annual "Can Do" workshop held in Music Academy, Chennai. Dr J Radhakrishnan (IAS, Principal Secretary to Government of Tamil Nadu) and Kalaimamani V K T Balan (Chairman, Madura Travel Service Pvt Ltd) were the Guests of Honour at the event. The workshop was followed with similar workshops at Delhi, Mumbai and Hyderabad. These workshops recognized 2169 students from Corporation, Government and Government-Aided Schools by awarding merit scholarships.
- From Teenager to Achiever: Book authored by Mr. Arun Jain – Commemorating the 25th year since inception, Founder Arun Jain released a book 'From Teenager to Achiever', that he has authored. The book has been specially written to unleash the potential of teenagers and has been designed as a unique self-improvement book. From Teenager to Achiever is a culmination of the experience of working with high school students for 25 years through the Ullas Trust and his own experiences as a teenager.
- Summit Enrichment Program: Ullas continued to nurture the dreams of 3,130 students from 354 schools across 5 States (Delhi NCR, Haryana, Maharashtra, Tamil Nadu and Telangana) through the Summit interventions. These interventions brought cheer all around – from the volunteer mentors to the Young Achievers and Young Leaders – everyone coming alive as they met each other after a gap of 2 years. It was a joy to witness the essence and ethos of Ullas continue to flourish creating the intended impact.
- Touch The Soil - reconnecting to our roots: With greater resolve Team Ullas took Ullas interventions to students in the classrooms of district schools. The enthusiasm of reaching out to children in district schools after pandemic could be easily seen on the faces of volunteers. Ullas delivered "Can Do" and "Planning" workshops to 1,54,082 students from 1,025 Schools, 106 Districts across 5 States.
- Mission Samriddhi Clusters: Across the Mission Samriddhi Clusters spread across 13 districts and 3 states – UP (1 district), Maharashtra (3 districts) and Tamil Nadu(9 districts) Ullas coordinators ensured vibrant, inspiring interactions with young minds to Dream Big, with deep conviction. With the support of teachers and role models from the community, the intervention programs were powerful in driving home the "Can Do" spirit.
- Ullas Young Leaders Program: The Higher Education Scholarship saw fresh intake of 75 scholars across Chennai, Delhi and Hyderabad. SIDDHOPAMA the first in person interaction with the scholars. HES Scholars were engaged in all the key activities in Ullas from Can do Workshop to Summit Classes leading to their skill development. Career Guidance program and Talks at Ullas were conducted to to further ones professional standing.
- Ullas – a community of Engaged Givers: "The greatness of a community is most accurately measured by the compassionate actions of its members – Coretta Scott King". Especially during the most uncertain and perilous times. These words reflect what the Ullas community is all about – a community made up of our incredible volunteer mentors – Friends of Ullas as they are known, our awesome Alumni from across the globe, our very own inspiring Young Leaders who came together to collectively lift the spirits of young minds through the various programs. Be it a 2 hour Summit intervention or a 1-1 mentoring program, our Ullas community was not just empathetic but "compassion in action"! We could not have done this without this ONE team!

Yet another extraordinary year where the "purity of purpose" of Ullas continued to shine bright!

**Mission Samriddhi**

Mission Samriddhi was founded in 2016, which gave your Company a platform to explore the agenda of holistic rural development and expand our Social canvas. We are proud to be associated with a multitude of initiatives in promoting Education, Health, Economic upliftment and Self Governance in the rural domain.

Mission Samriddhi is a social impact platform dedicated to strengthening communities and institutions to achieve holistic, collective and sustainable rural development. Mission Samriddhi addresses the complex challenges to development by following a holistic and integrated approach and applying design thinking and empower the rural and marginalised communities to become the agents of their own development and dream the change by enhancing their self-worth.

Key initiatives in financial year 2022-2023 are:

**Holistic Collective Farming (HOCO)**

HOCO is an initiative of Mission Samriddhi, integrating the principles of natural farming with the strengths and values of collective farming. The initiative is currently being implemented at Shiratoki, a small tribal hamlet in the Yavatmal district, where 40 households have pooled 125 acres of their land to practice collective farming. Technical inputs on aspects of crop planning, water management and harvesting and natural farming practices are provided by a team of subject experts to the farmers. The overall plan has facilitated the establishment of water structures to harvest an estimated 200 crore litres of water through farm ponds, compartment bunding and CCTs.

- **Mobile Therapy Project: Community Based Rehabilitation**

The Mobile Therapy Project (MTP) of Sristi Foundation, supported by the CSR initiatives of your Company, emerged as a response to a comprehensive survey conducted in 47 gram panchayats in Mailam Block of Villupuram District in Tamil Nadu. The study screened 2,229 youngsters and identified 155 children in 88 villages who were in need of therapy. Of these, 127 children were selected as beneficiaries under the MTP pilot project. Under this project, a Mobile Therapy Unit would travel to the homes of children with disability and provide them with physiotherapy, occupational therapy, speech therapy, special education, parental counselling and support in accessing government schemes

Currently 86 children are actively benefiting from the project and of these, 48 children receive physiotherapy support and 59 children receive special education. By the end of the pilot project in August 2022, 1117 physiotherapy, special education & speech therapy services had been provided to these children, and 138 community awareness programs on disability and inclusion had been conducted to reach the communities of 88 villages.

Specifically in the financial year 2022-23, 380 special services (Physiotherapy, Speech education and Speech therapy services) were provided to these children and 69 awareness programs for mothers needing ante-natal care were carried out. Additionally, 18 medical referral services were provided and 1356 beneficiaries were reached through Disability camps to provide disability certificates, UDID cards and other benefits.

- **TN-CDP (Tamil Nadu-Cluster Development Programme)**

The Cluster Development Programme in Tamil Nadu (TN-CDP), supported by the CSR initiatives of your Company, is being implemented in 46 Gram Panchayats spread over 8 Blocks and 8 Districts of Tamil Nadu, TNCDP addresses the holistic development needs of 75,609 Households and 2.25 lac population

An OORKUDI App has been developed for the field staff to complete primary socio-economic data collection of all the households in these 46 Panchayats. The Elected Representatives of the 46 GPs have undergone a Design Thinking driven leadership development program to help them chart out and implement their plans for the holistic and sustainable development of their communities. In fact, all the 46 Panchayats have passed resolutions in their respective Gram Sabha meetings that they will collaborate with Mission Samriddhi as their holistic development partner.

The flagship Ullas Trust program interventions that include the SUMMIT Classes as well as the Touch the Soil Workshops have been successfully implemented covering 1338 children. 51 students from these clusters also received scholarships. A novel economic empowerment initiative to enhance the livelihoods of marginal farmers in Namakkal CDP cluster through the cultivation and sale of mushrooms is under progress.

## 19. 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.

## 20. Annual Return

Pursuant to Section 92 (3) read with Section 134 (3) (a) of the Companies Act, 2013, the Annual Return in Form MGT 7 shall be placed on the website of the company at www.intellectdesign.com/investor-relations after the conclusion of the 12th Annual General Meeting.

## 21. Significant & Material Orders passed by the Regulators or Courts

During the financial year 2022-23, no order has been passed by any Regulatory authorities or Courts.

## 22. Particulars of Loans, Guarantees and Investments u/s 186

During the financial year, there was no loan given or guarantee given or security provided pursuant to Section 186 of the Companies Act, 2013 and the relevant provisions as applicable have been compiled by the Company. Details of investments made by the Company are given in the Notes to the Financial Statements

## 23. Risk Management Policy

Intellect being a pioneer in the Intellectual property led Business in India, the company is continuously focussing 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 and 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 Organisation 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 organisation's Risk policy facilitates identification of 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 Organisation by encouraging Risk Awareness among employees.

### Risk Management Committee

The Risk Management Committee (RMC) of the Board of Directors oversees the Risk Management process under the overall direction of the Board of Directors. The Risk Management Committee consists of the Board of Directors, Chief Financial Officer and the Chief Risk Officer. The Organisation use BELIEF (Brand, End Customer Capital, Leadership, Intellectual Property, Execution and Finance) framework for its risk classification. The RMC is supported by Information and Cyber Security Sub Committee, Cloud Risk Council and Enterprise Risk Department to execute the overall risk management plan and periodically update the Risk Management Committee.

### Risk Management Process

Risk Management is a continuous and developing process which runs throughout the Organisation's strategy and the implementation of that strategy. The Risk Management helps the organisation to proactively manage uncertainties in the internal and external environment and to limit the negative impacts and benefit on the opportunities. The process includes risk identification, risk evaluation, risk prioritsation, risk mitigation, risk monitoring & review.

**Some of the major risks are classified using BELIEF framework as follows**

| BELIEF FRAMEWORK | | | | | |
|---|---|---|---|---|---|
| BRAND | END CUSTOMER | LEADERSHIP | INTELLECTUAL PROPERTY | EXECUTION | FINANCIAL |
| REPUTATION RISK | BUSINESS RISK | PEOPLE RISK | INFORMATION & CYBERSECURITY RISK | GLOBAL OPERATIONS RISK | MARKET RISK CURRENCY FLUCTUATION |
| | ECONOMIC POLITICAL SOCIAL OUTLOOK RISK | TALENT MANAGEMENT RISK | DATA PRIVACY RISK | CLOUD INFRASTRUCTURE RISK | LIQUIDITY RISK |
| | COMPETITION RISK | ASSOCIATE CONDUT RISK | IP INFRINGEMENT RISK | PRODUCT IMPLEMENTATION RISK | FINANCIAL REPORTING RISK |
| | BUSINESS MODEL RISK | | OPEN SOURCE SOFTWARE RISK | DEFECTS & SECURITY VULNERABILITY RISK | |
| | CONCENTRATION RISK | | | COMPLIANCE RISK | |
| | CUSTOMER SERVICE MANAGEMENT RISK | | | LEGAL RISK | |
| | CONTRACT MANAGEMENT RISK | | | BUSINESS CONTINUITY RISK | |
| | | | | FRAUD RISK | |
| | | | | NEW COUNTRY RISK | |

Table No. 1.3

**BRAND CAPITAL**

**1. Reputation Risk**

The brand / reputation risk may arise in case of issues around product implementation, customer relationships & escalations etc. Risk may accentuate due to increased use of social media & other internet based applications in the corporate world. The risk is mitigated by adoption of Product, Delivery & Customer Excellence processes to manage implementations & relationships effectively.

**END CUSTOMER CAPITAL**

**2. Business Risk**

**2.1 Economic, Political and Social Outlook Risk**

Volatility in the financial markets coupled with political uncertainties, trade war, inflationary trends, recession, pandemic or unforeseen external events may have resulting cascading effects on the financial sectors such as cost reduction measures etc. Further demographic shift in usage of technology or financial services by consumer in general may have adverse impact on sale of Intellect products. Intellect's global presence, wide range of products to cater different segments within the financial sectors, penetration into diversified market & various geographies; spread of product concentration and increased partnerships facilitates to mitigate the risk.

**2.2 Market Competition Risk**

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. This may pose challenges to maintain or sustain the business growth or profitability in a longer run.

Company makes focussed investments in R&D with continuous evaluations of product endurance across segments / geographies to keep products relevant & competitive in market place. Ongoing efforts made to enhance the customer experience through deployments of innovative products, competitive pricing through operational efficiencies, cost optimisation measures & improved implementations with minimal no. of defects helps us to remain ahead in the innovation curve.

**2.3 Business Model Risk**

With increased usage of cloud hosting across the industry, a strategic shift from traditional License / AMC based model to cloud model may pose risk to the Company's existing business model. Moreover, the disruptive technologies such as Big data, ML & AI coupled with usage of social and smart devices can change the way business is done. The Company keeps a close eye on the changing business model scenario and takes appropriate required actions. A certain portion of our revenue is already derived from the Cloud model through SaaS & subscription. The Company also makes focused investment in R&D to keep the products relevant and competitive in market place and create products with Digital technologies.

**2.4 Business Concentration Risk**

The company is specialised in BFSI space and could face the risk of concentration in a single space. Significant reliance on a particular product, customer, segments or geography may heighten the risk of revenue loss & consequential impact on the profitability in case of adverse conditions such as customer exit, volatile geo-political scenarios, sector specific slowdown etc. However, this risk is mitigated to a large extent by fairly diversifying the concentration across lines of business, market segments & geographies.

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. Further Company has multiple products and client base to further de-risk the product / business concentration. Intellect mitigates its geography concentration risk by having its presence across different geographies. Multiple products and client base further de-risk the product / business concentration.

**2.5 Customer Service Management Risk**

Intellect has the contractual agreements with multiple clients from different countries with varied needs, requirements and their legal & operating environment. Morever, the nature of the contracts are long term and relationships if not managed appropriately could have repercussions on the customer persistency & business growth. The risk is mitigated through regular assessment of the customer relationships through customer feedback and satisfaction scores. Mechanisms are built in to monitor adherence to the contractual clauses with its customers. The robust long-term strategic relationships are built with the customers to enhance customer satisfaction & value maximisation along with designing, developing & implementing the products according to industry needs and requirements.

**2.6 Contractual Compliance Risk**

As a product based company, Intellect bears the risk of IP infringements arising from the use of its products and non-performance of its contractual obligations. These risks may accentuate if the contractual obligations are not aligned to Intellect's risk appetite. The Company has an established process in place to review all contracts. As a policy its obligation under each contract are restricted appropriately. The Company has adequate Insurance obtained to mitigate against risk of Errors and Omissions, Commercial General Liability etc.

**LEADERSHIP CAPITAL**

**3.1 People Risk**

The Company operates in niche BFSI product space which requires people with specialised skill, as against mass recruitment that was followed in Services business. Lately the overall IT industry has experienced the challenges of high attrition and retention of critical talent in the organisation. The Company minimises the risk through in-depth in-house training & recruitment from top end Engineering colleges , B Schools, Tier 2 cities & lateral hires. The Background Checks (BGC) is mandated for all new hirers and is audited from time to time. Emphasis prevails on conduct of in-depth & in-house training.

**3.2 Associate Conduct Risk**

Mechanisms to prevent or minimise inappropriate conduct such as fraud, sexual harassment, criminal attempts, bribery or violation of Company policies such as code of conduct, conditions of employment, Insider trading or any other professional negligence, errors & omissions etc. if not adequate may jeopardise work culture / reputation / asset / property damage or business performance. Established various policies & process, adequate trainings and awareness programmes on policies & procedures for its associates conducted along with regular monitoring. Policies on whistle blower, escalations, incident management & response mechanisms in conjunction with the established disciplinary committee facilitates to effectively address the inappropriate conducts, if any.

**INTELLECTUAL PROPERTY CAPITAL**

**4.1 Information & Cyber Security Risk**

Internal and external cyber threats if not appropriately managed can potentially result in data leakage, source code compromise etc. which may significantly disrupt core operations and may damage Company's Brand Image / reputation. The risk is mitigated through Information & Cyber Security Forum and Central Security Group which administer the Information & Cyber security programme for the organisation. through internal and external assessments in the form of Audits and Certifications like ISO 27001, ISO 27017, ISO27018, PCI DSS and SOC2. Intellect Security policy is institutionalized across the organization. Moreover, Cyber liability insurance is obtained to safeguard against any loss arising out of any security breaches.

**4.2 Data Protection & Privacy Risk**

The confidential data of the customers / associates are subject to data privacy laws of various states. Procedures to effectively handle the confidentiality and privacy if not robust can lead to data breaches. The risk gets accentuated on account of heightened regulations or guidelines such as GDPR, widespread usage of emerging technologies used to enhance customer experience also may pose challenges to protect data & the privacy elements. The risk is mitigated by putting data authorisation process in place, provision of necessary guidance to the delivery teams with data security practices. GDPR related compliance reviews are facilitated for applicable business / functional teams.

- Vulnerability Assessment & Penetration Test (VAPT) and Dynamic Application Security Testing (DAST) is being enforced across all Product releases. Further, there is an adopting new contractual provisions in existing and new contracts.

**4.3 Intellectual Property Rights Infringement Risk:**

**a) IP protection:** The Company may face challenges to protect the Intellectual property rights which are pivotal for its revenue generation. The risk is mitigated through registration of IPs in the countries having robust protection laws.

**b) Risk of 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. The risk is mitigated through adoption of the open source policy which facilitates to identify, monitor, review, report & thereby facilitate restricted & acknowledged usage of the open source software's on ongoing basis. Usage of COTS are under agreement and audited from time to time by our IT department. FOSS used by the respective business units is reported to the IT Department

**EXECUTION CAPITAL**

**5.1 Global Operations Risk**

Global operations may get impacted on account of various factors inherent to the international business activities and differences in the following: Laws and Regulations in the banking & financial service, work practices (e.g. working from home), complex tax regimes, licensing requirements, varied trade / tariff policies & corruption perception index, data protection and privacy laws, economic sanctions, outbreaks of war, hostilities, terrorism, mass immigration, international embargoes, economic sanctions and boycotts and staffing challenges and immigration laws. Specific policies and procedures put in place with regard to work practices, Code of Conduct, anti-bribery, anti-money laundering, data protection and privacy etc.

Consultation support from reputated tax firms. is obtained from time to time.

**5.2 Cloud Infrastructure Management Risk**

With increased cloud adaptability, requirements to have highly skilled resources to manage cloud environments, unique contractual agreements with the customers & cloud service providers, ensuring adequacy of security measures by the service providers, heightened regulations like GDPR, the company is exposed to a risk of SLA / security breaches by cloud service providers which may result in financial implications (imposition of fines & penalties) or reputation damage. The risk is mitigated by defining the Cloud operational governance framework to consistently manage cloud environments across the lines of businesses. Periodic reviews are performed to assess the security, internal controls, DR, backup processes, SLAs, service contracts etc. with cloud service providers. ISO 27018 certification obtained for cloud security.

**5.3 Product Implementation Risk**

Delays, errors or omissions in implementations could hamper our delivery capabilities leading to multiple risks such as delay in collections, violation of contractual commitments, fines / penalties and damages to Brand image. The risk is mitigated through delivery excellence processes & continuous monitoring & reporting of implementations through use of various tools. Further, Company adequately insures itself for any liabilities arising on account of errors & omissions or any delays.

**5.4 Defects or Security Vulnerability Risk**

Inability to identify or detect defects or security vulnerabilities in the Intellect's existing or new products either at development stage or subsequently in the various versions or enhancements of the products. Inability to meet the customer expectations in its entirety regarding the timeliness and the quality of the defect resolution process. This may result in refunds, damage claims, termination of existing arrangements, product replacement or negative publicity impacting future demand proposition of the product, increased costs (service, maintenance & warranty cost etc.)

Intellect has a comprehensive Delivery Excellence framework and Quality Management process in place as part of the software development lifecycle. Moreover, extensive testing is performed to identify and resolve any issues which may adversely affect the functionality, security and other performance of the products and offerings.

**5.5 Compliance Risk**

Inadequate or non compliances to the material laws & regulations applicable in the respective countries having business presence may lead to fines / penalties / closure of the offices resulting in revenue loss. The Company Secretarial team monitors the secretarial & compliance related activities. Country specific statutory compliance requirements of our Overseas Subsidiaries is regularly monitored and reported. The subsidiary compliance is ensured periodically under various jurisdictions.

**5.6 Legal Risk:**

Intellect operates in multiple jurisdictions and therefore is subject to different regulations. Any legal proceedings in geography are likely to have uncertain outcomes resulting in damages or injunctive measures that could hinder Intellect's ability to conduct business in these geographies. Monetary risks and other risks impacting the company's financial condition and reputation are balanced off through the contract review processes. The Company has a dedicated legal team which works closely with the business and other stakeholders (through business) to ascertain the scope and risks of the deal.

**5.7 Business Continuity Risk:**

In light of recent pandemic scenario arising on account of Covid19, the significance of business continuity is of paramount importance. The Business continuity plans for people, processes & technology if not robust or inadequate may create challenges to manage unforeseen crisis or events such as natural or man made calamities / disasters and may disrupt the business performance. The risk is managed by designing appropriate recovery strategies / business continuity plans. Intellect has an established enterprise Business Continuity management framework and project level BCPs. Contract clauses provide protection for Force Majeure incidents. Dedicated teams monitor the adequacy of the business continuity arrangements. Periodic testing and simulations carried out on an annual basis.

**5.8 Fraud Risk:**

Mechanisms to prevent, detect, measure, monitor and report the potential collusion touch points, fraud events or criminal hackings if not robust may result in revenue leakage, financial losses or the reputation damage for the Company. To mitigate the risk, potential fraud areas are assessed as part of regular audit programmes including performance of Vulnerability and Penetration testing across product release. Risks associated with potential fraud for identified design gaps are reported to the Internal Audit Committee with suitable action plans. Further, Crime insurance cover is obtained to safeguard against any direct financial loss arising out of fraudulent activities by associates.

**5.9 New Country Entry Risk:**

Failure to effectively study, evaluate, identify, analyse and address the country specific risks at the time of entry into a particular geography could adversely affect long term interests of the organisation. Any new business opportunity in a new country is subject to a Country Risk Assessment which helps in developing a robust knowledge platform and also to understand the local conditions and business culture at the early stages of the business and design adequate risk mitigation measures to facilitate business in new countries.

**FINANCIAL CAPITAL**

**6.1 Market Risk (arising from Foreign Exchange / Currency Fluctuations)**

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.

**6.2 Larger Order to Cash Cycle and Liquidity Risk**

Our customers 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, delays in conversion of REB into invoicing or recovery of the billed invoices from the clients / customers may result in strain over the company to meet their working capital requirements, recurring, fixed & direct costs which may require increased borrowings, finance charges and thereby impact the Company's profitability. The risk is mitigated by arrangement of required credit lines through various Banks, regular monitoring of ageing of receivables / REB balances by the management and robust recovery & follow-ups mechanisms with clients / customers.

The Company has identified Liquidity Risk as an area to monitor. The Finance organisation headed by the CFO monitors the liquidity position consisting of cash and near cash instruments on a continuous basis.

**6.3 Financial Reporting Risk - 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. Key internal controls over financial reporting if not designed, identified and operate effectively may result in mis-statements going unnoticed and impact the true and fair view of the financial / operational results of the Company. To comply with this, the company assesses the existing control environment through regular internal and statutory audits and ensures that the requirements are complied.

**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 unauthorised data or information being lost or compromised.
3. Crime Insurance - To safeguard against any direct financial loss of property, money or securities arising out 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 organisation 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.

**24. Corporate Social Responsibility**

The Company has formed Corporate Social Responsibility Committee on October 15, 2014 and reconstituted on July 24, 2019 and August 05, 2020. Following are the members of the Committee:

a) Mr. Anil Kumar Verma - Chairman

b) Mr. Abhay Anant Gupte - Member

c) Mr. Arun Jain - Member

As per Section 135 of the Companies Act, 2013, a company meeting the applicability threshold, needs to spend at least 2% of its average net profits for the immediately preceding three financial years on CSR activities. The details of the policy developed and implemented by the Company is given as a part of Annual Report on CSR as Annexure 7.

**25. Secretarial Standards**

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

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively

**26. 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 2022-23:

a) No. of Complaints filed during the year: 01

b) No. of Complaints disposed during the year: Nil*

c) No. of Complaints pending as at end of the financial year: 01

*The Complaint was resolved after the financial year ended March 31, 2023

**27. Listing Fees**

The Company confirms that it has paid the annual listing fees for the year 2022-23 to both the National Stock Exchange of India Limited and BSE Limited.

**28. 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. Your Directors would also like to appreciate the achievements of the Corporate Security Group for ISO 27001, ISO 27017, ISO 27018 Certifications on Information Security Management System, Cloud Security Controls and Cloud Privacy respectively. Your Directors would also like to appreciate the achievements of the Administration Team for ISO 14001 Certification on Environment Management System.

**29. Insolvency and Bankruptcy Code, 2016 (31 of 2016)**

There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.

**30. General**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/events on these items during the year under review:

i. Issue of Equity Shares with differential rights as to Dividend, voting or otherwise.
ii. Issue of Sweat Equity Shares to employees of the Company under any scheme.

Difference between amount of valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

**31. 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 and all other stakeholders 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 11, 2023

**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 March 31, 2023

**PART ''A'' : Subsidiaries**

| 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 | Profit after Tax | Other Comprehensive income | Total Comprehensive income | Proposed Dividend | % of Holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Intellect Design Arena Pte Ltd, Singapore (+) | April-March | SGD | 61.79 | 592.59 | 486.20 | 1,669.45 | 590.66 | - | 719.16 | 99.58 | 25.83 | 73.76 | 18.76 | 92.52 | Nil | 100.00% |
| 2 | Intellect Design Arena Limited., United Kingdom (+) | April-March | GBP | 101.65 | 61.75 | 2,254.05 | 4,810.92 | 2,495.12 | - | 5,997.45 | 687.51 | 127.56 | 559.95 | 46.23 | 606.18 | Nil | 100.00% |
| 3 | Intellect Design Arena SA, Switzerland (+) | April-March | CHF | 89.58 | 11.28 | 592.63 | 245.40 | (358.51) | - | 189.03 | 21.18 | 5.37 | 15.81 | 51.37 | 67.18 | Nil | 100.00% |
| 4 | Intellect Design Arena, PT Indonesia** | April-March | IDR | 0.0055 | 14.51 | (12.47) | 176.18 | 174.14 | - | 45.61 | 4.76 | 0.26 | 4.50 | 0.03 | 4.53 | Nil | 100.00% |
| 5 | Intellect Design Arena Limitada, Chile* | January - December | CLP | 0.10 | 0.50 | (68.34) | 131.49 | 199.32 | - | 273.75 | 26.34 | - | 26.34 | 1.16 | 27.50 | Nil | 100.00% |
| 6 | Intellect Design Arena Inc., US** | April-March | USD | 82.17 | 771.85 | (437.85) | 1,603.48 | 1,269.48 | - | 1,200.77 | 118.44 | 19.21 | 99.23 | 3.21 | 102.44 | Nil | 100.00% |
| 7 | Intellect Commerce Ltd, India<br>(Formerly Known as Polaris Enterprise Solutions Ltd) (+) | April-March | INR | 1.00 | 90.00 | (19.84) | 102.62 | 32.46 | - | 77.17 | 29.60 | 7.45 | 22.15 | (0.50) | 21.65 | Nil | 100.00% |
| 8 | Intellect Design Arena Co. Ltd, Vietnam (+) | April-March | VND | 0.0035 | 2.25 | 43.52 | 477.37 | 431.61 | - | 108.83 | 0.98 | 0.16 | 0.82 | 4.60 | 5.43 | Nil | 100.00% |
| 9 | Intellect Design Arena FZ LLC, Dubai (+) | April-March | AED | 22.37 | 20.37 | 1,337.46 | 2,117.21 | 759.38 | - | 1,873.70 | 268.75 | - | 268.75 | 105.79 | 374.55 | Nil | 100.00% |
| 10 | Intellect Design Arena Philippines, INC ** | April-March | PHP | 1.51 | 27.61 | (93.15) | 368.40 | 433.95 | - | 301.48 | 38.19 | (0.03) | 38.22 | (1.09) | 37.13 | Nil | 100.00% |
| 11 | Sonali Intellect Limited, Bangladesh (+) | April-March | BDT | 0.78 | 46.82 | 192.63 | 259.87 | 20.42 | - | 144.92 | 27.90 | - | 27.90 | (36.44) | (8.53) | Nil | 51.00% |
| 12 | SEEC Technologies Asia Private Limited, India*** | April-March | INR | 1.00 | 34.99 | 197.83 | 347.28 | 114.47 | - | 110.11 | 10.08 | 2.85 | 7.22 | - | 7.22 | Nil | 100.00% |
| 13 | Intellect Design Arena Inc., Canada* | April-March | CAD | 60.67 | 57.28 | 71.75 | 729.17 | 600.14 | - | 1,549.55 | 161.50 | 40.65 | 120.85 | (5.58) | 115.27 | Nil | 100.00% |
| 14 | Intellect Design Arena, SDN BHD, Malaysia** | April-March | MYR | 18.62 | 7.71 | 111.37 | 291.65 | 172.57 | - | 211.58 | 30.56 | 9.76 | 20.81 | 3.80 | 24.61 | Nil | 100.00% |
| 15 | Intellect Payments Limited, India (+) | April-March | INR | 1.00 | 50.50 | 18.68 | 174.34 | 105.16 | - | 193.34 | 10.96 | 2.82 | 8.13 | - | 8.13 | Nil | 100.00% |
| 16 | Intellect India Limited, India (+) | April-March | INR | 1.00 | 2.50 | (1.41) | 1.21 | 0.13 | - | - | (0.31) | - | (0.31) | - | (0.31) | Nil | 100.00% |
| 17 | Intellect Design Arena Pty Limited, Australia** | April-March | AUD | 55.03 | 5.10 | 84.95 | 158.02 | 67.97 | - | 153.20 | 25.85 | 7.55 | 18.30 | (3.88) | 14.42 | Nil | 100.00% |
| 18 | Intellect Design Arena Limited, Thailand** | April-March | THB | 2.40 | 45.93 | 66.74 | 337.15 | 224.48 | - | 104.20 | 10.03 | 2.09 | 7.94 | 5.88 | 13.82 | Nil | 100.00% |
| 19 | Intellect Design Arena Limited, Kenya (+) | April-March | KES | 0.62 | 13.20 | (4.71) | 120.98 | 112.50 | - | 74.12 | 9.72 | 1.49 | 8.23 | (0.82) | 7.41 | Nil | 100.00% |
| 20 | Intellect Design Arena GMBH, Germany (+) | April-March | EUR | 89.44 | 2.16 | 90.45 | 396.31 | 303.71 | - | 187.85 | 36.16 | 12.17 | 23.99 | 6.96 | 30.95 | Nil | 100.00% |
| 21 | Intellect Polaris Design LLC, USA (+) | April-March | USD | 82.17 | 171.96 | (19.11) | 155.06 | 2.21 | - | - | (6.04) | 0.06 | (6.11) | 12.22 | 6.12 | Nil | 100.00% |
| 22. | Intellect Design Arena (Mauritius) Ltd, Mauritius**** | April-March | MUR | 1.85 | 7.58 | 11.58 | 56.39 | 37.23 | - | 91.49 | 12.73 | 2.09 | 10.64 | 0.94 | 11.58 | Nil | 100.00% |

Table No. 1.4

Notes:

1. 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 March 31, 2023
2. *Subsidiaries of Intellect Design Arena Limited, UK
3. ** Subsidiaries of Intellect Design Arena Pte Ltd, Singapore
4. *** Subsidiaries of Intellect Design Arena Inc, USA
5. **** Subsidiaries of Intellect Design Arena FZ LLC, Dubai
6. Investment includes investments made in step down subsidiaries
7. Information provided above is based on the IND AS of the Subsidiaries for the financial year ended March 31, 2023
8. (+) Direct Subsidiaries of Intellect Design Arena Ltd

## Annexure 1
**Part "B": Associates**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies**

In Rs. Million

| S. No. | Name of Associates | Adrenalin eSystems Limited | NMS Works Software Private Limited |
|---|---|---|---|
| 1. | Latest audited Balance Sheet Date | March 31, 2023 | March 31, 2023 |
| 2. | Shares of Associates held by the company on the year end | | |
| | Number of shares | 2,94,85,502 | 11,04,870 |
| | Amount of Investment in Associates | 109 | 433 |
| | Extent of Holding % | 44.54% | 42.74% |
| 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 NMS Works Software Private Limited as per Section 2(6) of the Companies Act, 2013 and comes under the definition of Associate Company. |
| 4. | Reason why the associate is not consolidated | 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 | 109 | 433 |
| 6. | Total comprehensive (loss)/income for the year | (92) | 137 |
| i. | Considered in Consolidation | (41) | 59 |
| ii. | Not Considered in Consolidation | (51) | 78 |

Table No. 1.5

1. Names of associates which are yet to commence operations - Nil
2. Names of associates 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
Membership No.: 049050

**V.V. Naresh**
Company Secretary & Compliance Officer
Membership No.: F8248

Place: Chennai
Date: May 11, 2023

**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 January 29, 2015, ISOP 2016 which was approved by the members in the meeting held on 21st July, 2016 and Intellect Incentive plan scheme 2018 which was approved by the members in the meeting held on August 23, 2018. At the 9th AGM held on August 21, 2020, the Shareholders approved to include RSU's (Restrictive Stock Units) in ISOP 2015 and ISOP 2016 Scheme.

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
https://www.intellectdesign.com/investor-relations/

**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, read with Rule 8 of the Companies (Accounts) Rules, 2014]

**Conservation of energy:**

The steps taken / impact on conservation of energy:

1. We are continuing to optimise the usage of Chillers / Split /Package AC set point to maintain condition space temperature at 24 degrees Centigrade.
2. We switch off the lights through Manual Control Board, thus conserving energy.
3. Auto shut down of systems to reduce UPS power consumption.
4. Effective savings achieved in Group captive power.
5. All motors in HVAC system run through VFD to reduce power consumption.
6. Operating the passenger lifts based on usage.
7. We have installed electric vehicle (2 W / 4 W ) charging station in campus to promote electric vehicle usage and CO2 emission reduction
8. Converting CFL lights with Energy efficient LED lights, resulted in power consumption reduction
9. In 2022-23 – 61.07% of total energy consumption was generated through Wind Energy (through Group Captive Power).
10. During monsoon rains we have harvested 110 Kilolitres of rain water through harvesting system, and the same used for utility purpose.

**Foreign exchange earnings and Outgo :–**

In Rs. Million

| Particulars | 2022-23 | 2021-22 |
|---|---|---|
| Foreign exchange earnings | 8,923 | 7,607 |

Table No. 1.6

In Rs. Million

| Particulars | 2022-23 | 2021-22 |
|---|---|---|
| Foreign exchange outgo | 648.78 | 1,018 |

Table No.1.7

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

Place: Chennai
Date: May 11,2023

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

**ANNEXURE 4**

**Details of ratio of remuneration to Directors & KMP**

**[Section 197(12), read with Rule 5 (1) 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; | **Name of the Director** | **Ratio to the Median** |
| | Mr. Anil Kumar Verma, Executive Director | 17.10 times |
| (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; | **Name of the Director/KMP ANNEXURE 4**<br>**Details of ratio of remuneration to Directors & KMP**<br>**[Section 197(12), read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014]** | **% increase** |
| | Mr. Arun Jain, Chairman & Managing Director | NIL |
| | Mr. Anil Kumar Verma, Executive Director | NIL |
| | Mr. Venkateswarlu Saranu, Chief Financial Officer | 4.72% |
| | Mr. V V Naresh, Company Secretary & Compliance Officer | 8.89% |
| (iii) the percentage increase in the median remuneration of employees in the financial year; | 4.86 % | |
| (iv) the number of permanent employees on the rolls of company; | 5,699 (excluding 1 Managing Director and 1 Whole-time Director) | |
| (v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year | Average Increase – 12.45 % | |

| | |
|---|---|
| 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; | Key Managerial Personnel :<br>Company Secretary – 8.89 %<br>Chief Financial Officer – 4.72% |
| (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

**ANNEXURE 5**

**Form AOC-2**

**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 contracts or arrangement or transactions at arm's length basis** In Rs. Million

| NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP | Intellect Design Arena Pte Ltd, Singapore ('Intellect Singapore') | Intellect Design Arena Inc. ('Intellect Canada') | Intellect Design Arena Inc, USA ('Intellect Inc. – SEEC US') | Intellect Design Arena Limited, United Kingdom ('Intellect UK') | Intellect Design Arena SA, Switzerland ('Intellect Switzerland') |
|---|---|---|---|---|---|
| **Nature of contracts / arrangements / transactions** | Advances given<br>Software development service income<br>Reimbursement of expenses by the company<br>Reimbursement of expenses to the company<br>Trade receivables<br>Loans and advances<br>Trade Payable | Advances Given<br>Software development service income<br>Reimbursement of expenses by the company<br>Reimbursement of expenses to the company<br>Revenue accrued but not billed<br>Other current liabilities | Software development service income<br>Reimbursement of expenses by the company<br>Reimbursement of expenses to the company<br>Trade receivables<br>Advance Given<br>Revenue accrued but not billed<br>Trade Payable<br>Other current liabilities | Advances Given<br>Software development service income<br>Reimbursement of expenses by the company<br>Reimbursement of expenses to the company<br>Trade receivables<br>Revenue accrued but not billed<br>Loans and advances<br>Other current liabilities | Advances Given<br>Software development service income<br>Reimbursement of expenses by the company<br>Reimbursement of expenses to the company<br>Revenue accrued but not billed<br>Other current Liabilities |
| **Duration of the contracts / arrangements / transactions** | The Contract will continue till any party terminates the contract | | | | |
| **Salient terms of the contracts or arrangements or transactions including the value, if any** | 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 May 05, 2022 | | | | |
| **Date of approval by the Board, if any** | May 05, 2022 | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **Amount paid as advances, if any** | Advances given 0.17<br>Software development service income 281.48<br>Reimbursement of expenses by the company 2.30<br>Reimbursement of expenses to the company 8.96<br>Trade receivables 327.28<br>Loans and advances 51.33<br>Trade Payable 124.46 | Advances Given 0.88<br>Software development service income 656.22<br>Reimbursement of expenses by the company 9.84<br>Reimbursement of expenses to the company 9.32<br>Revenue accrued but not billed 262.16<br>Other current liabilities 141.56 | Software development service income 373.85<br>Reimbursement of expenses by the company 8.00<br>Reimbursement of expenses to the company 12.47<br>Trade receivables 880.86<br>Advance Given 0.43<br>Revenue accrued but not billed 81.62<br>Trade Payable 152.42<br>Other current liabilities 289.48 | Advances Given 7.93<br>Software development service income 2,979.72<br>Reimbursement of expenses by the company 82.52<br>Reimbursement of expenses to the company 128.19<br>Trade receivables 641.54<br>Revenue accrued but not billed 818.51<br>Loans and advances 94.23<br>Other current liabilities 4.32 | Advances Given 0.80<br>Software development service income 97.35<br>Reimbursement of expenses by the company 0.43<br>Reimbursement of expenses to the company 1.96<br>Revenue accrued but not billed 28.44<br>Other current Liabilities 415.96 |

In Rs. Million

| **NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP** | **Intellect Design Arena Pty Ltd. ('Intellect Australia')** | **Intellect Design Arena FZ-LLC, Dubai ('Intellect Dubai')** | **Intellect Design Arena, PT Indonesia ('Intellect Indonesia')** | **Intellect Design Arena Limited GmBH, (Intellect GmBH)** | **Sonali Intellect Ltd, Bangladesh** |
|---|---|---|---|---|---|
| **Nature of contracts / arrangements / transactions** | Software development service income<br>Reimbursement of expenses by the company<br>Reimbursement of expenses to the company<br>Revenue accrued but not billed<br>Other current liabilities | Advances Given<br>Software development service income<br>Reimbursement of expenses by the company<br>Reimbursement of expenses to the company<br>Revenue accrued but not billed<br>Trade Payable<br>Other current liabilities | Software development service income<br>Software development expenses / (recoveries)<br>Trade receivables<br>Loans and advances<br>Trade payables | Software development service income<br>Software development expenses /(recoveries)<br>Trade receivables<br>Other Current Liabilities<br>Reimbursement of expenses by the company<br>Reimbursement of expenses to the Company<br>Trade payables | Trade receivables |
| **Duration of the contracts / arrangements / transactions** | The Contract will continue till any party terminates the contract | | | | |
| **Salient terms of the contracts or arrangements or transactions including the value, if any** | 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 May 05, 2022 | | | | |
| **Date of approval by the Board, if any** | May 05, 2022 | | | | |
| **Amount paid as advances, if any** | Software development service income 73.21<br>Reimbursement of expenses by the company 2.22<br>Reimbursement of expenses to the company 2.65<br>Revenue accrued but not billed 20.06<br>Other current liabilities 24.83 | Advances Given 0.35<br>Software development service income 563.71<br>Reimbursement of expenses by the company 316.88<br>Reimbursement of expenses to the company 13.16<br>Revenue accrued but not billed 309.30<br>Trade Payable 106.83<br>Other current liabilities 833.08 | Software development service income 0.18<br>Software development expenses / (recoveries) 14.10<br>Trade receivables 121.30<br>Loans and advances 0.23<br>Trade payables 14.45 | Software development service income 39.27<br>Software development expenses /(recoveries) 9.57<br>Trade receivables 164.29<br>Other Current Liabilities 1.92<br>Reimbursement of expenses by the company 2.76<br>Reimbursement of expenses to the Company 3.49<br>Trade payables 9.64 | Trade receivables 13.86 |

In Rs. Million

| NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP | Intellect Design Arena Limited. ('Intellect Thailand') | Intellect Design Arena Philippines Inc.(' Intellect Philippines') | Intellect Design Arena, SDN BHD.('Intellect Malaysia') | Intellect Design Arena (Mauritius) Limited ('Intellect Mauritius') |
|---|---|---|---|---|
| **Nature of contracts / arrangements / transactions** | Software development service income<br>Software Development expenses/(recoveries)<br>Reimbursement of expenses by the company<br>'Reimbursement of expenses to the Company<br>Trade receivables<br>Loans and advances<br>Trade Payable | Software development service income<br>Trade receivables<br>Revenue accrued but not billed<br>Trade Payable<br>Other current liabilities | Advances given<br>Software development service income<br>Reimbursement of expenses by the company<br>'Reimbursement of expenses to the Company<br>Trade receivables<br>Revenue accrued but not billed<br>Loans and advances | Software development service income<br>Software Development expenses/(recoveries)<br>Trade receivables<br>Trade Payable |
| **Duration of the contracts / arrangements / transactions** | The Contract will continue till any party terminates the contract | | | |
| **Salient terms of the contracts or arrangements or transactions including the value, if any** | 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 May 05, 2022 | | | |
| **Date of approval by the Board, if any** | May 05, 2022 | | | |
| **Amount paid as advances, if any** | Software development service income 6.71<br>Software Development expenses/(recoveries) 25.18<br>Reimbursement of expenses by the company 3.25<br>'Reimbursement of expenses to the Company 1.04<br>Trade receivables 80.55<br>Loans and advances 7.18<br>Trade Payable 112.50 | Software development service income 156.83<br>Trade receivables 143.74<br>Revenue accrued but not billed 91.89<br>Trade Payable 19.03<br>Other current liabilities 1.32 | Advances given 0.34<br>Software development service income 125.84<br>Reimbursement of expenses by the company 0.98<br>'Reimbursement of expenses to the Company 2.62<br>Trade receivables 75.99<br>Revenue accrued but not billed 22.97<br>Loans and advances 18.68 | Software development service income 37.79<br>Software Development expenses/(recoveries) 31.37<br>Trade receivables 3.35<br>Trade Payable 41.15 |

In Rs. Million

| NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP | Intellect Design Arena Limited ('Intellect Kenya') | Intellect Commerce Limited, India ('Intellect Commerce') | Intellect Design Arena Co. Ltd, Vietnam ('Intellect Vietnam') | Intellect Payments Limited ('Intellect Payments') | Intellect Design Arena Limitada, Chile ('Intellect Chile') |
|---|---|---|---|---|---|
| **Nature of contracts / arrangements / transactions** | Software development service income<br>Software development expenses / (recoveries)<br>Trade Receivables<br>Trade Payables<br>Loans and advances | Reimbursement of expenses by the company<br>Reimbursement of expenses to the company<br>Loans and Advances | Advances given<br>Software Development expenses/(recoveries)<br>Reimbursement of expenses by the Company<br>Trade receivables<br>Trade Payable<br>Other current liabilities | Software Development expenses/(recoveries)<br>Reimbursement of expenses to the company<br>'Purchase of Intangible (Software)<br>Other - Receivables (Prepaid)<br>Trade Payable | Reimbursement of expenses to the Company |
| **Duration of the contracts / arrangements / transactions** | The Contract will continue till any party terminate the contract | | | | |
| **Salient terms of the contracts or arrangements or transactions including the value, if any** | 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 May 05, 2022 | | | | |
| **Date of approval by the Board, if any** | May 05, 2022 | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **Amount paid as advances, if any** | Software development service income 12.14<br>Software development expenses / (recoveries) 9.05<br>Trade receivables 54.76<br>Trade Payable 67.66<br>Loans and advances 16.43 | Reimbursement of expenses by the company 0.73<br>Reimbursement of expenses to the company 1.81<br>Loans and Advances 1.28 | Advances given 0.16<br>Software Development expenses/(recoveries) 108.83<br>Reimbursement of expenses by the Company 0.01<br>Trade receivables 115.94<br>Trade Payable 423.94<br>Other current liabilities 10.97 | Software Development expenses/(recoveries) 23.49<br>Reimbursement of expenses to the company 16.19<br>'Purchase of Intangible (Software) 141.94<br>Other - Receivables (Prepaid)- 18.61<br>Trade Payable 119.70 | Reimbursement of expenses to the Company 0.69 |

In Rs. Million

| NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP | Polaris Banyan Holding Private Limited | Adrenalin eSystems Limited, India ('Adrenalin eSystems') | School of Design Thinking Private Ltd | Intellect Design Gratuity Trust |
|---|---|---|---|---|
| **Nature of contracts / arrangements / transactions** | Rental Expenses<br>Security deposit against rental premises | Software Development Expenses<br>Reimbursement of Expenses to the company<br>Short Term Loans and Advances<br>Trade Payable Others | Rental income | Contribution to gratuity |
| **Duration of the contracts / arrangements / transactions** | The Contract will continue till any party terminates the contract | | | |
| **Salient terms of the contracts or arrangements or transactions including the value, if any** | 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 May 05, 2022 | | | |
| **Date of approval by the Board, if any** | May 05, 2022 | | | |
| **Amount paid as advances, if any** | Rental Expenses 5.28<br>Security deposit against rental premises 2.94 | Software Development Expenses 11.18<br>Reimbursement of Expenses to the company 19.81<br>Short Term Loans and Advances 54.05<br>Trade Payable Others 13.96 | Rental income-0.10 | Contribution to gratuity- 31.99 |

Table No. 1.10

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

Place: Chennai
Date : May 11, 2023

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

**ANNEXURE 6**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31.03.2023**

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

**To,**
**The Members of**
**INTELLECT DESIGN ARENA LIMITED**
**CIN: L72900TN2011PLC080183**
**No.244 ANNA SALAI**
**CHENNAI-600006**

**Dear Members,**

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, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31stMarch, 2023 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, minutes, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act 2013 (The Act) and the rules made there under issued by the Ministry of Corporate Affairs from time to time;
(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under to the extent applicable;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent applicable;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) as amended:-

  a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (SEBI LODR)subject to the observations made elsewhere in the report.
  b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 subject to the observations made elsewhere in the report.
  d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  f) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
  g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (was not applicable to the company during the period under review)
  h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (was not applicable to the company during the period under review)
  i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; (was not applicable to the Company during the period under review)
  j) The Securities and Exchange Board of India (Buyback of Securities), Regulations,2018 (was not applicable to the company during the period under review)
  k) The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012

(vi) The Following Industry Specific Laws:
  a) Information Technology Act, 2000
  b) Policy Relating to Software Technology Parks of India and its regulations
  c) The Patents Act, 1970

d) Trade marks Act, 1999
e) The Design Act, 2000
f) E-Waste Management Rules, 2016

We further report that based on the information received, explanations given, process explained, records maintained and statutory compliance reports submitted to the Board on quarterly basis, 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 labour laws, Goods and Service Tax laws and other applicable Laws, rules, regulations and guidelines framed by the statutory authorities from time to time. The Company is regular in making statutory payments and there have been no prosecution or notices issued to the Company or its officers.

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

(i) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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

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 including Woman independent director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and SEBI LODR.

Adequate notice is given to all directors to schedule the Board and committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance and wherever there is a delay in sending the notice we were informed that all the directors have consented to the shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The company has complied with the requirements of Video Conferencing Facility wherever applicable.

All decisions were taken unanimously at the Board and Committee meetings and with requisite majority at the Annual General meeting. There was no Extra-ordinary General Meeting convened during the period under review.

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–

1. The Company in its 11th Annual General meeting held on July 29, 2022:

   a) Approved the appointment of Mr. Ambrish Pandey Jain (DIN-07068438) as an Independent Director for a period of 5 years with effect from May 5, 2022 to May 4, 2027 through special resolution.
   b) Declared a final dividend of Rs 2.50/- per equity share for the financial year ended March 31, 2022 as recommended by the Board and Audit committee.

2. The Company allotted 11,68,961 equity shares of Rs.5 each as detailed hereunder:

   a) 25,140 equity shares of Rs.5 each under Associate Stock Option Plan (ASOP),2011;
   b) 2,38,842 equity shares of Rs.5 each under Intellect Stock Option Plan (ISOP),2015;
   c) 55,150 equity shares of Rs.5 each under Intellect Stock Option Plan (ISOP),2016 and
   d) 8,49,829 equity shares of Rs.5 each under Intellect incentive Plan Scheme(IIPS),2018.

3. The Company granted 10,67,385 options under various stock option schemes/plans.
4. The Company in its Board meeting held on December 29, 2022 has accorded approval

   a) To the proposal for investment up to USD 1 million by setting up a Wholly Owned Subsidiary in the Kingdom of Saudi Arabia and also granted the powers to the Managing Director and Chief Financial Officer of the Company to make additional investments up to a maximum of USD 5 million.
   b) The revision in remuneration payable to Mr. Anil Kumar Verma (DIN: 01957168) as a Whole-time Director during his tenure from November 01, 2022 to January 31, 2026.

We further observed that during the audit period:

That the Company has engaged the services of a practising company secretary to confirm compliance by the Company the requirement to maintain Structured Digital Data base in compliance with PIT regulations, for the quarter ended December 31, 2022 as mandated by the stock exchange requirements where the securities of the Company is listed and the following observations were made by the reporting professional and the report of practising company secretary was also filed with the stock exchanges within the prescribed time.

For the quarter ended December 31, 2022 the Company has not captured all events that were in the nature of UPSI. In addition, the Company has not maintained the date/events in a sequence. Besides, the details of all individuals involved in the UPSI events were not captured in the system.

There was a delay in intimating to the stock exchange the grant of options to the employees under the schemes in force.

Place: Chennai
Date: 05.04.2023

Signature:
**Name of Company Secretary in practice: CS Dr. B Ravi**
FCS No.: 1810 CP No.: 3318
MANAGING PARTNER
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400
Peer Review Certificate Number: 930/2020
UDIN: F001810E000016605

The Members of
INTELLECT DESIGN ARENA LIMITED
CIN: L72900TN2011PLC080183
No.244 ANNA SALAI, CHENNAI-600006

Dear Members,

Sub: Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management; our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai
Date: 05.04.2023

Signature:
**Name of Company Secretary in practice: CS Dr. B Ravi**
FCS No.: 1810 CP No.: 3318
MANAGING PARTNER
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400

**Annexure 7**

**REPORT ON CSR**

**1. Brief outline on CSR Policy of the Company**

Social Responsibility is deeply ingrained in the culture of your Company. We at Intellect engage with society beyond business as we believe that good business needs to create higher impact in building a better future for communities around the globe. Our theme is "IGNITE YOUNG MINDS" and "CAN DO" spirit across the country.

Your Company has always endeavoured to conduct its business responsibly, mindful of its social accountability, respecting applicable laws, regulations and with regard for human dignity.

Our corporate responsibility commitment is governed by the CSR policy. While pursuing our business, we operate in a manner that not just takes care of the interest of our shareholders, but also aim to minimise our impact on the environment through sustainable business practices. Our CSR strategy seeks to contribute to the social, economic and environmental development of communities.

Through our CSR activities, we commit to undertake, support and enhance the lives of marginalised sections of the society in one or more of the following focus areas: namely education, medical and healthcare facilities, livelihood and assistance to people with disabilities.

The CSR committee is entrusted with the responsibility for carrying out the CSR activity of the Company. Company spends, in every financial year at least two percent (2%) of the average net profits of the Company made during the three immediately preceding financial years. We positively impact and influence our associates and business partners in fostering a sense of social commitment for their stakeholders. The Company focuses mainly on the following thrust areas.

1. Education
2. Rural development projects
3. Any other activity as may be approved by the CSR committee on a case to case basis.

**2. Composition of CSR Committee:**

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mr. Anil Kumar Verma | Chairman, Whole Time Director | 2 | 2 |
| 2 | Mr. Arun Jain | Member, Managing Director | 2 | 2 |
| 3 | Mr. Abhay Anant Gupte | Member, Independent Director | 2 | 2 |

Table No. 1.11

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

   The composition of the CSR committee is available on our website, at https://www.intellectdesign.com/leadership/

   CSR policy - https://www.intellectdesign.com/investor/general/csr-policy.pdf

   CSR projects is available on the mentioned web link: https://www.intellectdesign.com/social-connect/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:- Not Applicable.

5. (a) Average net profit of the company as per sub-section (5) of section 135:- Rs. 1491.14 million

   (b) Two percent of average net profit of the company as per section 135(5):- Rs. 29.82 million

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.:- NIL

   (d) Amount required to be set off for the financial year, if any:- NIL

   (e) Total CSR obligation for the financial year:- Rs. 29.82 million

6. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project): Rs. 51.42 million

   (b) Amount spent in Administrative Overheads:- NIL

   (c) Amount spent on Impact Assessment, if applicable:- NA

   (d) Total amount spent for the Financial Year [(a) + (b) + (c)]:- 51.42 million

   (e) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135. | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount | Date of transfer |
| 51.42 million | NIL | NA | NIL | NIL | NA |

Table No. 1.12

(f) Excess amount for set-off, if any:

In Rs. Million

| Sl. No. | Particulars | Amount |
|---|---|---|
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | 29.82 |
| (ii) | Total amount spent for the Financial Year | 51.42 |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | 21.60 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | - |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 21.60 |

Table No. 1.13

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| Sl. No. | Preceding Financial Year(s). | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.) | Amount spent in the Financial Year (in Rs.). | Amount transferred to fund specified under Schedule VII as per second proviso to subsection (5) of section 135, if any. | | Amount remaining to be spent in succeeding Financial Years. (in Rs.) | Deficiency, if any |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount (in Rs). | Date of transfer. | | |
| NIL | | | | | | | | |

Table No. 1.14

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If Yes, enter the number of Capital assets created/ acquired – **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| Not Applicable | | | | | | | |

Table No. 1.15

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per subsection (5) of section 135.:- **Not Applicable**

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

**Mr. Anil Kumar Verma**
Chairman, Corporate Social Responsibility Committee
DIN: 01957168

*This page has been intentionally left blank*

# INTELLECT DESIGN ARENA LIMITED
# AUDITED CONSOLIDATED FINANCIAL STATEMENTS
# FOR THE YEAR ENDED MARCH 31, 2023

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

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Intellect Design Arena Limited

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated 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") and its associates comprising of the consolidated Balance sheet as at March 31 2023, 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 financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated 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 and its associates as at March 31, 2023, their consolidated profit including other comprehensive loss, 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 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 Financial Statements' section of our report. We are independent of the Group, associates 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 financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 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 financial statements. The results of 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 financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Accounting for revenue from Licenses and Services Contracts**<br><br>We focused on revenue from license and services contract because of its significance and its risks related to judgements involved in the measurement, timing and presentation/disclosure of revenue from operations.<br><br>The Group enters into contracts with its customers that may include multiple performance obligations. For these contracts, the Group assesses the performance obligations and accounts for those obligations separately if they are distinct. The identification and the allocation of the transaction price to the different performance obligations and the appropriateness of the basis used to measure revenue recognised at a point in time or over a period, require management to use significant judgement and estimates.<br><br>Refer note 3(H) to the consolidated financial statements. | Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:<br><br>a) 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.<br><br>b) For revenue from license contracts 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 contracts. For each of the sample selected, we performed the following:<br><br>• Read the customer contract and obtained evidence of license software delivery.<br>• 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 Group's revenue recognition policy.<br>• We performed cut off procedures by reference to the contract and evidence of delivery.<br><br>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.<br><br>• 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.<br><br>We performed other substantive transactional testing, journal entry testing and analytical procedures to validate the recognition of revenue throughout the year. |
| **Capitalization and valuation of Intangible Asset and Intangible asset under development** | Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| Intangible Asset and Intangible asset under development are deemed significant to our audit, as 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.<br><br>Refer note 3(K) and 3(O) to the consolidated financial statements. | a) 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.<br><br>b) We performed walkthroughs of Intangible assets/Intangible assets under development process and assessed the design effectiveness and operating effectiveness for key controls.<br><br>c) Performed tests of details on a sample of capitalized costs in the current year 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.<br><br>d) We evaluated the assumptions and methodology used by the Group to test the Intangible asset and Intangible asset under development for impairment.<br><br>e) We tested the amortisation charge and estimate of useful life of Intangible asset.<br><br>f) We assessed the disclosures made by the Group in this connection in the accompanying financial statements. |
| **Recoverability of accounts receivables and contract asset**<br><br>We focused on this risk as the balances are material and there are significant judgments involved in assessing recoverability of accounts receivables and contract asset balances.<br><br>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.<br><br>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.<br>Refer to note 3(T) of the consolidated financial statements. | Our audit approach was a combination of test of Internal controls and Substantive procedures which included the following:<br><br>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 reasons and summaries of discussions with customers and collection plans together with a detailed legal analysis where applicable.<br><br>b) 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.<br><br>c) In addition, we evaluated the recoverability of accounts receivable and contract asset selected balances (significant and randomly selected) through discussions with project managers and with senior management when necessary.<br><br>d) We assessed the disclosures made by the Group in this connection in the accompanying financial statements. |

**Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report & Management Discussion and Analysis, Report on Corporate Governance, General Shareholders Information and Business Responsibility and Sustainability Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 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 are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 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 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 are responsible for assessing the ability of their respective companies 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 are also responsible for overseeing the financial reporting process of their respective companies.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 with reference to financial statements 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 to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements 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 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 financial statements for the financial year ended March 31, 2023 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**

(a) 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 8,542.59 million as at March 31, 2023, and total revenues of Rs 7,122.86 million and net cash outflows of Rs 222.81 million 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. 15.45 million for the year ended March 31, 2023, as considered in the consolidated Ind AS financial statements, in respect of 2 associates, 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 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 and associates, is based solely on the report of such other auditors.

Our opinion above on the consolidated 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**

1. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

2. 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, and associates, 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 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 financial statements;

   (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies, none of the directors of the Group's companies and its associates, incorporated in India, is disqualified as on March 31, 2023 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 with reference to consolidated financial statements of the Holding Company and its subsidiary companies and associate companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2023 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. The provisions of section 197 read with Schedule V of the Act are not applicable to its subsidiaries incorporated in India for the year ended March 31, 2023;

(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 as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated financial statements - Refer note 35(iii) to the consolidated financial statements;

ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associates, incorporated in India during the year ended March 31, 2023.

iv. (a) The respective managements of the Holding Company, its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries or associates to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries or associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries or associates from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries or associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. Further, as stated in Note 13(i) to the consolidated financial statements, the Board of Directors of the Holding Company, have proposed final dividend for the year which is subject to the approval of the members at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. No dividend has been declared or paid during the year by subsidiary and associate companies, incorporated in India.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries and associate companies incorporated in India, hence reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Srinivas S**
Partner
Membership Number: 213722
UDIN: 23213722BGYZXV4111

Place of Signature: Chennai
Date: May 11, 2023

**ANNEXURE 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, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of Intellect Design Arena Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate 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, 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 Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to Consolidated Financial Statements 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, 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 with reference to these Consolidated Financial Statements**

A company's internal financial controls with reference to Consolidated Financial Statements 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 controls with reference to Consolidated Financial Statements 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, 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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements 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 and its associates companies which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

**Other Matters**

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

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Srinivas S**
Partner
Membership Number: 213722
UDIN: 23213722BGYZXV4111

Place of Signature: Chennai
Date: May 11, 2023

# Consolidated Balance Sheet

In Rs. Million

| Particulars | Note | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 4(a) | 1,505.10 | 1,489.54 |
| Capital work-in-progress | 4(b) | 45.89 | 43.40 |
| Investment property | 4(c) | 17.77 | 19.67 |
| Goodwill on consolidation | 4(d) | 330.21 | 304.57 |
| Other intangible assets | 4(d) | 2,778.97 | 2,307.16 |
| Intangible assets under development | 4(b) | 3,655.78 | 3,397.55 |
| Right-of-use assets | 5 | 312.11 | 229.43 |
| Investment in associates | 46 | 541.55 | 523.96 |
| Financial assets | | | |
| - Investments | 10(a) | 2,809.00 | 1,148.94 |
| - Trade receivables | 10(b) | 459.56 | 380.62 |
| - Loans and deposits | 6(a) | 107.34 | 95.97 |
| - Non-current bank balances | 6(b) | 1,393.76 | 362.95 |
| - Derivative instruments | 6(c) | - | 138.28 |
| Income tax assets (net) | 7 | 531.45 | 446.50 |
| Deferred tax assets (net) | 8 | 331.05 | 599.80 |
| Other non-current assets | 9 | 35.69 | 304.69 |
| **CURRENT ASSETS** | | | |
| Financial assets | | | |
| - Investments | 10(a) | 303.18 | 2,489.42 |
| - Trade receivables | 10(b) | 4,157.48 | 2,571.92 |
| - Cash and cash equivalents | 10(c) | 938.87 | 1,461.84 |
| - Bank balances other than cash and cash equivalents | 10(d) | 32.17 | 125.63 |
| - Loans and deposits | 10(e) | 10.05 | 29.49 |
| - Derivative instruments | 10(f) | - | 202.00 |
| - Other financial assets | 10(g) | 7,426.70 | 6,198.12 |
| Other current assets | 11 | 1,149.54 | 1,071.17 |
| **TOTAL** | | **28,873.22** | **25,942.62** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 12 | 678.61 | 672.77 |
| Other equity | 13 | 19,898.43 | 17,414.70 |
| Equity attributable to equity shareholders of the parent | | 20,577.04 | 18,087.47 |
| Non-controlling interest | 47 | 109.15 | 128.95 |
| **Total equity** | | **20,686.19** | **18,216.42** |
| **LIABILITIES** | | | |
| **NON-CURRENT LIABILITIES** | | | |
| Financial liabilities | | | |
| - Lease liabilities | 14 | 148.40 | 73.16 |
| - Derivative instruments | 15 | 19.24 | - |
| - Other long term liabilities | 16 | 9.73 | 6.00 |
| Deferred tax liabilities (net) | 17 | 6.22 | 10.68 |
| **CURRENT LIABILITIES** | | | |
| Financial liabilities | | | |
| - Borrowings | 18(a) | - | 8.40 |
| - Lease liabilities | 18(b) | 122.88 | 122.63 |
| - Trade payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises | 18(c) | 30.86 | - |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 18(c) | 2,715.79 | 2,567.58 |
| - Other financial liabilities | 18(d) | 1,522.89 | 1,268.37 |
| - Derivative instruments | 18(e) | 127.73 | - |
| Other current liabilities | 19 | 2,347.39 | 2,844.06 |
| Provisions | 20 | 981.72 | 720.63 |
| Current tax liabilities (net) | 21 | 154.18 | 104.69 |
| **TOTAL** | | **28,873.22** | **25,942.62** |

Table No. 2.1

Summary of significant accounting policies 3

The accompanying notes are an integral part of the consolidated 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 Srinivas S**
Partner
Membership No. 213722
Chennai
May 11, 2023

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

**Arun Shekhar Aran**
Independent Director
DIN : 00015335

**Venkateswarlu Saranu**
Chief Financial Officer

**V.V. Naresh**
Senior Vice President &
Company Secretary

## Consolidated Statement of Profit and Loss

In Rs. Million

| Particulars | Note | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 22 | 22,312.52 | 18,781.86 |
| Other income | 23 | 513.41 | 405.01 |
| **TOTAL INCOME** | | **22,825.93** | **19,186.87** |
| **EXPENSES** | | | |
| Employee benefits expense | 24 | 11,443.95 | 9,213.76 |
| Depreciation and amortisation expenses | 25 | 1,215.11 | 975.62 |
| Finance cost | 26 | 31.87 | 42.71 |
| Other expenses | 27 | 6,516.98 | 4,847.48 |
| **TOTAL EXPENSES** | | **19,207.91** | **15,079.57** |
| **PROFIT BEFORE SHARE OF PROFIT OF ASSOCIATES AND TAX** | | **3,618.02** | **4,107.30** |
| Share of profit of Associates | 46 | 15.45 | 24.53 |
| **PROFIT BEFORE TAX** | | **3,633.47** | **4,131.83** |
| **Income tax expense** | 28 | | |
| - Current tax | | 970.61 | 546.84 |
| - Adjustment of tax relating to earlier years | | - | (29.90) |
| - Deferred tax | | (23.08) | 110.47 |
| **PROFIT FOR THE YEAR** | | **2,685.94** | **3,504.42** |
| **OTHER COMPREHENSIVE INCOME** | 29 | | |
| **Items that will not be reclassified subsequently to profit or loss** | | | |
| Re-measurement (losses)/ gains on defined benefit plans | | (100.75) | 16.10 |
| **Items that will be reclassified subsequently to profit or loss** | | | |
| Exchange differences on translation of foreign operations | | 256.65 | (4.56) |
| Net movement on cash flow hedges | | (487.25) | 154.78 |
| **Other comprehensive (loss)/ income for the year, net of tax** | | **(331.35)** | **166.32** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **2,354.59** | **3,670.74** |
| **PROFIT FOR THE YEAR** | | **2,685.94** | **3,504.42** |
| Attributable to: | | | |
| Equity shareholders of the parent | | 2,672.27 | 3,490.82 |
| Non-controlling interest | | 13.67 | 13.60 |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **2,354.59** | **3,670.74** |
| Attributable to: | | | |
| Equity shareholders of the parent | | 2,358.77 | 3,653.53 |
| Non-controlling interest | | (4.18) | 17.21 |
| **EARNINGS PER SHARE** | 30 | | |
| Equity shares par value Rs. 5 each (March 31, 2022 - Rs. 5 each) | | | |
| Basic | | 19.90 | 26.25 |
| Diluted | | 19.23 | 25.14 |

Table No. 2.2

Summary of significant accounting policies 3
The accompanying notes are an integral part of the consolidated 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 Srinivas S**
Partner
Membership No. 213722
Chennai
May 11, 2023

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

**Arun Shekhar Aran**
Independent Director
DIN: 00015335

**Venkateswarlu Saranu**
Chief Financial Officer

**V.V. Naresh**
Senior Vice President &
Company Secretary

## Consolidated Statement of Changes in Equity

**a. Equity share capital:**

In Rs. Million

| Equity shares of Rs. 5 each issued, subscribed and fully paid | No. of shares | Amount |
|---|---|---|
| As at April 1, 2021 | 13,29,74,363 | 664.87 |
| Issue of shares | 15,79,251 | 7.90 |
| As at March 31, 2022 | 13,45,53,614 | 672.77 |
| Issue of shares | 11,68,961 | 5.84 |
| **As at March 31, 2023** | **13,57,22,575** | **678.61** |

Table No. 2.3

**a. Other equity**

**b(i) Movement for March 31, 2023**

In Rs. Million

| Particulars | Reserves and Surplus | | | | | Other comprehensive income | | Total |
|---|---|---|---|---|---|---|---|---|
| | Securities premium | Share based payment reserve | General reserve | Treasury shares | Retained earnings | Effective portion of cash flow hedge reserve | Foreign currency translation reserve | |
| **As at April 1, 2022** | **5,414.44** | **879.87** | **1,346.99** | **0.47** | **8,795.71** | **340.30** | **636.92** | **17,414.70** |
| Profit for the year | - | - | - | - | 2,672.27 | - | - | 2,672.27 |
| Re-measurement of the net defined benefit liability/asset, net of tax effect | - | - | - | - | (100.75) | - | - | (100.75) |
| Fair value movement in cash flow hedge | - | - | - | - | - | (487.25) | - | (487.25) |
| Movement in foreign currency translation reserve (FCTR) through OCI | - | - | - | - | - | - | 256.65 | 256.65 |
| Shares issued on exercise of employee stock options | 163.07 | (163.07) | - | - | - | - | - | - |
| Transferred from share based payment reserve on exercise of stock option | 28.89 | - | - | - | - | - | - | 28.89 |
| Stock compensation cost | - | 449.00 | - | - | - | - | - | 449.00 |
| Transfer on account of options not exercised and lapsed | - | (33.67) | 33.67 | - | - | - | - | - |
| Dividend paid | - | - | - | - | (335.11) | - | - | (335.11) |
| **As at March 31, 2023** | **5,606.40** | **1,132.13** | **1,380.66** | **0.47** | **11,032.15** | **(146.95)** | **893.57** | **19,898.43** |

Table No. 2.4

**b(ii) Movement for March 31, 2022**

In Rs. Million

| Particulars | Reserves and Surplus | | | | | Other comprehensive income | | Total |
|---|---|---|---|---|---|---|---|---|
| | Securities premium | Share based payment reserve | General reserve | Treasury shares | Retained earnings | Effective portion of cash flow hedge reserve | Foreign currency translation reserve | |
| **As at April 1, 2021** | **5,196.93** | **627.72** | **1,323.07** | **-** | **5,288.79** | **185.52** | **641.48** | **13,263.51** |
| Profit for the year | - | - | - | - | 3,490.82 | - | - | 3,490.82 |
| Remeasurement of the net defined benefit liability/asset, net of tax effect | - | - | - | - | 16.10 | - | - | 16.10 |
| Fair value movement in cash flow hedge | - | - | - | - | - | 154.78 | - | 154.78 |
| Movement in foreign currency translation reserve (FCTR) through OCI | - | - | - | - | - | - | (4.56) | (4.56) |
| Shares issued on exercise of employee stock options | 142.38 | (142.38) | - | - | - | - | - | - |
| Transferred from share based payment reserve on exercise of stock option | 75.13 | - | - | - | - | - | - | 75.13 |
| Stock compensation cost | - | 418.45 | - | - | - | - | - | 418.45 |
| Transfer on account of options not exercised and lapsed | - | (23.92) | 23.92 | - | - | - | - | - |
| Adjustment relating to Intellect Associates Benefit Trust | - | - | - | 0.47 | - | - | - | 0.47 |
| **As at March 31, 2022** | **5,414.44** | **879.87** | **1,346.99** | **0.47** | **8,795.71** | **340.30** | **636.92** | **17,414.70** |

Table No. 2.5

Summary of significant accounting policies 3

The accompanying notes are an integral part of the consolidated 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 Srinivas S**
Partner
Membership No. 213722
Chennai
May 11, 2023

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

**Arun Shekhar Aran**
Independent Director
DIN: 00015335

**Venkateswarlu Saranu**
Chief Financial Officer

**V.V. Naresh**
Senior Vice President &
Company Secretary

## Consolidated Statement of Cash flows

In Rs. Million

| Particulars | For the year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Profit before tax | 3,633.47 | 4,131.83 |
| **Adjustments to reconcile profit for the year to net cash flows** | | |
| Depreciation and amortisation expenses | 1,215.11 | 975.62 |
| Employee stock compensation cost | 449.00 | 418.45 |
| Employee benefits expense (Government Grant received) | - | (91.87) |
| Dividend income | (2.05) | (6.36) |
| Impairment allowance on financial instrument and contract asset | 343.76 | 87.83 |
| Exchange loss on translation of assets and liabilities, unrealised (net) | 79.36 | 61.75 |
| (Gain) on sale of current investments (net) | (27.04) | (19.56) |
| Fair value gain on financial instruments at fair value through profit or loss | (12.45) | (26.08) |
| Loss/ (gain) on disposal of property, plant and equipment (net) | 2.44 | (100.13) |
| Bad debts / advances written off | 17.21 | 322.35 |
| Finance cost | 31.86 | 42.71 |
| Interest income | (291.28) | (147.04) |
| Share of profit in Associates | (17.59) | (24.53) |
| **Operating Profit before working capital changes** | **5,421.80** | **5,624.97** |
| **Movement in working capital** | | |
| (Increase) in trade receivables | (1,714.50) | (1,422.71) |
| (Increase) in financial assets and other assets | (1,233.86) | (1,423.90) |
| (Decrease) / Increase in trade payables, other finance liabilities, other liabilities and provisions | (10.85) | 1,902.98 |
| **Cash flow from operations** | **2,462.59** | **4,681.34** |
| Income taxes paid (net of refunds) | (718.70) | (151.97) |
| **Net cash generated from operating activities (A)** | **1,743.89** | **4,529.37** |
| **B. CASH FLOW USED IN INVESTING ACTIVITIES** | | |
| Purchase of property, plant and equipment including intangible assets, changes in capital work in progress, capital advances and intangible assets under development | (1,658.80) | (1,292.21) |
| Proceeds from sale of property, plant and equipment | 1.79 | 106.14 |
| Proceeds from sale / (purchase) of current investments (net) | 567.70 | (2,623.40) |
| Deposit made during the year (net) | (937.36) | (282.45) |
| Interest received | 252.81 | 100.49 |
| **Net cash (used in) investing activities (B)** | **(1,773.86)** | **(3,991.43)** |
| **C. CASH FLOW USED IN FINANCING ACTIVITIES** | | |
| Proceeds from issue of shares on exercise of stock options | 5.84 | 7.90 |
| Proceeds from securities premium on exercise of stock options | 28.89 | 75.13 |
| Payment of principal portion of lease liabilities | (167.95) | (162.13) |
| (Repayment) of non- current finance liabilities - secured term loan | - | (74.82) |
| (Repayment) of current finance liabilities - unsecured borrowings | (8.40) | (334.88) |
| Interest paid | (3.07) | (24.03) |
| Dividend paid | (350.73) | (8.18) |
| **Net cash (used in) financing activities (C)** | **(495.42)** | **(521.01)** |
| **Net (decrease)/ increase in cash and cash equivalents (A+B+C)** | **(525.39)** | **16.93** |
| Cash and cash equivalents at the beginning of the year | 1,461.84 | 1,447.43 |
| Effect of exchange differences on cash and cash equivalents held in foreign currency | 2.42 | (2.52) |
| **Cash and cash equivalents at the end of the year** | **938.87** | **1,461.84** |
| **Cash and cash equivalents as per note 10 (c)** | **938.87** | **1,461.84** |

Table No. 2.6

| | | |
|---|---|---|
| **Non-cash financing activities** | | |
| Acquisition of Right-of-use assets | 238.04 | 24.07 |

As per our report of even date

Summary of significant accounting policies 3

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

**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 Srinivas S**
Partner
Membership No. 213722
Chennai
May 11, 2023

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

**Arun Shekhar Aran**
Independent Director
DIN : 00015335

**Venkateswarlu Saranu**
Chief Financial Officer

**V.V. Naresh**
Senior Vice President &
Company Secretary

# Notes to the Consolidated Financial Statements

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

**1. Corporate Information**

The consolidated financial statements comprise financial statements of Intellect Design Arena Limited ('Intellect', 'the Holding company' or 'the parent') having Company identification Number L72900TN2011PLC080183 and its subsidiaries (collectively, the Group) for the year ended March 31, 2023. The Holding 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 Holding company have been listed on the National Stock Exchange and Bombay Stock Exchange with effect from December 18, 2014. The registered office of the Holding company is located at 244, Anna Salai, Chennai-600 006.

The Group has a comprehensive portfolio of products across Global Consumer Banking, Global Transaction Banking and IntellectAI 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 11, 2023.

**2. Basis of preparation**

The consolidated financial statements ('CFS') of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

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 (the Holding Company's functional currency) and all values are rounded to the nearest million, except where otherwise indicated.

The consolidated financial statements have been prepared on a going concern basis.

**3. Summary of Significant Accounting Policies**

**A. Basis of consolidation**

Consolidated financial statements comprise the financial statements of the Holding company and its subsidiaries as at March 31, 2023. 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;
- The rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether 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 Holding company, i.e., year ending on March 31.

**Consolidation procedure**

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the Holding company's investment in each subsidiary and the Holding company'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 recognised 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.
- The carrying value of Goodwill arising on consolidation is tested for impairment, if there are any indicators for impairment and also tested at the end of each reporting period.

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 in 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:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised 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 liabilities assumed are recognised 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 recognised 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 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 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 recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised in profit or loss. An impairment loss recognised 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**

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.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate 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 Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, 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 are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals, or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate 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 recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Consolidated Statement of Profit and Loss. The financial statements of the associate 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. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of associates' in the Statement of Profit or Loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised 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 31. 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 the 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 realised 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 realised 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 realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**F. Foreign currency**

The functional currency of the Holding company is Indian National Rupee (INR) and the consolidated financial statements are presented in Rs. million. 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.

In relation to each of the entity in the Group, transactions in foreign currencies entered by each entity are accounted in their respective functional currencies 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 (other than the entity's functional currency) are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from either settlement of foreign currency denominated monetary asset and liabilities or on translation are recognised in the Consolidated Statement of Profit and Loss and reported within Exchange gains / (losses) on translation of assets and liabilities, net, except those arising from the qualifying cash flow hedges to the extent the hedge is effective, which are recognised in Other Comprehensive Income.

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.

**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 income or expenses are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI as 'Foreign currency translation reserve'. On disposal of a foreign operation, the component of OCI relating to that foreign operation is recognised 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.

Management determines the fair value of instruments, such as derivative instruments, unquoted financial assets measured at fair value or where fair value is required to be determined for disclosure purposes. In connection therewith external valuers are involved for valuation of assets, liabilities and contingent consideration, based on discretion of management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The management in conjunction with the Group's external valuers, compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purposes 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").

Revenue is recognised upon transfer of control of promised products or services to customers and is measured 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 recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as revenue accrued not billed. Maintenance revenue is recognised rateably over the term of the underlying maintenance arrangement.

Revenue from services performed on 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 recognised as per the percentage-of-completion method and to measure progress towards completion, uses either relevant input or output measures. For revenue recognised using output method, measures such as the achievement of any project milestones stipulated in the contract, or internal quality milestones are used to assess proportional performance. While using the input (cost expended) method to measure progress, management estimates total expected contract revenue and costs and reviews key factors in estimating the future costs to complete the contractual obligations. Management ensures that the input method is aligned to milestones and to the consideration recoverable. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

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.

Contractual arrangements with customers to deliver software products and related services generally have these elements of performance obligation: license, software development, implementation, customisation of license, and annual maintenance services. For allocating the transaction price, the Group measures the revenue in respect of each performance obligation at its relative standalone selling price where each element is considered as distinct performance obligation. 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.

Revenue from licenses where the customer obtains a “right to use” the licenses is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognised over the access period. Where the license is required to be substantially customised as part of the implementation service the entire arrangement fee for license and implementation is considered as a single performance obligation and the revenue is recognised using the percentage-of-completion method as the implementation is performed. 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 client training, support and other services arising due to the sale of software products is recognised as the performance obligations are satisfied.

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 Group assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Group does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.
The entity presents revenues net of indirect taxes in its Consolidated 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 recognised as at the end of the reporting period and an explanation as to when the entity expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised 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 revalidations and adjustment for revenue that has not materialised and adjustments for currency.

**Other Income**

***Interest 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 Consolidated Statement of Profit and Loss.

***Dividend income***

Dividend income is recognised 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/flats***

Profit on sale of land / flats 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 liabilities are recognised for all taxable temporary differences, except for taxable temporary differences associated with investments in subsidiaries and associates, 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 recognised in the profit or loss except to the extent it relates to items recognised directly in equity, in which case it is recognised in equity.

Minimum alternate tax ('MAT') paid in a year is charged to the profit or loss as current tax. The Group recognises 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 profit or 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 (PPE)**

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.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

**Depreciation**

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 management, based on technical assessment made by an expert, depreciates building over estimated useful life of 30 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

| Asset Category | Estimated Useful Life |
|---|---|
| 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 |

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

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

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 Group and the cost of the item can be measured reliably. Repairs and maintenance cost are recognised in net profit in the Consolidated 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 profit or loss. Asset held for disposal 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.

**Research and development costs**

Research costs are expensed as incurred. Development expenditure incurred on an individual new project is recognised 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.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under 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 completed, and the asset is ready for intended use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Profit or loss unless such expenditure forms part of carrying value of another asset.

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

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

The amortisation period and the amortisation method for computer software acquired separately 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.

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 Profit or loss when the asset is derecognised.

**L. Investment properties**

Investment property represents property held to earn rentals or for capital appreciation or both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Profit or loss as incurred.

Depreciation on building classified as Investment Property has been provided on the straight-line method over a period of 60 years as prescribed in Schedule II to the Companies Act, 2013.

Though the Group measures Investment Property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Profit or loss in the period of derecognition.

**M. 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.

**N. Leases**

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

**Group as lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**a. Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment. Right-of-use assets mainly consists of buildings, having a lease term of 2 to 5 years.

| Asset category | Estimated useful life |
| --- | --- |
| Building (office premises) | Over the lease period |
| Leasehold improvements | Over the lease period or 10 years, whichever is lower |
| Leasehold land | Over the tenure of the lease (99 years) |

**b. Lease Liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in financial liabilities (see Note 15 and 19(b)).

**c. Short-term leases**

The Group applies the short-term lease recognition exemption to its short-term leases of Buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

**Group as Lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**O. Impairment of non-financial assets**

The Group assesses at each reporting date whether the carrying amounts of PPE, Goodwill on consolidation, investment property, ROU assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, these are tested for impairment to determine the impairment loss, if any. Internally generated intangibles including intangibles under development are tested for impairment on annual basis.

Recoverable amount is determined: (i) in the case of an individual asset, at the higher of the fair value less costs to sell and the value-in-use; and (ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's fair value less costs to sell and the value-in-use. The amount of value-in-use is determined as the present value of estimated future cash flows from the continuing use of an asset, which may vary based on the future performance of the Group and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Group suitably adjusted for risks specified to the estimated cash flows of the asset.

In determining fair value less costs to sell or net selling price in relation to PPE or Investment property, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its recoverable amount calculation based on detailed budgets and forecast calculations which are prepared separately for each of the Group's asset or 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.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than it's carrying amount, such deficit is recognised immediately in the Profit or loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An assessment is made at each reporting date as to whether there is any indication that previously recognised 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 recognised 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 recognised. When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Profit or 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 recognised. Impairment losses relating to goodwill cannot be reversed in future periods. Goodwill is tested annually for impairment by management.

**P. Provisions and contingencies**

A provision is recognised 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 recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

### Q. 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 recognises 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 "Intellect Design 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 recognises 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 profit or 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.

### R. Share based payment (Employee Stock Option Scheme)

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 employee stock compensation cost or a 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.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Holding company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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.

### S. Treasury Shares

The Group has an Associates Benefit Trust, having Holding company's shares, for providing benefits to its employees. The Holding company treats Trust as its extension and shares held by Trust are treated as treasury shares. Own equity instruments (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Holding company's own equity instruments. Any difference between the carrying amount and the consideration, on sale, is recognised in equity.

### T. 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.

#### 1. 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

***Subsequent measurement***

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

- Debt instruments at amortised cost
- Debt instruments at fair value through profit or loss (FVTPL)
- Equity instruments at fair value through profit or loss (FVTPL)

***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 FVTPL***

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

In addition, the Group may elect to classify a debt instrument, which otherwise meets amortised 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 recognised in the profit or loss.

***Equity investments at FVTPL***

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.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

***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 recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises 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 and Revenue accrued and not billed

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.

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; and
- 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) recognised during the period is recognised as income/ expense in the Consolidated 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 recognised 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 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.

***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 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

**U. Loans and Borrowings**

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 Consolidated Statement of Profit and Loss.

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

**V. Derivative Financial Instruments and Hedge Accounting:**

The Group uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitment or highly probable forecast transactions. The Group uses hedging instruments that are governed by the risk management policy which is approved by the Board of directors of the Holding company. The policy provides written principles on the use of such derivative financial instruments. The Group designates such instruments as hedges and performs assessment of hedge effectiveness based on consideration of terms of the hedging instrument, the economic relationship between the hedging instrument and hedged item and the objective of the hedging. The Group does not use derivative financial instruments for speculative purposes.

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.

For the purpose of hedge accounting, hedges are classified as Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

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.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they were designated.

**Cash flow hedges**

The Group uses forward contracts and as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income (OCI) and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs or the foreign currency firm commitment is met. The cumulative gain or loss previously recognised in the cash flow hedge reserve is transferred to the net profit or loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to net profit or loss in the Consolidated 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.

**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.

**W. 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, as they are considered an integral part of the Group's cash management.

**Statement of Cash Flow**

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.

**X. 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, treasury 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.

**Y. Segment Reporting**

Based on "Management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker 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.

**Z. 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; and
3. The costs are recoverable.

**AA. Changes in accounting policies and disclosures**

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

*This space has been intentionally left blank*

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

In Rs. Million

| Particulars | Land* | Buildings* | Plant and machinery | Electrical equipments | Furniture and fittings | Office equipments | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross block** | | | | | | | | |
| **As at April 1, 2021** | **298.54** | **1,292.99** | **909.88** | **167.12** | **442.34** | **202.29** | **75.85** | **3,389.01** |
| Reclassification on account of IND AS 40 | - | (53.05) | - | - | - | - | - | (53.05) |
| Additions | - | 0.76 | 105.95 | 0.92 | 2.62 | 3.53 | - | 113.78 |
| Translation difference adjustment | 9.31 | 5.46 | 1.05 | (0.07) | 0.37 | 0.95 | 0.09 | 17.16 |
| Deletions | - | (11.37) | (37.22) | (0.61) | (1.30) | (1.34) | (62.21) | (114.05) |
| **As at March 31, 2022** | **307.85** | **1,234.79** | **979.66** | **167.36** | **444.03** | **205.43** | **13.73** | **3,352.85** |
| Additions | - | 2.39 | 113.36 | 4.72 | 22.95 | 12.41 | 2.57 | 158.40 |
| Translation difference adjustment | 23.36 | 12.63 | (3.02) | 0.02 | 1.60 | 1.62 | (1.23) | 34.98 |
| Deletions | - | - | (43.73) | (5.46) | (16.59) | (7.46) | (1.06) | (74.30) |
| **As at March 31, 2023** | **331.21** | **1,249.81** | **1,046.27** | **166.64** | **451.99** | **212.00** | **14.01** | **3,471.93** |
| **Accumulated depreciation** | | | | | | | | |
| **As at April 1, 2021** | **-** | **398.59** | **779.16** | **123.85** | **285.64** | **183.69** | **72.04** | **1,842.97** |
| Reclassification on account of IND AS 40 | - | (31.48) | - | - | - | - | - | (31.48) |
| Depreciation charge for the year (Refer note 25) | - | 40.34 | 60.24 | 11.45 | 35.59 | 8.31 | 0.56 | 156.49 |
| Translation difference adjustment | - | 0.69 | 1.54 | (0.05) | 0.28 | 0.55 | 0.09 | 3.10 |
| Deletions | - | (5.31) | (37.18) | (0.52) | (1.21) | (1.34) | (62.21) | (107.77) |
| **As at March 31, 2022** | **-** | **402.83** | **803.76** | **134.73** | **320.30** | **191.21** | **10.48** | **1,863.31** |
| Depreciation charge for the year (Refer note 25) | - | 41.72 | 77.56 | 9.95 | 35.27 | 7.86 | 0.67 | 173.03 |
| Translation difference adjustment | - | 2.58 | (3.69) | 0.01 | 0.73 | 1.40 | (0.55) | 0.48 |
| Deletions | - | - | (43.29) | (5.46) | (12.72) | (7.46) | (1.06) | (69.99) |
| **As at March 31, 2023** | **-** | **447.13** | **834.34** | **139.23** | **343.58** | **193.01** | **9.54** | **1,966.83** |
| **Net block** | | | | | | | | |
| **As at March 31, 2022** | **307.85** | **831.96** | **175.90** | **32.63** | **123.73** | **14.22** | **3.25** | **1,489.54** |
| **As at March 31, 2023** | **331.21** | **802.68** | **211.93** | **27.41** | **108.41** | **18.99** | **4.47** | **1,505.10** |

Table No. 2.7

*Land and Buildings with a carrying amount of Rs. 254.46 million (March 31, 2022 - Rs. 728.67 million) are subject to a first charge to secure the Holding company's fund and non fund based credit facilities.

**4(b). CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT**

In Rs. Million

| Particulars | Capital work in progress (CWIP) * | | | | | Intangible assets under development (Refer note 40) ## |
|---|---|---|---|---|---|---|
| | Buildings | Plant and Machinery | Electrical equipments | Furniture and fittings | Total | |
| **Balance as at April, 2021** | **32.73** | **0.08** | **7.64** | **2.54** | **42.99** | **3,448.35** |
| Additions during the year | - | - | - | 0.41 | **0.41** | 1,155.85 |
| Translation difference adjustment | - | - | - | - | **-** | (20.70) |
| Capitalisation of assets | - | - | - | - | **-** | (1,185.95) |
| **Balance as at March 31, 2022** | **32.73** | **0.08** | **7.64** | **2.95** | **43.40** | **3,397.55** |
| Additions during the year | - | 0.46 | 1.00 | 2.63 | **4.09** | 1,377.97 |
| Translation difference adjustment | - | - | - | - | - | 1.20 |
| Capitalisation of assets | (0.93) | (0.08) | - | (0.59) | **(1.60)** | (1,120.94) |
| **Balance as at March 31, 2023** | **31.80** | **0.46** | **8.64** | **4.99** | **45.89** | **3,655.78** |

Table No. 2.8

***CWIP Ageing Schedule**

In Rs. Million

**4(b)(i) As at March 31, 2023**

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 2.90 | - | - | 42.99 | **45.89** |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **2.90** | **-** | **-** | **42.99** | **45.89** |

Table No. 2.9

**4(b)(ii) As at March 31, 2022**

In Rs. Million

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 0.41 | - | - | 42.99 | **43.40** |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **0.41** | **-** | **-** | **42.99** | **43.40** |

Table No. 2.10

**## Intangible assets under development Ageing Schedule**

**4(b)(iii) As at March 31, 2023**

In Rs. Million

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 1,393.11 | 1,152.86 | 1,109.81 | - | **3,655.78** |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **1,393.11** | **1,152.86** | **1,109.81** | **-** | **3,655.78** |

Table No. 2.11

**4(b)(iv) As at March 31, 2022**

In Rs. Million

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 1,148.66 | 1123.52 | 917.25 | 208.12 | **3,397.55** |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **1,148.66** | **1123.52** | **917.25** | **208.12** | **3,397.55** |

Table No. 2.12

**4(c). INVESTMENT PROPERTY**

In Rs. Million

| Particulars | As at March 31 | |
|---|---|---|
| | 2023 | 2022 |
| **Gross block** | | |
| Opening balance | 53.05 | - |
| Additions (Reclassified on account of IND AS 40) | - | 53.05 |
| **Closing balance, at year end** | 53.05 | **53.05** |
| **Accumulated depreciation** | | |
| Opening balance | 33.38 | - |
| Reclassified on account of IND AS 40 | - | 31.48 |
| Less: Depreciation charge for the year (Refer note 25) | 1.90 | 1.90 |
| **Closing balance, at year end** | **35.28** | **33.38** |
| **Net block** | | |
| **Closing balance, at year end** | **17.77** | **19.67** |

Table No. 2.13

**4(c)(i) Information regarding income and expenditure of Investment property**

In Rs. Million

| Particulars | As at March 31 | |
|---|---|---|
| | 2023 | 2022 |
| Rental income derived from Investment property | 8.95 | 11.10 |
| Less: Direct operating expenses (including repairs and maintenance) arising from Investment property that generates rental income | 1.90 | 2.67 |
| **Profit arising from Investment property before depreciation and indirect expenses** | 7.05 | 8.43 |
| Less: Depreciation | 1.90 | 1.90 |
| **Profit arising from Investment property before indirect expenses** | **5.15** | **6.53** |

Table No. 2.14

The Group's Investment property consists of premises let out on lease. As at March 31, 2023 and March 31, 2022, the fair value of the property is Rs. 226 million and Rs. 233 million, respectively. The fair values are based on valuations performed by an accredited independent valuer. The valuer is a specialist in valuing these types of investment properties and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Group has no restrictions on the realisability of its Investment property and no contractual obligations to purchase, construct or develop Investment property or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for Investment property have been provided in Note 38.

**4(c)(ii) Leasing arrangement**

An Investment property has been given on lease to tenants under long term operating leases with rentals payable monthly. Future minimum lease payments receivable under non cancellable operating leases of the Investment property are as follows:

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Within 1 year | 20.44 | 7.31 |
| More than 1 year but not more than 5 year | 8.79 | 12.62 |
| More than 5 year | - | - |

Table No. 2.15

**4(c)(iii) Description of valuation techniques used and key inputs to valuation on Investment property:**

The Group has fair valued the premises let out on lease using Income approach method.

In Rs. Million

| Significant unobservable Inputs | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Estimated rental value - Rs. per sq ft per month | 55 | 55 |
| Rent growth per annum | 5.00% | 5.00% |
| Long term vacancy rate | 2.50% | 3.00% |
| Discount rate | 13.50% | 12.00% |

Table No. 2.16

**4 (d). GOODWILL AND OTHER INTANGIBLE ASSETS**

In Rs. Million

| Particulars | Computer software | Internally generated Intangible assets | Total Intangible assets | Goodwill |
|---|---|---|---|---|
| **Gross block** | | | | |
| **As at April 1, 2021** | **383.67** | **3,482.09** | **3,865.76** | **293.80** |
| Additions | 18.54 | 1,185.88 | 1,204.42 | 10.77 |
| Translation difference adjustment | - | (2.53) | (2.53) | - |
| **As at March 31, 2022** | **402.21** | **4,665.44** | **5,067.65** | **304.57** |
| Additions | 206.21 | 1,120.94 | 1,327.15 | 25.64 |
| Translation difference adjustment | - | 56.39 | 56.39 | - |
| **As at March 31, 2023** | **608.42** | **5,842.77** | **6,451.19** | **330.21** |
| **Accumulated amortisation** | | | | |
| **As at April 1, 2021** | **297.44** | **1,800.52** | **2,097.96** | **-** |
| Amortisation for the year (Refer note 25) | 44.99 | 616.16 | 661.15 | - |
| Translation difference adjustment | - | 1.38 | 1.38 | - |
| **As at March 31, 2022** | **342.43** | **2,418.06** | **2,760.49** | **-** |
| Amortisation for the year (Refer note 25) | 58.14 | 819.37 | 877.51 | - |
| Translation difference adjustment | 8.21 | 26.01 | 34.22 | - |
| **As at March 31, 2023** | **408.78** | **3,263.44** | **3,672.22** | **-** |
| **Net block** | | | | |
| **As at March 31, 2022** | **59.78** | **2,247.38** | **2,307.16** | **304.57** |
| **As at March 31, 2023** | **199.64** | **2,579.33** | **2,778.97** | **330.21** |

Table No. 2.17

## 5. RIGHT-OF-USE ASSETS

In Rs. Million

| Particulars | Buildings | Leasehold improvement | Leasehold Land* | Total |
|---|---|---|---|---|
| **Gross block** | | | | |
| **As at April 1, 2021** | **637.68** | **83.13** | **28.05** | **748.86** |
| Additions | 24.07 | - | - | 24.07 |
| Translation difference adjustment | 4.37 | - | - | 4.37 |
| Deletions | (60.11) | - | - | (60.11) |
| **As at March 31, 2022** | **606.01** | **83.13** | **28.05** | **717.19** |
| Additions | 226.31 | 11.73 | - | 238.04 |
| Translation difference adjustment | 16.80 | 5.45 | - | 22.25 |
| Deletions | (112.54) | - | - | (112.54) |
| **As at March 31, 2023** | **736.58** | **100.31** | **28.05** | **864.94** |
| **Accumulated depreciation** | | | | |
| **As at April 1, 2021** | **344.46** | **42.50** | **4.42** | **215.94** |
| Depreciation charge for the year (Refer note 25) | 145.04 | 10.76 | 0.28 | 156.08 |
| Translation difference adjustment | 1.63 | (1.22) | - | 0.41 |
| Deletions | (60.11) | - | - | (60.11) |
| **As at March 31, 2022** | **431.02** | **52.04** | **4.70** | **312.32** |
| Depreciation charge for the year (Refer note 25) | 149.52 | 12.87 | 0.28 | 162.67 |
| Translation difference adjustment | 11.25 | 3.69 | - | 14.94 |
| Deletions | (112.54) | - | - | (112.54) |
| **As at March 31, 2023** | **479.25** | **68.60** | **4.98** | **377.39** |
| **Net block** | | | | |
| **As at March 31, 2022** | **174.99** | **31.09** | **23.35** | **229.43** |
| **As at March 31, 2023** | **257.33** | **31.71** | **23.07** | **312.11** |

Table No. 2.18

*represents 13.35 acres of land at Chennai taken on 99 years lease from SIPCOT under terms of MOU dated January 3, 2005 (modified on March 10, 2015) with Government of Tamil Nadu.

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. Management 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 discounted cash flow method. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU / group 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, 2023 and March 31, 2022 the estimated recoverable amount of the CGU exceeded its carrying amount. The recoverable amount is 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:

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Long term growth rate | 20-22% | 15-20% |
| Operating margins | 21-27% | 10-15% |
| Discount rate | 20.00% | 13.50% |

Table No. 2.19

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Group. 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 ASSETS

### 6(a) Loans and deposits

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Unsecured considered good, carried at amortised cost | | |
| - Security deposits* | 103.89 | 91.38 |
| - Loans to employees** | 3.45 | 4.59 |
| | **107.34** | **95.97** |

Table No. 2.20

*Security deposits are non-derivative financial assets which generate a fixed or variable interest income for the Group.

**Loans to employees are non-derivative financial assets which generate a fixed or variable interest income for the Group. There are no loans given to any Promoters / Directors / Key Management Personnel.

### 6(b) Non-current bank balances

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Deposits with banks with more than 12 months maturity, carried at amortised cost | 1,393.76 | 362.95 |
| | **1,393.76** | **362.95** |

Table No. 2.21

(i) Out of the above balances Rs. 64.30 million (March 31, 2022 - Rs. 77.71 million) have been pledged as security by the Holding company for availing fund and non-fund based credit facilities. The Holding company has sanctioned fund and non fund based working capital facilities which are secured by hypothecation of Land and Building, non-current and current assets of the Holding Company ranking on a pari passu basis.

(ii) Non-current bank balances as at March 31, 2023 includes restricted bank balance of Holding company's share of money based on subcontract agreement, lying in a joint escrow account amounting to Rs. 298.20 million (March 31, 2022 – Nil). The Holding company will be able to withdraw these proceeds upon confirmation for distribution from the escrow holder (who is a subcontractor in a joint project).

**6(c) Derivative instruments**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Foreign exchange forward contract (net) (Refer note 39) | - | 138.28 |
| | **-** | **138.28** |

Table No. 2.22

Derivative instruments 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)**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Advance income tax (net of provision for tax) | 531.45 | 446.50 |
| | **531.45** | **446.50** |

Table No. 2.23

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

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Deferred tax asset / (liability)** | | |
| Difference between depreciation as per books of account and as per tax laws | (1,128.32) | (1,036.87) |
| Impact of disallowance under Section 36(1)(vii) of the Income tax Act and similar provisions overseas | 260.27 | 261.69 |
| Impact of expenditure charged to the Statement of Profit and Loss, allowed for tax purposes on payment basis | 292.48 | 209.51 |
| Carry forward business loss and unabsorbed depreciation | 191.75 | 211.28 |
| Others | 104.60 | 40.71 |
| MAT credit entitlement | 610.27 | 913.48 |
| | **331.05** | **599.80** |
| **Reconciliation of deferred tax asset (net):** | | |
| Opening balance | 599.80 | 807.35 |
| Net deferred tax income/(expense) recognised in Statement of Profit and Loss, and Other comprehensive income | 34.46 | (478.75) |
| MAT credit (utilisation) / entitlement | (303.21) | 271.20 |
| **Closing balance** | **331.05** | **599.80** |

Table No. 2.24

**9. OTHER NON-CURRENT ASSETS**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| *Unsecured, considered good* | | |
| Capital advances | 9.12 | 1.34 |
| Prepayments | 26.57 | 303.35 |
| | **35.69** | **304.69** |

Table No. 2.25

**10. FINANCIAL ASSETS**

**10(a) Investments**

In Rs. Million

| Particulars | March 31, 2023 Current | March 31, 2023 Non-current | March 31, 2022 Current | March 31, 2022 Non-current |
|---|---|---|---|---|
| Investment in Bonds carried at amortised cost | - | 2,808.95 | 182.45 | 1,148.89 |
| Investment in Mutual funds carried at fair value through profit and loss (FVTPL) | 303.18 | - | 2,306.97 | - |
| Equity instruments carried at FVTPL | - | 0.05 | - | 0.05 |
| | **303.18** | **2,809.00** | **2,489.42** | **1,148.94** |
| Aggregate book value of Quoted Investments | 303.18 | 2,809.00 | 2,489.42 | 1,148.94 |
| Aggregate market value of Quoted Investments | 303.18 | 2,674.57 | 2,477.76 | 1,291.25 |
| Aggregate amount of Unquoted Investment | - | 3.07 | - | 3.07 |
| Aggregate amount of impairment in value of Investment | - | (3.07) | - | (3.07) |

Table No. 2.26

Investment in mutual funds amounting to Rs. 98.58 million (March 31, 2022 - Rs. 143.92 million) are subject to a first charge to secure the Holding company's fund and non-fund based credit facilities.

**10(b) Trade receivables**

In Rs. Million

| Particulars | As at March 31, 2023 | | 2022 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Trade receivables | 4,157.48 | 459.56 | 2,571.92 | 380.62 |
| | **4,157.48** | **459.56** | **2,571.92** | **380.62** |
| - Unsecured considered good | 4,606.83 | 459.56 | 2,811.03 | 380.62 |
| - Trade receivables - credit impaired | 43.98 | - | 213.26 | - |
| (A) | **4,650.81** | **459.56** | **3,024.29** | **380.62** |
| Impairment allowance (allowance for bad and doubtful debts) | | | | |
| - Unsecured considered good | (449.35) | - | (239.11) | - |
| - Trade receivables - credit impaired | (43.98) | - | (213.26) | - |
| (B) | **(493.33)** | **-** | **(452.37)** | **-** |
| (A) – (B) | **4,157.48** | **459.56** | **2,571.92** | **380.62** |

Table No. 2.27

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(b)(i) Trade receivables ageing as at March 31, 2023**

In Rs. Million

| Particulars | Unbilled | Current but not due | Outstanding for following periods from invoice date | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables - considered good | 950.11 | 2,808.25 | 797.52 | 161.57 | 111.02 | 50.19 | 187.73 | **5,066.39** |
| Undisputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Undisputed trade receivables - credit impaired | - | - | - | - | 23.24 | 20.74 | - | **43.98** |
| Disputed trade receivables - considered good | - | - | - | - | - | - | - | - |
| Disputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Disputed trade receivables - credit impaired | - | - | - | - | - | - | - | - |
| **Total** | **950.11** | **2,808.25** | **797.52** | **161.57** | **134.26** | **70.93** | **187.73** | 5,110.37 |

Table No. 2.28

**10(b)(ii) Trade receivables ageing as at March 31, 2022**

In Rs. Million

| Particulars | Unbilled | Current but not due | Outstanding for following periods from invoice date | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 Months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables - considered good | 922.27 | 1,214.02 | 788.04 | 100.62 | 166.70 | - | - | **3,191.65** |
| Undisputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Undisputed trade receivables - credit impaired | - | - | - | 32.96 | 27.19 | 8.23 | 142.96 | **211.34** |
| Disputed trade receivables - considered good | - | - | - | - | - | - | - | - |
| Disputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Disputed trade receivables - credit impaired | - | - | - | - | 1.92 | - | - | **1.92** |
| Total | **922.27** | **1,214.02** | **788.04** | **133.58** | **195.81** | **8.23** | **142.96** | **3,404.91** |

Table No. 2.29

**10(c) Cash and cash equivalents**

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| *Carried at amortised cost* | | |
| Balance with banks | | |
| - On current accounts | 859.86 | 1,378.14 |
| - On deposit accounts | 79.00 | 83.69 |
| Cash on hand | 0.01 | 0.01 |
| | **938.87** | **1,461.84** |

Table No. 2.30

Balance with banks earn 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. Out of the above balances Rs. 0.30 million (March 31, 2022 - Rs. 75.49 million) have been pledged as security by the Holding company for availing fund and non-fund based credit facilities.

**10(d) Bank balances other than cash and cash equivalents**

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Deposits having a maturity period more than 3 months and less than 12 months, carried at amortised cost | 32.17 | 125.63 |
| | **32.17** | **125.63** |

Table No. 2.31

Out of the above balances Rs. 31.13 million (March 31, 2022 - Rs. 92.11 million) are held as margin money deposits by the Holding company for availing fund and non-fund based credit facilities.

**10(e) Loans and deposits**

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| *Unsecured, considered good, carried at amortised cost* | | |
| - Security deposits* | 6.27 | 25.32 |
| - Loans to employees** | 3.78 | 4.17 |
| | **10.05** | **29.49** |

Table No. 2.32

*Security deposits are non-derivative financial assets which generate a fixed or variable interest income for the Group.

**Loans to employees are non-derivative financial assets which generate a fixed or variable interest income for the Group.

**10(f) Derivative instruments**

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Foreign exchange forward contracts (net) (Refer note 39) | - | 202.00 |
| | **-** | **202.00** |

Table No. 2.33

Derivative Instruments 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.

**10(g) Other financial assets** In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| *Unsecured considered good, carried at amortised cost* | | |
| Revenue accrued and not billed * | 7,139.05 | 6,042.38 |
| Claims receivables** | 42.16 | 75.00 |
| Others receivable***, # | 245.49 | 80.74 |
| | **7,426.70** | **6,198.12** |

Table No. 2.34

* The balance as at March 31, 2023 is net of allowance for expected credit loss of Rs. 702.41 million (March 31, 2022 - Rs. 488.83 million).

** The balance as at March 31, 2023 is net of allowance for expected credit loss of Rs. 75 million (March 31, 2022 - Nil).

*** Includes amount held on behalf of a subcontractor based on subcontract agreement, for Rs. 187.28 million (March 31, 2022 – Nil) in an escrow account which is pending distribution and equivalent trade payable is recognised. (Refer note 6(b)(ii)).

# The balance as at March 31, 2023 is net of allowance for expected credit loss of Rs. 18.44 million (March 31, 2022 - Nil).

**11. OTHER CURRENT ASSETS** In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| *Unsecured, considered good* | | |
| Advances to related parties (Refer note 34) | 41.26 | 40.30 |
| Prepayments and other recoveries | 791.96 | 761.55 |
| Salary advance | 4.38 | 3.81 |
| Balances with Government Authorities | 311.94 | 265.51 |
| | **1,149.54** | **1,071.17** |

Table No. 2.35

**12. EQUITY SHARE CAPITAL** In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| **Authorised** | | |
| 19,48,00,000 equity shares of Rs. 5 each. | 974.00 | 974.00 |
| (March 31, 2022 - 19,48,00,000 equity shares of Rs. 5 each) | | |
| | **974.00** | **974.00** |
| **Issued, Subscribed and Paid up** | | |
| 13,57,22,575 equity shares of Rs. 5 each | 678.61 | 672.77 |
| (March 31, 2022 - 13,45,53,614 equity shares of Rs. 5 each) fully paid up | | |
| | **678.61** | **672.77** |
| **Shares held by shareholders holding more than 5 percent shares in the Holding company.** | | |
| Polaris Banyan Holding Private Limited - 23.48% (March 31, 2022 - 23.68%) | 3,18,61,000 | 3,18,61,000 |
| Arun Jain - 5.57% (March 31, 2022 - 5.62%) | 75,56,321 | 75,56,321 |
| Amansa Holdings Private Limited - 8.88% (March 31, 2022 - 7.13%) | 1,20,56,763 | 95,96,903 |
| | **37.93%** | **36.43%** |

Table No. 2.36

**Details of shares held by promoters** In Rs. Million

| Promoter Name | March 31, 2023 | % of total shares | March 31, 2022 | % of total shares | % change during the year |
|---|---|---|---|---|---|
| Arun Jain | 75,56,321 | 5.57% | 75,56,321 | 5.62% | - |
| Arun Jain HUF | 21,09,108 | 1.55% | 21,09,108 | 1.57% | - |
| Polaris Banyan Holding Private Limited | 3,18,61,000 | 23.48% | 3,18,61,000 | 23.68% | - |

Table No. 2.37

**Terms/rights attached to equity shares**

The Holding 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. The Holding company declares and pays dividend in Indian rupees. The dividend proposed by the Board of directors of the Holding company is subject to the approval of its shareholders in the ensuing Annual General Meeting. Equity shares entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Holding company in proportion to the number of and amounts paid on the shares held.

| Particulars | Number of shares | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| Shares at the beginning of the year | 13,45,53,614 | 13,29,74,363 |
| Shares issued on exercise of employee stock option | 11,68,961 | 15,79,251 |
| **Shares outstanding at the end of the year** | **13,57,22,575** | **13,45,53,614** |

Table No. 2.38

In Rs. Million

| Particulars | Share capital | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| Balance at the beginning of the year | 672.77 | 664.87 |
| Shares issued on exercise of employee stock option | 5.84 | 7.90 |
| **Share capital at the end of the year** | **678.61** | **672.77** |

Table No. 2.39

**13. OTHER EQUITY** In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Securities premium | 5,606.40 | 5,414.44 |
| Share based payment reserve | 1,132.13 | 879.87 |
| General reserve | 1,380.66 | 1,346.99 |
| Retained earnings | 11,032.15 | 8,795.71 |
| Effective portion of cash flow hedge reserve | (146.95) | 340.30 |
| Foreign currency translation reserve | 893.57 | 636.92 |
| Treasury shares | 0.47 | 0.47 |
| | **19,898.43** | **17,414.70** |

Table No. 2.40

**13 (a) Securities premium**

The Securities premium received during the year represents the premium received towards allotment of 11,68,961 equity shares. The balance can be utilised towards issuance of fully paid bonus shares, buy back of its own shares etc. in accordance with Companies Act 2013, by the Holding company.

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Balance at the beginning of the year | 5,414.44 | 5,196.93 |
| Additions during the year | 28.89 | 75.13 |
| Transfer from Share based payment reserves for options exercised during the year | 163.07 | 142.38 |
| **Balance at the end of the year** | **5,606.40** | **5,414.44** |

Table No. 2.41

**13 (b) Share based payment reserve**

Fair value of the options granted by the Holding company is to be expensed over the life of the vesting period as employee stock compensation costs reflecting period of receipt of service. Share based payment reserve is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in this reserve are transferred to securities premium upon exercise of stock options and transferred to the general reserve on account of stock options not exercised by employees and lapsed during the year.

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Balance at the beginning of the year | 879.87 | 627.72 |
| Additions during the year | 449.00 | 418.45 |
| Transfer to Securities premium for options exercised during the year | (163.07) | (142.38) |
| Transfer to General reserve on account of options not exercised and lapsed during the year | (33.67) | (23.92) |
| **Balance at the end of the year** | **1,132.13** | **879.87** |

Table No. 2.42

**13(c) General reserve**

The general reserve represents free reserve which is used as and when required to transfer profits from / to retained earnings for appropriation purposes. General reserve is recognised by a transfer from one component of equity to another and is not an item of other comprehensive income, and the balances will not be reclassified subsequently to Consolidated Statement of Profit and Loss.

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Balance at the beginning of the year | 1,346.99 | 1,323.07 |
| Transfer from share based payment reserves on account of vested options not exercised and lapsed during the year | 33.67 | 23.92 |
| **Balance at the end of the year** | **1,380.66** | **1,346.99** |

Table No. 2.43

**13(d) Retained earnings**

The amount represents undistributed accumulated earnings of the Group as on the balance sheet date and any distribution from this balance shall be subject to the provision of the Companies, Act, 2013.

In Rs. Million

| Particualrs | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Balance at the beginning of the year | 8,795.71 | 5,288.79 |
| Profit for the year | 2,672.27 | 3,490.82 |
| Re-measurement of the net defined benefit liability/asset, net of tax effect | (100.75) | 16.10 |
| Dividend paid | (335.11) | - |
| **Balance at the end of the year** | **11,032.15** | **8,795.71** |

Table No. 2.44

**13(e) Effective portion of cash flow hedge reserve**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into by the Holding company for cash flow hedges. The balance in this reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Balance at the beginning of the year | 340.30 | 185.52 |
| Movement during the year (net) | (487.25) | 154.78 |
| **Balance at the end of the year** | **(146.95)** | **340.30** |

Table No. 2.45

**13(f) Foreign currency translation reserve**

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Balance at the beginning of the year | 636.92 | 641.48 |
| Movement during the year (net) | 256.65 | (4.56) |
| **Balance at the end of the year** | **893.57** | **636.92** |

Table No. 2.46

**13 (g) Treasury shares**

Pursuant to the scheme of arrangement, Intellect Associates Benefit Trust (the trust) currently holds 9,42,389 equity shares of the Holding company at a cost of Rs. 0.47 million as at March 31, 2023. (March 31, 2022 - 0.47 million). These shares are treated as treasury shares in the consolidated financial statements.

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Balance at the beginning of the year | 0.47 | - |
| Adjustment relating to Intellect Associates Benefit Trust | - | 0.47 |
| **Balance at the end of the year** | **0.47** | **0.47** |

Table No. 2.47

**13 (h) Dividend paid** In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Payment of dividend during the year | **335.11** | **-** |

Table No. 2.48

**13 (i) Proposed dividend** In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| **Proposed dividend on equity shares** | | |
| Proposed dividend for the year ended March 31, 2023 Rs. 2.50 per share (March 31, 2022 - Rs. 2.50 per share) | 339.31 | 336.38 |
| | **339.31** | **336.38** |

Table No. 2.49

Proposed dividend on equity shares is subject to approval of the shareholders at the annual general meeting and is not recognised as a liability as at March 31, 2023 and March 31, 2022

**FINANCIAL LIABILITIES**

**14. Lease liabilities**

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Lease liabilities (Refer note 41) | 148.40 | 73.16 |
| | **148.40** | 73.16 |

Table No. 2.50

**15. DERIVATIVE INSTRUMENTS**

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Foreign exchange forward contracts (net), carried at fair value through OCI (Refer note 39) | 19.24 | - |
| | **19.24** | **-** |

Table No. 2.51

**16. OTHER LONG TERM LIABILITIES** In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Security deposits | 9.73 | 6.00 |
| | **9.73** | **6.00** |

Table No. 2.52

**17. DEFERRED TAX LIABILITIES (NET)**

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Timing difference between income/ expenses allowed for taxes in subsequent years (net) | 6.22 | 10.68 |
| | **6.22** | **10.68** |

Table No. 2.53

**18. FINANCIAL LIABILITIES**

**18(a) Borrowings** In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| *Carried at amortised cost* | | |
| Unsecured from banks | - | 8.40 |
| | **-** | **8.40** |

Table No. 2.54

**18(b) Lease liabilities**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Lease liabilities (Refer note 41) | 122.88 | 122.63 |
| | **122.88** | **122.63** |

Table No. 2.55

**18(c) Trade payables**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (Refer note 49) | 30.86 | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,715.79 | 2,567.58 |
| | **2,746.65** | **2,567.58** |

Table No. 2.56

**18 (c)(i) Trade payable ageing as at March 31, 2023**

In Rs. Million

| Particulars | Outstanding for following periods from due date of invoice | | | | | |
|---|---|---|---|---|---|---|
| | Unbilled | Less than year | 1-2 years | 2-3 years | More than 3 years | Total |
| Total outstanding dues of micro enterprises and small enterprises | - | 30.86 | - | - | - | 30.86 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,450.67 | 180.24 | 18.95 | 28.28 | 37.65 | 2,715.79 |
| Disputed outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| | **2,450.67** | **211.10** | **18.95** | **28.28** | **37.65** | **2,746.65** |

Table No. 2.57

**18 (c)(ii) Trade payable ageing as at March 31, 2022**

In Rs. Million

| Particulars | Outstanding for following periods from due date of invoice | | | | | |
|---|---|---|---|---|---|---|
| | Unbilled | Less than year | 1-2 years | 2-3 years | More than 3 years | Total |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,267.29 | 236.82 | 28.43 | 19.31 | 15.73 | 2,567.58 |
| Disputed outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| | **2,267.29** | **236.82** | **28.43** | **19.31** | **15.73** | **2,567.58** |

Table No. 2.58

**18(d) Other financial liabilities**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Carried at amortised cost | | |
| Employee benefits payable | 1,333.62 | 1,163.42 |
| Security deposit payable | 19.95 | 27.07 |
| Unclaimed dividend* | 1.00 | - |
| Capital creditors | 83.55 | 0.49 |
| Superannuation payable | 84.77 | 77.39 |
| | **1,522.89** | **1,268.37** |

Table No. 2.59

*There are no unclaimed amounts that are required to be credited to Investor Education and Protection Fund as of March 31, 2023 and March 31, 2022.

**18(e) Derivative instruments**

In Rs. Million

| Particulars | As at March 31 2023 | As at March 31 2022 |
|---|---|---|
| Foreign exchange forward contracts (net), carried at fair value through OCI (Refer note 39) | 127.73 | - |
| | **127.73** | - |

Table No. 2.60

**19 OTHER CURRENT LIABILITIES**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Contract liabilities (Customer advances and Billing in excess of revenue) | 1,835.07 | 2,377.05 |
| Other advance received | 4.49 | 14.81 |
| Statutory dues | 507.83 | 452.20 |
| | **2,347.39** | **2,844.06** |

Table No. 2.61

**20 PROVISIONS**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Provision for employee benefits** | | |
| - Provision for gratuity (Refer note 33) | 510.77 | 336.28 |
| - Provision for leave benefits | 240.01 | 192.08 |
| - Provision for other employee benefit obligations | 230.94 | 192.27 |
| | **981.72** | **720.63** |

Table No. 2.62

**21 CURRENT TAX LIABILITIES (NET)**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Provision for taxation (net of advance income tax) | 154.18 | 104.69 |
| | **154.18** | **104.69** |

Table No. 2.63

**22 REVENUE FROM OPERATIONS**

**22(a) Timing of Revenue Recognition**

In Rs. Million

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| At a point in time | 2,126.97 | 2,638.22 |
| Over a period of time | 20,185.55 | 16,143.64 |
| **Revenue from operations** | **22,312.52** | **18,781.86** |
| **Summary of Contract Balances** | | |
| Particulars | Year ended March 31, | |
| | 2023 | 2022 |
| Trade receivables | 4,617.04 | 2,952.54 |
| Contract assets* | 7,139.05 | 6,042.38 |
| Contract liabilities* | 1,835.07 | 2,377.05 |

* Contract assets represents revenue accrued and not billed and unbilled revenues. Contract liabilities represents Billing in excess of revenue

Table No. 2.64

**22(b) Set out below is the amount of revenue recognised from:**

In Rs. Million

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Amounts included in contract liabilities at the beginning of the year | 2,377.05 | 1,588.15 |
| Revenue recognised from performance obligations satisfied in reporting period | 1,414.00 | 1,027.16 |

Table No. 2.65

**22(c) Performance obligations and remaining performance obligiations**

Information on Group'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, 2023, other than those meeting the exclusion criteria mentioned in Note 3(H), is Rs. 3,964.58 million (March 31, 2022 - 5,326.87 million). Out of this, the group expects to recognise revenue of around 92% (March 31, 2022 - 84%) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty however, based on current assessment, the occurrence of the same is expected to be remote.

Two customers accounted for more than 10% of the revenue amounting to Rs. 6,277.51 million for the year ended March 31, 2023 (March 31, 2022- 4,778.07 million).

**23 OTHER INCOME**

In Rs. Million

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Interest income | | |
| Interest on bonds, carried at amortised cost | 182.30 | 40.96 |
| Interest on deposits with banks and others | 58.40 | 63.42 |
| Interest on other financial assets carried at amortised cost | 50.58 | 42.66 |
| Dividend income | | |
| Dividends income on investments in mutual funds | 2.05 | 6.36 |
| Other non-operating income | | |
| Profit on sale of investments, carried at fair value through profit or loss | 27.04 | 19.56 |
| Fair value gain on investments, carrried at fair value through profit or loss | 12.45 | 26.08 |
| Net gain on disposal of property, plant and equipment | - | 100.13 |
| Net gain on foreign currency transaction and translation | 129.12 | 31.70 |
| Miscellaneous income (net) | 51.47 | 74.14 |
| | **513.41** | **405.01** |

Table No. 2.66

**24 EMPLOYEE BENEFITS EXPENSE**

In Rs. Million

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Salaries and incentives | 9,951.68 | 7,983.87 |
| Contribution to provident and other funds | 620.15 | 459.41 |
| Gratuity contribution scheme (Refer note 33) | 101.58 | 76.27 |
| Other employee benefits expense | 51.24 | 41.10 |
| Employee stock compensation cost (Refer note 32 on Employee Stock Option Scheme) | 449.00 | 418.45 |
| Staff welfare expenses | 270.30 | 234.66 |
| | **11,443.95** | **9,213.76** |

Tabel 2.67

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Holding company and its subsidiaries incorporated in India will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

**25 DEPRECIATION AND AMORTISATION EXPENSES**

In Rs. Million

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Depreciation of Property, plant and equipment (Refer note 4(a)) | 173.03 | 156.49 |
| Depreciation of Investment property (Refer note 4(c)) | 1.90 | 1.90 |
| Depreciation of Right of use assets (Refer note 5) | 162.67 | 156.08 |
| Amortisation of Intangible assets (Refer note 4(d)) | 877.51 | 61.15 |
| | **1,215.11** | **975.62** |

Table No. 2.68

**26 FINANCE COST**

In Rs. Million

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Interest expenses | 31.87 | 42.71 |
| | **31.87** | **42.71** |

Table No. 2.69

**27 OTHER EXPENSES**

In Rs. Million

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Cost of software packages, consumable and maintenance | 1,464.31 | 1,115.40 |
| Cost of technical sub-contractors | 2,359.92 | 1,654.00 |
| Travelling expenses | 601.84 | 216.81 |
| Business promotion | 402.12 | 407.85 |
| Communication expenses | 387.40 | 316.02 |
| Professional and legal charges | 371.67 | 325.67 |
| Impairment allowance on financial instrument and contract asset | 343.76 | 87.83 |
| Bad debts / advances written off | 17.21 | 322.35 |
| Payment to the auditors | | |
| - statutory audit | 10.15 | 8.70 |
| - for other services | 2.42 | 1.72 |
| - for reimbursement of expenses | 0.70 | 0.46 |
| Power and fuel | 64.70 | 48.56 |
| Rent | 13.59 | 4.26 |
| Repairs - Plant and machinery | 101.42 | 86.97 |
| Repairs - Others | 24.38 | 16.03 |
| Office maintenance | 88.29 | 66.27 |
| Rates and taxes excluding taxes on Income | 75.55 | 66.28 |
| Insurance | 53.11 | 26.19 |
| Printing and stationery | 9.89 | 5.11 |
| Contributions towards corporate social responsibility | 51.42 | 19.26 |
| Donations | 0.70 | - |
| Bank charges and commission | 33.15 | 29.86 |
| Miscellaneous expenses | 32.09 | 18.13 |
| Directors' sitting fees | 4.75 | 3.75 |
| Net loss on disposal / discarding of property, plant and equipment | 2.44 | - |
| | **6,516.98** | **4,847.48** |

Table No. 2.70

**28 INCOME TAX EXPENSE**

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

**Statement of Profit and Loss:**

In Rs. Million

| Particulars | Year ended March 31, | |
|---|---|---|
| | **2023** | **2022** |
| **Income tax expense:** | | |
| - Current tax | 970.61 | 546.84 |
| - Adjustment in respect of earlier years | - | (29.90) |
| **Tax expense** | **970.61** | **516.94** |
| | | |
| **Deferred tax:** | | |
| Relating to origination and reversal of temporary differences | (23.08) | 201.48 |
| Ineligble MAT credit written off | - | (91.01) |
| **Net deferred tax** | **(23.08)** | **110.47** |
| **Total** | **947.53** | **627.41** |

Table No. 2.71

Note:

Adjustment in respect of earlier years include excess provision of earlier years reversed in the year ended March 31, 2022.

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| **Profit before tax** | 3,633.47 | 4,131.83 |
| At India's statutory income tax rate - | 34.944% | 34.944% |
| Derived tax charge for the year (Restricted to zero in case of loss) | 1,269.68 | 1,443.83 |
| Adjustments: | | |
| Impact of measurement of Deferred tax liabilities due to change in tax rate (Refer note below) | (19.53) | (200.72) |
| Income tax expense at differential rate | - | (22.43) |
| Tax provision reversal of earlier years | - | (29.90) |
| Tax impact arising on account of set off of available losses | - | - |
| Restoration of MAT credit written off in earlier years | (8.06) | (91.02) |
| Others | 3.73 | 43.17 |
| Overseas taxes at differential rates | (298.29) | (515.52) |
| **Net derived tax charge** | **947.53** | **627.41** |
| **Income tax expense reported in the Statement of Profit and Loss** | **947.53** | **627.41** |

Table No. 2.72

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 (‘Ordinance’) subsequently amended in Finance Act issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 which is effective April 1, 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess (‘New tax rate’) subject to certain conditions. Tax expense in the consolidated financial statements includes reduction in deferred tax charge arising out of the estimated impact amounting to Rs. 19.53 million (March 31, 2022 - Rs. 200.72 million). This is arising from the re-measurement of deferred tax liability that is expected to reverse in future when the Holding company and its subsidiaries incorporated in India will migrate to the new tax regime.

There are certain income-tax related legal proceedings which are pending against the Group. Potential liabilities, if any have been adequately provided for, and the Group does not currently estimate any probable material incremental tax liabilities in respect of these matters.

**29 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)**

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

In Rs. Million

| Particulars | Retained Earnings | Effective portion of cash flow hedge reserve | Foreign exchange translation difference reserve | Total |
|---|---|---|---|---|
| **During the year ended March 31, 2023** | | | | |
| Re-measurement (losses) on defined benefit plans | (100.75) | - | - | (100.75) |
| Net movement on cash flow hedges | - | (487.25) | - | (487.25) |
| Exchange differences on translation of foreign operations | - | - | 256.65 | 256.65 |
| **During the year ended March 31, 2022** | | | | |
| Re-measurement gains on defined benefit plans | 16.10 | - | - | 16.10 |
| Net movement on cash flow hedges | - | 154.78 | - | 154.78 |
| Exchange differences on translation of foreign operations | - | - | (4.56) | (4.56) |

Table No. 2.73

**30 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:

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Profit after tax | 2,672.27 | 3,490.82 |
| Weighted average number of shares | | |
| - Basic | 13,42,88,855 | 13,29,99,709 |
| - Diluted | 13,89,66,064 | 13,88,69,074 |
| Earning per share of Rs. 5 each | | |
| - Basic | 19.90 | 26.25 |
| - Diluted | 19.23 | 25.14 |

Table No. 2.74

**31 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the consolidated 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 consolidated financial statements.

**b. Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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.

**1.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.

**2. 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.

**3. 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 customisation by the Group in order to meet the customer's requirements. If significant modification or customisation is required, then the license fee is recognised based on percentage-of-completion. Majority of such modifications or customisations 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 utilising 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.

**4. 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 33.

**5. 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 judgement is 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 in the future 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.

**6. 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 Revenue accrued and not billed. 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 ageing of the customer balance and the past trends of collection.

**7. Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Consolidated Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also Refer to note 38 and note 42 for further disclosures.

**8. Leases**

Determining the lease term of contracts with renewal and termination options - Group as lessee:

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow.

Refer note 41 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

**32 SHARE BASED PAYMENTS (EMPLOYEE STOCK OPTION SCHEME)**

The Scheme of Arrangement (Demerger) entered into by the Holding 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 Holding 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 (Holding 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 Holding company has following Employee stock option schemes (i) Intellect Stock Option Plan 2015 (ISOP 2015), Intellect Stock Option Plan 2016 (ISOP 2016) and Intellect Incentive Plan Scheme (ISOP 2018) of its own.

These plans provide for the granting of stock options to employees including directors of the Group (not being promoter directors and not holding more than 10% of the equity shares of the Holding company). The objectives of these plans include attracting and retaining the best personnel, providing for additional performance incentives and promoting the success of the Group by providing employees the opportunity to acquire equity shares.

During the year ended March 31, 2018, the Holding company had offered rights issue to its shareholders. 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 Holding 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 November 09, 2017 revised/reduced the exercise prices of outstanding options (both vested and unvested) as on the record date i.e July 18, 2017 by 15 %. The fair values before and after the modification have remained unchanged and there is no incremental impact in the Statement of Profit and Loss. The option plans are summarised below:

**Share options modification**

The Nomination and remuneration committee (NRCC) at its meeting held at June 9, 2020 and June 17, 2020 decided to modify the options provided to the employees due to significant reduction in current market price of equity shares of the Holding company. As per decision of NRCC, the employees were given an option to surrender their existing options and avail new options under the new scheme in lieu of surrendered option.

As a result, associates holding 60,74,840 options under various schemes ASOP 2011, ISOP 2015, ISOP 2016 and ISOP 2018 voluntarily surrendered their options on May 29, 2020, June 9, 2020, June 17, 2020 and August 7, 2020 and were issued new options in the ratio of 2:1 under Intellect Incentive Plan Scheme 2018 (Restrictive Stock Options) at an exercise price of Rs. 5. These modification have been approved by the NRCC.

The details of surrendered and reissue options are provided below:

| Scheme | Date of reissue | Average Fair Value before modification | Fair Value after modification |
|---|---|---|---|
| ASOP 2011, ISOP 2015, ISOP 2016 and ISOP 2018 | May 29, 2020 | 26.77 | 63.95 |
| ASOP 2011, ISOP 2015, ISOP 2016 and ISOP 2018 | June 09, 2020 | 89.03 | 89.03 |
| ASOP 2011, ISOP 2015 and ISOP 2016 | June 17, 2020 | 24.57 | 92.63 |
| ASOP 2011, ISOP 2015 and ISOP 2016 | August 07, 2020 | 85.39 | 156.68 |

Table No. 2.75

The Black Scholes valuation model has been used for computing the weighted average fair value the details of which is mentioned under section RSU 2018 scheme.

**Associate Stock Option Plan 2011**

The Plan is effective from October 9, 2014 and the Holding 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 | 36,48,450 Less: Number of Options granted under Swarnam 21 | 17,36,000 | 12,40,000 Less: Number of Options granted under Swarnam 41 | 2,00,000 |

Table No. 2.76

**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. 2.77

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 Holding 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% | - | - | 20% |
| At the end of Year 2 | 15% | - | - | 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. 2.78

**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 |
| Holding Company's target EPS growth | Accelerated vesting of 5%/10% each year, based on achieving specified target EPS growth. | Accelerated vesting of 5%/10% each year, based on achieving specified target EPS growth. | NA | NA |

Table No. 2.79

The exercise period shall commence from the date of vesting and expires within 60 calendar months from the relevant vesting date.

| Particulars | March 31, 2023 | |
|---|---|---|
| | Number of Shares | Weighted Average Exercise Price (Rs.) |
| Outstanding at the beginning of the year | 58,200 | 39.38 |
| Granted during the year | - | - |
| Exercised during the year | (25, 140) | 41.14 |
| Forfeited during the year | - | - |
| Expired during the year | (12,890) | 34.96 |
| Surrender during the year | - | - |
| Outstanding at the end of the year | 20,170 | 40.70 |
| Exercisable at the end of the year | 20,170 | 40.70 |

Table No. 2.80

| Particulars | March 31, 2023 |
|---|---|
| Range of exercise price (Rs.) | 27.3 to 62.35 |
| Weighted average remaining contractual life (in years) | 1.30 |
| Weighted average fair value of options granted (Rs.) | - |
| Weighted average market price of shares on the date of exercise (Rs.) | 598.85 |

Table No. 2.81

| Particulars | March 31, 2022 | |
|---|---|---|
| | Number of Shares | Weighted Average Exercise Price (Rs.) |
| Outstanding at the beginning of the year | 1,98,070 | 39.38 |
| Granted during the year | - | - |
| Exercised during the year | (1,24,750) | 39.87 |
| Forfeited during the year | - | - |
| Expired during the year | (15,120) | 34.41 |
| Surrender during the year | - | - |
| Outstanding at the end of the year | 58,200 | 39.62 |
| Exercisable at the end of the year | 58,200 | 39.62 |

Table No. 2.82

| Particulars | March 31, 2022 |
|---|---|
| Range of exercise price (Rs.) | 27.3 to 62.35 |
| Weighted average remaining contractual life (in years) | 1.42 |
| Weighted average fair value of options granted (Rs.) | - |
| Weighted average market price of shares on the date of exercise (Rs.) | 718.83 |

Table No. 2.83

| 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. 2.84

| 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. 2.85

| 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. 2.86

**Intellect Stock option Plan 2015**

The Shareholders of the Holding 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 Nomination Remuneration and Compensation Committee and the Board has decided to amend the Scheme to include Restricted Stock Units (RSU's) to facilitate grant of fresh RSU's in lieu of options voluntarily surrendered as well as for future grants. The Holding company in its shareholder's meeting held on August 21, 2020 have approved the modification to the scheme, to include Restrictive stock options in addition to existing options part of scheme. The plan shall be administered under 5 different schemes based on the following terms:

**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. 2.87

Grant price of options (RSU's) under Swarnam 601 shall be Rs.5 per option.

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 Holding 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. 2.88

The vesting schedule for Swarnam 601 shall be decided by Nomination Remuneration and Compensation Committee subject to a maximum vesting period of 5 years.

**Performance Conditions**

| | |
|---|---|
| Performance rating | 20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating. |
| Holding Company's Target EPS growth | Accelerated vesting of 5%/10% each year, based on Holding company achieving specified target EPS growth |

Table No. 2.89

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, 2023 is presented below:

| Particulars | March 31, 2023 | |
|---|---|---|
| | Number of Shares | Weighted Average Exercise Price (Rs.) |
| Outstanding at the beginning of the year | 17,57,605 | 85.51 |
| Granted during the year | 9,99,885 | 5.00 |
| Exercised during the year | (2,38,842) | 89.45 |
| Forfeited during the year | (1,94,175) | 11.82 |
| Expired during the year | (77,300) | 76.98 |
| Outstanding at the end of the year | 22,47,173 | 55.94 |
| Exercisable at the end of the year | 5,45,063 | 124.08 |

Table No. 2.90

| Particulars | March 31, 2023 |
|---|---|
| Range of exercise price (Rs.) | 5 to 344.95 |
| Weighted average remaining contractual life (in years) | 6.44 |
| Weighted average fair value of options granted (Rs.) | 519.88 |
| Weighted average market price of shares on the date of exercise (Rs.) | 593.01 |

Table No. 2.91

| Particulars | March 31, 2022 | |
|---|---|---|
| | Number of Shares | Weighted Average Exercise Price (Rs.) |
| Outstanding at the beginning of the year | 18,76,925 | 118.09 |
| Granted during the year | 7,11,500 | 5.00 |
| Exercised during the year | (6,15,662) | 111.02 |
| Forfeited during the year | (1,87,875) | 30.05 |
| Expired during the year | (27,283) | 150.86 |
| Surrender during the year | - | - |
| Outstanding at the end of the year | 17,57,605 | 85.51 |
| Exercisable at the end of the year | 4,96,955 | 135.82 |

Table No. 2.92

| Particulars | March 31, 2022 |
|---|---|
| Range of exercise price (Rs.) | 5 to 344.95 |
| Weighted average remaining contractual life (in years) | 5.83 |
| Weighted average fair value of options granted (Rs.) | 665.79 |
| Weighted average market price of shares on the date of exercise (Rs.) | 727.32 |

Table No. 2.93

The fair value of options was estimated at the date of grant using the Black Scholes Model with the following assumptions:

**Grants made for the year ended March 31, 2023**

| Date of Grant: 17-May-2022 | 17-May-2023 | 17-May-2024 | 17-May-2025 | 17-May-2026 |
|---|---|---|---|---|
| Market price (Rs.) | 576.85 | 576.85 | 576.85 | 576.85 |
| Expected Life | 3.51 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 53.45 | 54.02 | 53.26 | 52.77 |
| Risk free rate (%) | 6.74 | 6.96 | 7.12 | 7.24 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.43 | 0.43 | 0.43 | 0.43 |
| **Fair value per vest (Rs.)** | **564.26** | **562.12** | **559.97** | **557.81** |
| Vest percentage (%) | 0.00 | 50.00 | 0.00 | 50.00 |
| **Option Fair Value (Rs.)** | | **559.97** | | |

Table No. 2.94

| Date of Grant: 17-May-2022 | 17-May-2023 | 17-May-2024 | 17-May-2025 | 17-May-2026 | 17-May-2027 |
|---|---|---|---|---|---|
| Market price (Rs.) | 576.85 | 576.85 | 576.85 | 576.85 | 576.85 |
| Expected Life | 3.51 | 4.51 | 5.51 | 6.51 | 7.51 |
| Volatility (%) | 53.45 | 54.02 | 53.26 | 52.77 | 54.62 |
| Risk free rate (%) | 6.74 | 6.96 | 7.12 | 7.24 | 7.33 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.43 | 0.43 | 0.43 | 0.43 | 0.43 |
| **Fair value per vest (Rs.)** | **564.26** | **562.12** | **559.97** | **557.81** | **555.64** |
| Vest percentage (%) | 0.00 | 0.00 | 33.33 | 33.33 | 33.34 |
| **Option fair value (Rs.)** | | **557.81** | | | |

Table No. 2.95

| Date of Grant: 29-Aug-2022 | 29-Aug-2023 | 29-Aug-2024 | 29-Aug-2025 | 29-Aug-2026 |
|---|---|---|---|---|
| Market price (Rs.) | 587.15 | 587.15 | 587.15 | 587.15 |
| Expected Life | 3.51 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 53.17 | 53.26 | 52.44 | 51.78 |
| Risk free rate (%) | 6.87 | 7.00 | 7.09 | 7.14 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.43 | 0.43 | 0.43 | 0.43 |
| **Fair value per vest (Rs.)** | **574.43** | **572.23** | **570.02** | **567.8** |
| Vest percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs.)** | | **571.12** | | |

Table No. 2.96

| Date of Grant: 29-Aug-2022 | 29-Aug-2023 | 29-Aug-2024 | 29-Aug-2025 | 29-Aug-2026 | 29-Aug-2027 |
|---|---|---|---|---|---|
| Market price (Rs.) | 587.15 | 587.15 | 587.15 | 587.15 | 587.15 |
| Expected Life | 3.51 | 4.51 | 5.51 | 6.51 | 7.51 |
| Volatility (%) | 53.17 | 53.26 | 52.44 | 51.78 | 53.31 |
| Risk free rate (%) | 6.87 | 7 | 7.09 | 7.14 | 7.18 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.43 | 0.43 | 0.43 | 0.43 | 0.43 |
| **Fair value per vest (Rs.)** | **574.43** | **572.23** | **570.02** | **567.8** | **565.58** |
| Vest percentage (%) | 0.00 | 0.00 | 33.33 | 33.33 | 33.34 |
| **Option fair value (Rs.)** | | **567.80** | | | |

Table No. 2.97

| Date of Grant: 29-Dec-2022 | 29-Dec-2023 | 29-Dec-2024 | 29-Dec-2025 | 29-Dec-2026 | 29-Dec-2027 |
|---|---|---|---|---|---|
| Market price (Rs.) | 442.00 | 442.00 | 442.00 | 442.00 | 442.00 |
| Expected Life | 3.51 | 4.51 | 5.51 | 6.51 | 7.51 |
| Volatility (%) | 53.59 | 52.84 | 52.56 | 51.66 | 52.7 |
| Risk free rate (%) | 7.10 | 7.19 | 7.25 | 7.28 | 7.30 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.57 | 0.57 | 0.57 | 0.57 | 0.57 |
| **Fair value per vest (Rs.)** | **432.48** | **430.32** | **428.06** | **425.73** | **423.38** |
| Vest percentage (%) | 0.00 | 0.00 | 33.33 | 33.33 | 33.34 |
| **Option fair value (Rs.)** | | **425.72** | | | |

Table No. 2.98

**Grants made for the year ended March 31, 2022**

| Date of Grant: 12-Aug-2021 | 12-Aug-2022 | 12-Aug-2023 | 12-Aug-2024 | 12-Aug-2025 |
|---|---|---|---|---|
| Market Price (Rs.) | 653.95 | 653.95 | 653.95 | 653.95 |
| Expected Life | 3.50 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 55.22 | 53.72 | 52.93 | 54.30 |
| Riskfree Rate (%) | 5.25 | 5.63 | 5.95 | 6.21 |
| Exercise Price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| **Fair value per vest (Rs.)** | **649.79** | **650.07** | **650.35** | **650.61** |
| Vest percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs.)** | | **650.21** | | |

Table No. 2.99

| Date of Grant: 29-Oct-2021 | 29-Oct-2022 | 29-Oct-2023 | 29-Oct-2024 | 29-Oct-2025 |
|---|---|---|---|---|
| Market Price (Rs.) | 659.65 | 659.65 | 659.65 | 659.65 |
| Expected Life | 3.50 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 55.02 | 53.68 | 52.31 | 53.50 |
| Riskfree Rate (%) | 5.22 | 5.60 | 5.91 | 6.17 |
| Exercise Price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| **Fair Value per vest (Rs.)** | **655.48** | **655.77** | **656.04** | **656.3** |
| Vest percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs.)** | | **655.90** | | |

Table No. 2.100

| Date of Grant: 27-Jan-2022 | 27-Jan-2023 | 27-Jan-2024 | 27-Jan-2025 | 27-Jan-2026 |
|---|---|---|---|---|
| Market Price (Rupees) | 721.25 | 721.25 | 721.25 | 721.25 |
| Expected Life | 3.50 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 54.91 | 53.42 | 52.94 | 53.93 |
| Riskfree rate (%) | 5.51 | 5.88 | 6.19 | 6.44 |
| Exercise Price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| **Fair value per vest (Rs.)** | **717.13** | **717.41** | **717.70** | **717.96** |
| Vest percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option Fair Value (Rs.)** | | **717.55** | | |

Table No. 2.101

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 Holding 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. The Nomination Remuneration and Compensation Committee and the board has decided to amend the Scheme to include Restricted Stock Units (RSU's) to facilitate grant of fresh RSU's in lieu of options voluntarily surrendered as well as for future grants. The Holding company in its shareholding meeting held on August 21, 2020 have approved the modification the scheme, to include Restrictive stock options in addition to existing options part of scheme. A summary of the status of the options granted under 2016 plan at March 31, 2023 is presented as below:

**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 | 10% discount on market price. (Subject to being Not lower than Rs. 49) | 20% 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 R.s 49) |
| Market price greater than Rs.140 | 15% discount on market price | 30% 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. 2.102

Grant price of options (RSU's) under Swarnam 601 shall be Rs.5 per option

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 Holding 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.

**Service conditions**

The option vests over a period of 3-5 years from the date of grant in a graded manner, subject to fulfillment of vesting conditions as follows:

| Particulars | Swarnam 201 – 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. 2.103

The vesting schedule for Swarnam 601 shall be decided by Nomination Remuneration and Compensation Committee subject to a maximum vesting period of 5 years.

**Performance Conditions**

| | |
|---|---|
| Performance rating | 20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating. |
| Holding company's target EPS growth | Accelerated vesting of 5%/10% each year, based on Holding company achieving specified target EPS growth |

Table No. 2.104

The fair value of options was estimated at the date of grant using the Black Scholes Model with the following assumptions:

**March 31, 2023**

| Particulars | Number of Shares | Weighted Average Exercise Price (Rs.) |
|---|---|---|
| Outstanding at the beginning of the year | 3,50,950 | 155.39 |
| Granted during the year | - | - |
| Exercised during the year | (55,150) | 146.85 |
| Forfeited during the year | (25,450) | 113.81 |
| Expired during the year | (3,900) | 147.47 |
| Outstanding at the end of the year | 2,66,450 | 161.24 |
| Exercisable at the end of the year | 1,73,600 | 142.24 |

Table No. 2.105

| Particulars | March 31, 2023 |
|---|---|
| Range of exercise price (Rs.) | 83.09 to 643.32 |
| Weighted average remaining contractual life (in years) | 4.32 |
| Weighted average fair value of options granted (Rs.) | - |
| Weighted average market price of shares on the date of exercise (Rs.) | 536.74 |

Table No. 2.106

**March 31, 2022**

| Particulars | Number of Shares | Weighted Average Exercise Price (Rs.) |
|---|---|---|
| Outstanding at the beginning of the year | 4,24,450 | 145.30 |
| Granted during the year | 5,000 | 643.32 |
| Exercised during the year | (66,750) | 112.39 |
| Forfeited during the year | (5,650) | 522.79 |
| Expired during the year | (6,100) | 173.91 |
| Surrender during the year | - | - |
| Outstanding at the end of the year | 3,50,950 | 155.39 |
| Exercisable at the end of the year | 1,58,350 | 134.87 |

Table No. 2.107

| Particulars | March 31, 2022 |
|---|---|
| Range of exercise price (Rs.) | 83.09 to 643.32 |
| Weighted average remaining contractual life (in years) | 5.26 |
| Weighted average fair value of options granted (Rs.) | 469.20 |
| Weighted average market price of shares on the date of exercise (Rs.) | 736.75 |

Table No. 2.108

**Granted for the year ended March 31, 2022**

| Date of Grant: 12-May-2021 | 12-May-2022 | 12-May-2023 | 12-May-2024 | 12-May-2025 | 12-May-2026 |
|---|---|---|---|---|---|
| Market Price (Rs.) | 756.85 | 756.85 | 756.85 | 756.85 | 756.85 |
| Expected Life | 3.50 | 4.51 | 5.51 | 6.51 | 7.51 |
| Volatility (%) | 55.56 | 54.48 | 53.51 | 55.54 | 55.54 |
| Riskfree Rate (%) | 5.17 | 5.52 | 5.80 | 6.04 | 6.23 |
| Exercise Price (Rs.) | 643.32 | 643.32 | 643.32 | 643.32 | 643.32 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Fair value per vest (Rs.)** | **379.16** | **417.76** | **450.34** | **491.10** | **519.25** |
| Vest Percentage (%) | 10.00 | 15.00 | 20.00 | 25.00 | 30.00 |
| **Option fair value (Rs.)** | | | **469.20** | | |

Table No. 2.109

**Intellect Incentive Plan Scheme 2018**

The Shareholders of the Holding company in the Annual General Meeting held on August 23, 2018 approved Intellect Incentive Plan Scheme 2018. The 2018 plan provides for issuance of 62,50,000 options through Restrictive Stock Units (RSU's) 2018 and ISOP 2018 in total 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 for RSU 2018 it shall continue to be in force until (i) its termination by the Holding company as per provisions of applicable laws, or (ii) the date on which all of the Restricted Stock Units available for issuance under the RSU 2018 / Stock Options 2018 have been issued and exercised, whichever is earlier and for ISOP 2018 is 12 years from the date of the Scheme coming to force. The scheme shall be extended by a period of not more than 5 years as the Board of Directors may decide. Nomination and remuneration committee (NRCC) in its meeting held of June 15, 2020 has decided to make the total options fungible between RSU and ISOP 2018. A summary of the status of the options granted under Intellect Incentive Plan scheme 2018 as at March 31, 2023 is presented below:

**RSU 2018**

| Particulars | March 31, 2023 | |
|---|---|---|
| | Number of Shares | Weighted Average Exercise Price (Rs.) |
| Outstanding at the beginning of the year | 53,11,723 | 5.00 |
| Granted during the year | 67,500 | 5.00 |
| Exercised during the year | (8,49,829) | 5.00 |
| Forfeited during the year | (2,38,000) | 5.00 |
| Expired during the year | (12,000) | - |
| Cancelled & restored | 1,500 | - |
| Outstanding at the end of the year | 42,80,894 | 5.00 |
| Exercisable at the end of the year | 14,49,369 | 5.00 |

Table No. 2.110

| Particulars | March 31, 2023 |
|---|---|
| Range of exercise price (Rs.) | 5.00 |
| Weighted average remaining contractual life (in years) | 5.12 |
| Weighted average fair value of options granted (Rs.) | 465.10 |
| Weighted average market price of shares on the date of exercise (Rs.) | 121.79 |

Table No. 2.111

**Service conditions**

| Particulars | Type 1 | Type 2 |
|---|---|---|
| Service conditions | | |
| At the end of year 1 | 100% | 33.00% |
| At the end of year 2 | - | 33.00% |
| At the end of year 3 | - | 34.00% |

Table No. 2.112

The fair value of options was estimated at the date of grant using the Black Scholes Model with the following assumptions:

**RSU 2018**

| Particulars | March 31, 2022 | |
|---|---|---|
| | Number of Shares | Weighted Average Exercise Price (Rs.) |
| Outstanding at the beginning of the year | 59,88,187 | 5.00 |
| Granted during the year | 4,64,500 | 5.00 |
| Exercised during the year | (7,72,089) | 5.00 |
| Forfeited during the year | (3,62,750) | 5.00 |
| Expired during the year | (6,125) | - |
| Outstanding at the end of the year | 53,11,723 | 5.00 |
| Exercisable at the end of the year | 8,03,763 | 5.00 |

Table No. 2.113

| Particulars | March 31, 2022 |
|---|---|
| Range of exercise price (Rs.) | 5.00 |
| Weighted average remaining contractual life (in years) | 6.66 |
| Weighted average fair value of options granted (Rs.) | 753.08 |
| Weighted average market price of shares on the date of exercise (Rs.) | 729.66 |

Table No. 2.114

**Service conditions**

| Particulars | Type 1 | Type 2 |
|---|---|---|
| Service conditions | | |
| At the end of year 1 | 100% | 33.00% |
| At the end of year 2 | - | 33.00% |
| At the end of year 3 | - | 34.00% |

Table No. 2.115

The fair value of options was estimated at the date of grant using the Black Scholes Model with the following assumptions:

**Granted for the year ended March 31, 2023**

**RSU 2018**

| Date of Grant – 17-May-2022 | 17-May-2023 | 17-May-2024 | 17-May-2025 | 17-May-2026 |
|---|---|---|---|---|
| Market price (Rs.) | 576.85 | 576.85 | 576.85 | 576.85 |
| Expected life | 3.51 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 53.45 | 54.02 | 53.26 | 52.77 |
| Risk free rate (%) | 6.74 | 6.96 | 7.12 | 7.24 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.43 | 0.43 | 0.43 | 0.43 |
| **Fair value per vest (Rs.)** | **564.26** | **562.12** | **559.97** | **557.81** |
| Vest Percentage(%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs.)** | | **561.04** | | |

Table No. 2.116

| Date of Grant – 29-Dec-2022 | 29-Dec-2023 | 29-Dec-2024 | 29-Dec-2025 | 29-Dec-2026 |
|---|---|---|---|---|
| Market price (Rs.) | 442.00 | 442.00 | 442.00 | 442.00 |
| Expected life | 3.51 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 53.59 | 52.84 | 52.66 | 51.74 |
| Riskfree rate (%) | 7.10 | 7.19 | 7.25 | 7.28 |
| Exercise price (Rs.) | 5.00 | 5,00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.57 | 0.57 | 0.57 | 0.57 |
| **Fair Value per vest (Rs.)** | **429.35** | **427.17** | **424.98** | **422.79** |
| Vest Percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs.)** | | **426.07** | | |

Table No. 2.117

**Granted for the year ended March 31, 2022**

**RSU 2018**

| Type 4 - Date of Grant – 12-May-2021 | 12-May-2022 | 12-May-2023 | 12-May-2024 | 12-May-2025 |
|---|---|---|---|---|
| Market price (Rs.) | 756.85 | 756.85 | 756.85 | 756.85 |
| Expected life | 3.50 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 55.56 | 54.48 | 53.51 | 55.54 |
| Riskfree rate (%) | 5.17 | 5.52 | 5.80 | 6.04 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| **Fair value per vest (Rs.)** | **752.68** | **752.95** | **753.22** | **753.48** |
| Vest Percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs.)** | | **753.08** | | |

Table No. 2.118

| Date of Grant – 29-Oct-2021 | 29-Oct-2022 | 29-Oct-2023 | 29-Oct-2024 | 29-Oct-2025 |
|---|---|---|---|---|
| Market price (Rs.) | 659.65 | 659.65 | 659.65 | 659.65 |
| Expected life | 3.50 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 55.02 | 53.68 | 52.31 | 53.5 |
| Riskfree rate (%) | 5.22 | 5.6 | 5.91 | 6.17 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| **Fair value per vest (Rs.)** | **655.48** | **655.77** | **656.04** | **656.3** |
| Vest Percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs.)** | | **655.9** | | |

Table No. 2.119

| Date of Grant – 27-Jan-2022 | 27-Jan-2023 | 27-Jan-2024 | 27-Jan-2025 | 27-Jan-2026 |
|---|---|---|---|---|
| Market price (Rs). | 721.25 | 721.25 | 721.25 | 721.25 |
| Expected life | 3.50 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 54.91 | 53.42 | 52.94 | 53.93 |
| Riskfree rate (%) | 5.51 | 5.88 | 6.19 | 6.44 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| **Fair value per vest (Rs.)** | **717.13** | **717.41** | **717.7** | **717.96** |
| Vest Percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs.)** | | **717.55** | | |

Table No. 2.120

**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 | 10% discount on market price. (Subject to being Not lower than Rs 49) | 20% 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 | 15% discount on market price | 30% 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. 2.121

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 Holding 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.

**Service conditions**

| Particulars | Swarnam 101 | Swarnam 201- 501 |
|---|---|---|
| Service conditions | | |
| At the end of year 1 | 10% | 0% |
| At the end of year 2 | 15% | 0% |
| At the end of year 3 | 20% | 33% |
| At the end of year 4 | 25% | 33% |
| At the end of year 5 | 30% | 34% |

Table No. 2.122

**Performance Conditions**

| | |
|---|---|
| Performance rating | 20% of the options granted for each year shall be subject to meeting of minimum specified annual performance rating. |
| Holding company's target EPS growth | Accelerated vesting of 5%/10% each year, based on Holding company achieving specified target EPS growth |

Table No. 2.123

**33 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.

Summary of the components of defined benefit plans:

In Rs. Million

| Particulars | Year ended March 31, 2023 | 2022 |
|---|---|---|
| **Change in benefit obligation** | | |
| Benefit obligations at the beginning | 455.77 | 439.50 |
| Current service cost | 75.27 | 57.42 |
| Interest cost | 37.12 | 28.74 |
| Benefits paid | (57.06) | (53.02) |
| Remeasurement - actuarial (gains) / losses | 104.65 | (16.87) |
| **Benefit obligations at the end** | **615.75** | **455.77** |
| **Change in plan assets** | | |
| Plan assets at beginning, at fair value | 119.49 | 163.39 |
| Expected return on plan assets | 8.36 | 9.54 |
| Contributions | 31.99 | 0.04 |
| Remeasurement - actuarial (gains) / losses | 1.75 | (0.76) |
| Benefits paid | (56.61) | (52.72) |
| **Plan assets at the end, at fair value** | **104.98** | **119.49** |
| Actual return on plan assets | 10.11 | 8.78 |
| | | |
| **Asset / (liability) recognised in the Consolidated Balance Sheet** | | |
| Fair value of plan assets at the end | 104.98 | 119.49 |
| Present value of defined benefit obligations at the end | 615.75 | 455.77 |
| **Asset / (liability) recognised** | **(510.77)** | **(336.28)** |
| a) Non-current portion | - | - |
| b) Current portion | (510.77) | (336.28) |
| Estimated amount of contribution to the fund during the year ended March 31, 2023 is Rs. 510 million (March 31, 2022 - Rs. 336 million) | | |
| **Amount recognised in the Consolidated Statement of Profit and Loss** | | |
| Service cost | 75.27 | 57.42 |
| Benefits paid directly by the Group | (2.45) | (0.35) |
| Net interest on the net defined liability/asset | 28.76 | 19.20 |
| | **101.58** | **76.27** |
| **Amount recognised in other comprehensive income** | | |
| *Remeasurement in benefit obligation:* | | |
| (Loss) / Gain from change in demographic assumptions | (48.00) | 45.46 |
| (Loss) from change in financial assumptions | (4.43) | (11.77) |
| Actuarial (loss) due to experience | (52.22) | (16.83) |
| *Remeasurement in plan assets:* | | |
| Return / (Loss) on plan assets greater / (less) than discount rate | 1.75 | (0.76) |
| | **(102.90)** | **16.10** |
| **Movement in Surplus / (Deficit)** | | |
| (Deficit)/ Surplus at the beginning | (336.28) | (276.11) |
| Current service cost | (75.27) | (57.42) |
| Past service cost | - | - |
| Net interest on net defined benefit obligation | (28.76) | (19.20) |
| Actuarial (losses) / gains | (102.90) | 16.10 |
| Contributions | 32.44 | 0.35 |
| (Deficit)/ Surplus at the end | **(510.77)** | **(336.28)** |
| **Actuarial assumptions** | | |
| Discount rate | 7.45% | 6.96% |
| Salary growth rate | 11.50% | 10.50% |
| Attrition rate | 23.70% | 35.20% |
| Expected weighted average remaining working life | 8.8 years | 4.3 years |

Table No. 2.124

**Notes**

(a) The estimate 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.

| Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Assets under insurance schemes | 100% | 100% |

Table No. 2.125

**A quantitative sensitive analysis of the assumption as at March 31, 2023**

| Assumptions | Discount Rate | | Salary Escalation Rate | |
|---|---|---|---|---|
| Sensitivity level | 1% | 1% | 1% | 1% |
| Activity | Increase | Decrease | Increase | Decrease |
| Defined benefit obligation | 568.70 | 669.55 | 643.25 | 587.54 |

Table No. 2.126

| Assumptions | Attrition rate | | Mortality rate |
|---|---|---|---|
| Sensitivity level | 1% | 1% | 10% |
| Activity | Increase | Decrease | Increase |
| Defined benefit obligation | 608.03 | 624.11 | 615.52 |

Table No. 2.127

**A quantitative sensitive analysis of the assumption as at March 31, 2022**

| Assumptions | Discount Rate | | Salary Escalation Rate | |
|---|---|---|---|---|
| Sensitivity level | 1% | 1% | 1% | 1% |
| Activity | Increase | Decrease | Increase | Decrease |
| Defined benefit obligation | 426.24 | 489.08 | 477.20 | 434.17 |

Table No. 2.128

| Assumptions | Attrition rate | | Mortality rate |
|---|---|---|---|
| Sensitivity level | 1% | 1% | 10% |
| Activity | Increase | Decrease | Increase |
| Defined benefit obligation | 450.42 | 461.53 | 455.53 |

Table No. 2.129

In Rs. Million

| Maturity Profile of defined benefit obligation | Discounted values / Present value | |
|---|---|---|
| Particulars | March 31, 2023 | March 31, 2022 |
| Within next 12 months (next annual reporting period) | 53.78 | 61.61 |
| Between 2 and 5 years | 142.53 | 125.42 |
| Between 6 and 10 years | 141.21 | 92.40 |
| More than 10 years | 278.23 | 176.34 |
| **Total** | **615.75** | **455.77** |

Table No. 2.130

**34 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) 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
3. School Of Design Thinking Private Limited
4. Intellect Design Group gratuity trust

**(c) Key Management Personnel (KMP)**

1. Mr. Arun Jain, Chairman & Managing Director
2. Mr. Venkateswarlu Saranu, Chief Financial Officer
3. Mr. Naresh VV, Company Secretary
4. Mr. Anil Kumar Verma, Whole time director
5. Mr. Arun Shekhar Aran, Independent Director and Audit Committee Chairman
6. Mr. Abhay Anant Gupte, Independent Director
7. Mrs. Vijaya Sampath, Independent Director
8. Mr. Andrew Ralph England, Director
9. Mr. Ambrish Pandey Jain, Independent Director (w.e.f. May 05, 2022)

In Rs. Million

| Particulars | Associates | |
|---|---|---|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| | | |
| **TRANSACTIONS DURING THE YEAR** | | |
| **Software development expenses** | | |
| Adrenalin eSystems | 70.62 | 3.86 |
| **Reimbursement of expenses to the Group** | | |
| Adrenalin eSystems | 31.11 | 19.02 |

Table No. 2.131

| Particulars | Others | |
|---|---|---|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| **Rental expenses** | | |
| Polaris Banyan Holding Limited | 5.61 | 4.93 |
| **Rental income** | | |
| School of Design Thinking Private Limited | 0.10 | 0.10 |
| **Software development expenses** | | |
| Maveric Systems Limited | - | - |
| **Contributions** | | |
| Intellect Design Group gratuity trust | 31.99 | 0.04 |

| Particulars | Key Management Personnel | |
|---|---|---|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| **Remuneration paid*** | | |
| Remuneration | 40.16 | 42.49 |
| Other benefits | 22.49 | 20.87 |
| Sitting fees paid to Directors | 4.75 | 3.75 |
| | **67.40** | **67.11** |

Table No. 2.132

* 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 group as a whole and cost accrued for share based payments options provided to KMP.

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| | Others | |
| **BALANCE DUE FROM/TO RELATED PARTIES** | | |
| **Security deposit (for Rental Premises)** | | |
| Polaris Banyan Holding Private Limited | 2.94 | 2.94 |
| | Associates | |
| **Trade payables** | | |
| Adrenalin eSystems | 15.07 | 0.19 |
| **Loans and advances (Current)** | | |
| Adrenalin eSystems | 41.26 | 49.77 |
| | Key Management Personnel | |
| **Remuneration payable** | | |
| Remuneration and Other Benefits | 18.84 | 12.25 |

Table No. 2.133

**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, 2023 and March 31, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. 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.

**35 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

**(i) Capital commitment:**

Contracts yet to be executed on capital account (net of advances) Rs. 69.94 million (March 31, 2022 - Rs.6.76 million).

**(ii) Other commitment:**

Bank guarantees in the nature of financial guarantees (guarantees being fully backed by margin deposits) as at March 31, 2023 amounting to Rs. 179.46 million (March 31, 2022 - Rs 470.73 million)

**(iii) Claims against the Group, not acknowledged as debt includes:**

a) Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments / decisions pending at various forums / authorities. The management does not expect these claims to succeed and accordingly, no provision for contingent liability has been recognised 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. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Demand from Indian income tax authorities | 72.35 | 77.07 |
| Service tax demand from Commissioner of GST and Central excise, Chennai | 780.44 | 758.80 |
| Sales tax demand from Sales Tax Appellate Tribunal and Sales tax Officer (a deposit of Rs. 0.79 million is paid against the same) | 7.72 | 15.88 |

Table No. 2.134

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.

b) 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 recognised 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.

**36 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, 2023.

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 is recognised as Goodwill. Goodwill on consolidation as at March 31, 2023 stood at Rs. 330.21 million (March 31, 2022 - Rs. 304.57 million).

**37 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. The management assessed that the fair values of cash and cash equivalents, bank balances including deposits, trade receivables, loans and deposits, other financial assets, trade payables and other financial liabilities would approximate their carrying amounts due to their nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The method and assumptions used to estimate the fair values is the fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date.

In Rs. Million

| Particulars | Carrying value | | Fair value | |
|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **Financial assets** | | | | |
| Investments in Bonds at amortised cost - Refer note 10(a) | 2,808.95 | 1,331.34 | 2,674.52 | 1,291.20 |
| Investments in Mutual funds at FVTPL - Refer note 10(a) | 303.18 | 2,306.97 | 303.18 | 2,306.97 |
| Equity instruments at FVTPL - Refer note 10(a) | 0.05 | 0.05 | 0.05 | 0.05 |
| Derivative financial instruments | | | | |
| - Current - Refer note 10(f) | - | 202.00 | - | 202.00 |
| - Non-current - Refer note 6(c) | - | 138.28 | - | 138.28 |
| **Investment property** - Refer note 4(c) | 17.77 | 19.67 | 226.00 | 233.00 |
| **Financial liability** | | | | |
| Derivative financial instruments | | | | |
| - Current - Refer note 18(e) | (127.73) | - | (127.73) | - |
| - Non-current - Refer note 15 | (19.24) | - | (19.24) | - |

Table No. 2.135

**38 FAIR VALUE HIERARCHY**

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023 and March 31, 2022**

In Rs. Million

| Particulars | Date of valuation | Fair value measurement using | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| **Assets measured at fair value:** | | | | |
| Investment in Mutual funds | March 31, 2023 | 303.18 | - | - |
| | March 31, 2022 | 2,306.97 | - | - |
| Equity instruments | March 31, 2023 | 0.05 | - | - |
| | March 31, 2022 | 0.05 | - | - |
| Derivative financial instruments Forward contracts | March 31, 2023 | - | (146.97) | - |
| | March 31, 2022 | - | 340.28 | - |
| **Assets for which fair value is disclosed:** | | | | |
| Investment in Bonds at amortised cost | March 31, 2023 | 2,674.52 | - | - |
| | March 31, 2022 | 1,291.20 | - | - |
| Investment property | March 31, 2023 | - | - | 226.00 |
| | March 31, 2022 | - | - | 233.00 |

Table No. 2.136

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, 2023 and March 31, 2022.

**39 DERIVATIVE INSTRUMENTS (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 ends including forward cover taken for forecasted revenue receivable transactions:

In Rs. Million

| Particulars | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| Derivative financial instruments - foreign exchange forward contracts | - | 146.97 | 340.28 | - |
| **Total** | - | **146.97** | 340.28 | **-** |

Table No. 2.137

**March 31, 2023**

In Rs. Million

| Foreign exchange risk on cash flow hedge | Nominal value of hedging instruments | | Carrying value of hedging instruments | |
|---|---|---|---|---|
| | Asset | Liability | Asset | Liability |
| Foreign currency forward contracts | - | 146.97 | 14,815.81 | - |

Table No. 2.138

| Changes in value of hedged item used as basis for recognising hedge effectiveness | Changes in fair value in hedging instruments | Weighted Average Rate | Hedge ratio | Maturity date |
|---|---|---|---|---|
| 487.25 | (487.25) | 1 USD = 83.13 INR | 1:1 | 28-04-2023 to 31-03-2025 |

Table No. 2.139

| Cash Flow Hedge | Change in value of Hedging instrument recognised in Other comprehensive Income | Hedge ineffectiveness recognised in profit or loss | Amount reclassified from Cash flow hedge reserve to profit or loss | Line item affected in Consolidated Statement of profit and loss because of reclassification |
|---|---|---|---|---|
| Foreign exchange risk | (487.25) | Nil | 147.18 | Revenue |

Table No. 2.140

**March 31, 2022**

| Foreign exchange risk on cash flow hedge | Nominal value of hedging instruments | | Carrying value of hedging instruments | |
|---|---|---|---|---|
| | Asset | Liability | Asset | Liability |
| Foreign Currency forward contracts | 340.28 | Nil | 37,995.49 | Nil |

Table No. 2.141

| Changes in value of hedged item used as basis for recognising hedge effectiveness | Changes in fair value in hedging instruments | Weighted Average Rate | Hedge ratio | Maturity date |
|---|---|---|---|---|
| (154.78) | 154.78 | 1 USD = 80.27 INR | 1:1 | 29-04-2022 to 31-03-2025 |

Table No. 2.142

| Cash Flow Hedge | Change in value of Hedging instrument recognised in Other comprehensive Income | Hedge ineffectiveness recognised in profit or loss | Amount reclassified from Cash flow hedge reserve to profit or loss | Line item affected in Consolidated Statement of profit and loss because of reclassification |
|---|---|---|---|---|
| Foreign Exchange Risk | 154.78 | Nil | (217.11) | Revenue |

Table No. 2.143

**40 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 critereas of Ind AS 38 Intangible assets and has accordingly recognised such cost as Internally generated Intangible asset under 'Intangible assets under development' (Refer note 4(b)) and Intangible asset (Refer note 4(d)). During the year ended March 31, 2023 the Group has incurred a revenue expenditure of Rs. 1,724 million (March 31, 2022 - Rs. 1,187 million) 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. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Salaries, wages and bonus | 1,075.60 | 836.84 |
| Cost of license | 45.92 | 23.20 |
| Other direct overheads | 256.45 | 285.05 |
| **Total** | **1,377.97** | **1,145.09** |

Table No. 2.144

**41 LEASES**

The Group has lease contracts for Land and Building used for the purpose of office space at different location. Leases of such assets generally have lease terms between 1 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases on Plant and machinery and leases of low-value assets on Office equipments. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Set out below are the carrying amounts of Right-of-use assets recognised and the movements during the year.

Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Opening balance | 229.43 | 357.48 |
| Additions | 238.04 | 24.07 |
| Translation difference adjustment | 7.31 | 3.96 |
| Depreciation expense | (162.67) | (156.08) |
| **Closing balance** | **312.11** | **229.43** |

Table No. 2.145

Set out below are the carrying amounts of lease liabilities included under financial liabilities and the movements during the year:

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Opening balance | 195.79 | 314.64 |
| Translation difference adjustment | (11.72) | 0.63 |
| Additions during the year | 238.04 | 24.07 |
| Accretion of interest | 17.12 | 18.58 |
| Payments during the year | (167.95) | (162.13) |
| **Closing balance** | **271.28** | **195.79** |
| **Current** | 122.88 | 122.63 |
| **Non-current** | 148.40 | 73.16 |

Table No. 2.146

**Maturity analysis of lease liabilities on an undiscounted basis** In Rs. Million

| Year Ended | Less than 1 Year | 1 - 5 Years |
|---|---|---|
| March 31, 2023 | 136.09 | 164.41 |
| March 31, 2022 | 130.46 | 76.51 |

Table No. 2.147

The effective interest rate for lease liabilities is 1.29-11.56%, with maturity between 2019-2028.

**The following are the amounts recognised in profit or loss:** In Rs. Million

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Depreciation expense of right-of-use assets | 162.67 | 156.08 |
| Interest expense on lease liabilities | 17.12 | 18.58 |
| Expense relating to short-term leases (included in other expenses) | 13.59 | 4.26 |
| **Total** | **193.38** | **178.92** |

Table No. 2.148

The Group had total cash outflows for leases of Rs. 167.95 million in March 31, 2023 (March 31, 2022 - Rs. 162.13 million). The Group also had non-cash additions to right-of-use assets and lease liabilities of Rs. 238.04 million during the year (March 31, 2022 - Rs.24.07 million). There are no future cash outflows relating to leases that have not yet commenced.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The management does not expect undiscounted potential future rental payments due to extension options expected not to be exercised and termination options expected to be exercised.

There are no potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

**42 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial liabilities comprise unsecured loans from bank, lease liabilities, 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 of the Holding company. 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. 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:

**1. 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.

**1(a) Interest rate risk**

The Group's exposure to the risk of changes in market interest rates relates primarily to debt obligations with floating interest rates. The Group does not have any debt obligations outstanding, other than lease liabilities where interest rates are fixed and implicit at the time of inception of lease and is therefore not subjected to any variability in the interest rates.

**1(b) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

**Foreign currency sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Group's exposure to foreign currency changes for all other currencies is not material. The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

In Rs. Million

| Currency | Increase in foreign curreny by | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|---|
| | | Amount in foreign currency | Effect on Profit before tax | Amount in foreign currency | Effect on Profit before tax |
| **Amounts receivable in foreign currency** | | | | | |
| EUR | 5% | 4.14 | 18.49 | 3.25 | 1.28 |
| USD | 5% | 65.88 | 268.61 | 50.17 | 188.08 |
| VND | 5% | 23,715.80 | 4.15 | 19,669.52 | 3.93 |
| **Amounts payable in foreign currency** | | | | | |
| USD | 5% | 18.27 | 75.07 | 13.92 | 52.74 |

Table No. 2.149

In respect of the Group's forward derivative contracts, a 5% increase in the contract exchange rates of each of the currencies underlying such contracts would have resulted in increase in Other Comprehensive income by Rs. 7.35 million (March 31, 2022 - Rs. 17.58 million).

Conversely, 5% decrease in the above mentioned exchange rates on foreign currency exposures as at March 31, 2023 and March 31, 2022 would have had the same but opposite effect, again holding all other variable constant.

**2. Credit risk**

Credit risk is the risk that a 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 revenue accrued and not billed) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

The allowance for ECL for the year ended March 31, 2023 and March 31, 2022:

In Rs. Millions

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Balance at the beginning of the year | 941.20 | 853.12 |
| Impairment allowances recognised/reversed | 360.97 | 401.18 |
| Bad debts/ advances written off | (17.21) | (322.35) |
| Translation difference adjustment | 4.22 | 0.25 |
| **Balance at the end of the year** | **1,289.18** | **941.20** |

Table No. 2.150

**2(a) Trade receivables and 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 determined on expected credit loss method basis 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(b) and Note 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) operate in several jurisdictions in largely independent markets.

**2(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 Board of Directors of the Holding company on an annual basis which are monitored and updated, if necessary, on a regular basis by the management. The limits are set to minimise 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 Consolidated Balance Sheet as at March 31, 2023 and March 31, 2022 is the carrying amount in Notes 6 and Notes 10.

**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 it 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 summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

In Rs. Million

| Particulars | As of March 31, 2023 | | |
|---|---|---|---|
| | Less than 1 year | More than 1 year | Total |
| Lease liabilities | 136.09 | 164.41 | 300.50 |
| Trade payables | 2,746.65 | - | 2,746.65 |
| Other long term liabilities | - | 9.73 | 9.73 |
| Other financial liabilities | 1,522.89 | - | 1,522.89 |
| **Total** | **4,405.63** | **174.14** | **4,579.77** |

Table No. 2.151

In Rs. Million

| Particulars | As of March 31, 2022 | | |
|---|---|---|---|
| | Less than 1 year | More than 1 year | Total |
| Lease liabilities | 130.46 | 76.51 | 206.97 |
| Trade payables | 2,567.58 | - | 2,567.58 |
| Other long term liabilities | - | 6.00 | 6.00 |
| Other financial liabilities | 1,268.37 | - | 1,268.37 |
| **Total** | **3,966.41** | **82.51** | **4,048.92** |

Table No. 2.152

As at March 31, 2023, the outstanding amount of provision for employee benefits expense of Rs. 981.72 million (March 31, 2022 - Rs. 720.63 million) which have been substantially funded, accordingly no liquidity risk perceived.

**43 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 borrowings (includes lease liabilities).

The Group manages its capital structure and adjusts in the light of changes in economic conditions and the requirements of the financial covenants or lease arrangements. 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 unsecured borrowings from bank and lease liabilities less cash and cash equivalents.

In Rs. Million

| Particulars | As of March 31, | |
|---|---|---|
| | 2023 | 2022 |
| **Borrowings** | 271.28 | 204.19 |
| Less: Cash and bank balances | (971.04) | (1,587.47) |
| **Net debt** | **(699.76)** | **(1,383.28)** |
| **Equity** | | |
| Total capital* | 20,577.04 | 18,087.47 |
| **Capital and net debt** | **19,877.28** | **16,704.19** |
| **Gearing ratio** | -4% | -8% |

Table No. 2.153

* Includes Equity share capital and Other equity

*This space has been intentionally left blank*

**44 ADDITIONAL DISCLOSURE REQIREMENT UNDER SECTION 129 OF THE COMPANIES ACT, 2013 - March 31, 2023**

Rs. In Million

| Name of the companies | Net Assets | | Share in Profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As a% of the Consolidated net assets | Amount | As a% of the Consolidated Profit and loss | Amount | As a% of the Consolidated OCI | Amount | As a% of the Consolidated Total OCI | Amount |
| Parent | | | | | | | | |
| Intellect Design Arena Limited | 69.78% | 15,452.85 | 50.14% | 1,339.92 | 188.09% | (589.65) | 31.81% | 750.27 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| Intellect Commerce Limited | 0.32% | 70.16 | 0.83% | 22.15 | 0.16% | (0.50) | 0.92% | 21.65 |
| Intellect Payments Limited | 0.31% | 69.18 | 0.30% | 8.13 | 0.00% | - | 0.34% | 8.13 |
| Intellect India Limited | 0.00% | 1.09 | -0.01% | (0.31) | 0.00% | - | -0.01% | (0.31) |
| Foreign | | | | | | | | |
| Intellect Design Arena Limited., United Kingdom | 10.46% | 2,315.80 | 20.95% | 559.97 | -14.75% | 46.23 | 25.70% | 606.20 |
| Intellect Design Arena SA, Switzerland | 2.73% | 603.91 | 0.59% | 15.81 | -16.39% | 51.37 | 2.85% | 67.18 |
| Intellect Design Arena Pte Ltd., Singapore | 4.87% | 1,078.79 | 2.76% | 73.76 | -5.99% | 18.76 | 3.92% | 92.52 |
| Intellect Design Arena Limitd GMBH, Germany | 0.42% | 92.60 | 0.90% | 23.99 | -2.22% | 6.96 | 1.31% | 30.95 |
| Intellect Design Arena Chile Limitada, Chile | -0.31% | (67.83) | 0.99% | 26.34 | -0.37% | 1.16 | 1.17% | 27.50 |
| Intellect Design Arena Inc., USA* | 1.51% | 334.00 | 3.71% | 99.23 | -1.02% | 3.21 | 4.34% | 102.44 |
| Intellect Polaris Design LLC, USA ('IPDLLC USA') | 0.69% | 152.85 | -0.23% | (6.11) | -3.90% | 12.22 | 0.26% | 6.11 |
| Intellect Design Arena PT, Indonesia | 0.01% | 2.04 | 0.17% | 4.50 | -0.01% | 0.03 | 0.19% | 4.53 |
| Intellect Design Arena Co. Ltd, Vietnam | 0.21% | 45.77 | 0.03% | 0.82 | -1.47% | 4.60 | 0.23% | 5.42 |
| Intellect Design Arena Philippines Inc, Philippines | -0.30% | (65.54) | 1.43% | 38.22 | 0.35% | (1.09) | 1.57% | 37.13 |
| Intellect Design Arena FZ - LLC, Dubai | 6.13% | 1,357.83 | 10.06% | 268.75 | -33.75% | 105.79 | 15.88% | 374.54 |
| Intellect Design Arena (Mauritius) Ltd | 0.09% | 19.16 | 0.40% | 10.64 | -0.30% | 0.94 | 0.49% | 11.58 |
| Sonali Intellect Limited, Bangladesh | 1.01% | 222.76 | 1.04% | 27.90 | 11.62% | (36.43) | -0.36% | (8.53) |
| Intellect Design Arena Pty Ltd, Australia | 0.41% | 90.05 | 0.68% | 18.30 | 1.24% | (3.88) | 0.61% | 14.42 |
| Intellect Design Arena Inc.Canada | 0.58% | 129.03 | 4.52% | 120.85 | 1.78% | (5.58) | 4.89% | 115.27 |
| Intellect Design Arena Limited, Thailand | 0.51% | 112.67 | 0.30% | 7.94 | -1.87% | 5.88 | 0.59% | 13.82 |
| Intellect Design Arena Limited, Kenya | 0.04% | 8.49 | 0.31% | 8.23 | 0.26% | (0.82) | 0.31% | 7.41 |
| Intellect Design Arena, SDN BHD.Malaysia | 0.54% | 119.09 | 0.78% | 20.81 | -1.21% | 3.80 | 1.04% | 24.61 |
| **Sub Total** | | **22,144.75** | | **2,689.84** | | **(376.98)** | | **2,312.86** |
| Adjustment arising out of Consolidation | | (1,567.72) | -0.72% | (19.35) | -13.87% | 43.49 | 1.02% | 24.14 |
| Minority interest in subsidiaries | | 109.15 | -0.51% | (13.67) | -5.69% | 17.85 | 0.18% | 4.18 |
| Add: Share of Profit/(Loss) on Associate Companies | | - | 0.58% | 15.45 | -0.68% | 2.14 | 0.75% | 17.59 |
| **Total** | | **20,686.18** | | **2,672.27** | | **(313.50)** | | **2,358.77** |

Table No. 2.154

* Including SEEC Asia Technologies Private Limited

**ADDITIONAL DISCLOSURE REQIREMENT UNDER SECTION 129 OF THE COMPANIES ACT, 2013 - March 31, 2022**

Rs. In Million

| Name of the companies | Net Assets | | Share in Profit or loss | | Share in Other Comprehensive income | | Share in Total Comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As a% of the Consolidated net assets | Amount | As a% of the Consolidated Profit and loss | Amount | As a% of the Consolidated OCI | Amount | As a% of the Consolidated Total OCI | Amount |
| **Parent** | | | | | | | | |
| Intellect Design Arena Limited | 65.72% | 14,553.96 | 75.62% | 2,020.82 | -54.33% | 170.34 | 92.89% | 2,191.16 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Intellect Commerce Limited | 0.22% | 48.52 | 0.40% | 10.69 | -0.18% | 0.55 | 0.48% | 11.24 |
| Intellect Payments limited | 0.28% | 61.05 | 0.05% | 1.38 | 0.00% | - | 0.06% | 1.38 |
| Intellect India Limited | 0.01% | 1.39 | -0.01% | (0.22) | 0.00% | - | -0.01% | (0.22) |
| **Foreign** | | | | | | | | |
| Intellect Design Arena Limited., United Kingdom | 7.72% | 1,709.62 | 17.48% | 467.07 | 29.72% | (93.18) | 15.85% | 373.89 |
| Intellect Design Arena SA, Switzerland | 2.42% | 536.73 | 1.03% | 27.62 | -7.81% | 24.49 | 2.21% | 52.11 |
| Intellect Design Arena Pte Ltd., Singapore | 4.45% | 986.27 | 1.79% | 47.75 | 2.00% | (6.27) | 1.76% | 41.48 |
| Intellect Design Arena Limitd GMBH, Germany | 0.28% | 61.65 | 1.92% | 51.33 | 1.18% | (3.70) | 2.02% | 47.63 |
| Intellect Design Arena Chile Limitada, Chile | -0.43% | (95.33) | 0.79% | 21.04 | 1.68% | (5.28) | 0.67% | 15.76 |
| Intellect Design Arena Inc., USA* | 1.05% | 231.56 | 9.59% | 256.19 | -7.94% | 24.88 | 11.92% | 281.07 |
| Intellect Polaris Design LLC, USA ('IPDLLC USA') | 0.66% | 146.73 | -0.16% | (4.21) | -1.68% | 5.27 | 0.04% | 1.06 |
| Intellect Design Arena PT, Indonesia | -0.01% | (2.49) | 0.47% | 12.44 | 0.45% | (1.40) | 0.47% | 11.04 |
| Intellect Design Arena Co. Ltd, Vietnam | 0.18% | 40.34 | 1.58% | 42.10 | -1.52% | 4.78 | 1.99% | 46.88 |
| Intellect Design Arena Philippines Inc, Philippines | -0.46% | (102.67) | 0.92% | 24.61 | -0.87% | 2.73 | 1.16% | 27.34 |
| Intellect Design Arena FZ - LLC, Dubai | 4.44% | 983.29 | 9.34% | 249.68 | -8.83% | 27.67 | 11.76% | 277.35 |
| Intellect Design Arena (Mauritius) Ltd | 0.03% | 7.58 | 0.05% | 1.22 | 0.11% | (0.33) | 0.04% | 0.89 |
| Sonali Intellect Limited, Bangladesh | 1.19% | 263.17 | 1.04% | 27.75 | -2.35% | 7.37 | 1.49% | 35.12 |
| Intellect Design Arena Pty Ltd, Australia | 0.34% | 75.63 | 1.04% | 27.69 | -0.37% | 1.16 | 1.22% | 28.85 |
| Intellect Design Arena Inc. Canada | 0.06% | 13.76 | 5.24% | 140.04 | 0.90% | (2.83) | 5.82% | 137.21 |
| Intellect Design Arena Limited, Thailand | 0.45% | 98.85 | 0.22% | 5.85 | -0.67% | 2.11 | 0.34% | 7.96 |
| Intellect Design Arena Limited, Kenya | 0.00% | 1.08 | 0.57% | 15.33 | -0.01% | 0.03 | 0.65% | 15.36 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Intellect Design Arena, SDN BHD. Malaysia | 0.43% | 94.46 | 1.56% | 41.80 | -0.24% | 0.76 | 1.80% | 42.56 |
| **Sub Total** | | **19,715.15** | | **3,487.97** | | **159.15** | | **3,647.12** |
| Less: Adjustment arising out of consolidation | | (1,627.68) | -0.30% | (8.08) | -2.29% | 7.17 | -0.04% | (0.91) |
| Minority interest in subsidiaries | | 128.95 | -0.51% | (13.60) | 1.15% | (3.61) | -0.73% | (17.21) |
| Add: Share of Profit/(Loss) on Associate Companies | | - | 0.92% | 24.53 | 0.00% | - | 1.04% | 24.53 |
| **Total** | | **18,216.42** | | **3,490.82** | | **162.71** | | **3,653.53** |

* Including SEEC Asia Technologies Private Limited

Table No. 2.155

**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 entity | Country of Incorporation | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| 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 GmbH | Germany | 100% | 100% |
| Intellect Design Arena PT** | Indonesia | 100% | 100% |
| Intellect Design Arena Limitada* | Chile | 100% | 100% |
| Intellect Design Arena Inc.** | United States | 100% | 100% |
| Intellect Polaris Design LLC, USA | United States | 100% | 100% |
| Intellect Commerce Limited | India | 100% | 100% |
| Intellect Design Arena Co. Ltd | Vietnam | 100% | 100% |
| Intellect Design Arena FZ LLC | Dubai | 100% | 100% |
| Intellect Design Arena (Mauritius) Ltd**** | Mauritius | 100% | 100% |
| Intellect Design Arena Philippines** | Philippines | 100% | 100% |
| Sonali Intellect Limited | 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 Pty Ltd** | Australia | 100% | 100% |
| Intellect Design Arena Limited** | Thailand | 100% | 100% |
| Intellect Design Arena Limited | Kenya | 100% | 100% |

Table No. 2.156

* Subsidiaries of Intellect Design Arena Limited, UK
** Subsidiaries of Intellect Design Arena Pte Ltd, Singapore
*** Subsidiaries of Intellect Design Arena Inc., USA
**** Subsidiaries of Intellect Design Arena FZ LLC

The list of associates with percentage holding of Intellect is given below:

| Associates | % of share held as of March 31, 2023 | Original cost of investment | Share of accumulated profit/(loss) as at March 31, 2023 | Carrying amount of Investments as at March 31, 2023 |
|---|---|---|---|---|
| Adrenalin eSystems Limited | 44.54 | 226.24 | (117.31) | 108.93 |
| NMS Works Software Private Limited | 42.74 | 85.72 | 346.90 | 432.62 |

Table No. 2.157

**46 INVESTMENT IN ASSOCIATES**

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, 2023:**

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Current assets | 227.83 | 506.32 |
| Non-current assets | 446.13 | 123.11 |
| Current liabilities | (351.80) | (201.50) |
| Non-current liabilities | (77.59) | (91.39) |
| **Equity** | **244.57** | **336.54** |
| Proportion of the Group's ownership | 44.54% | 44.54% |
| Carrying amount of investment | 108.93 | 149.89 |

Table No. 2.158

**Summarised Statement of Profit and Loss:**

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Revenue | 544.67 | 480.25 |
| Other income | 18.16 | 5.49 |
| Employee benefits expense | (398.70) | (335.98) |
| Finance cost | (10.81) | (4.86) |
| Depreciation and amortisation expenses | (65.36) | (44.50) |
| Other expenses | (161.68) | (161.14) |
| **Profit/(loss) before tax** | **(73.72)** | **(60.74)** |
| Income tax expense | (21.20) | 2.39 |
| **Profit/(loss) for the year** | **(94.92)** | **(58.35)** |
| **Group's share of profit for the current year** | (42.28) | (25.99) |
| Re-measurement gains on defined benefit plans | 2.95 | - |
| Group's share of re-measurement gains on defined benefit plans | 1.32 | - |
| **Total comprehensive income for the year** | (91.97) | (58.35) |
| **Group's share of total comprehensive income for the year** | (40.96) | (25.99) |

Table No. 2.159

**B. NMSWorks Software Private Limited**

**Summarised Balance Sheet as at March 31, 2023:**

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Current assets | 1,100.48 | 961.64 |
| Non-current assets | 193.06 | 116.24 |
| Current liabilities | (89.97) | (147.42) |
| Non-current liabilities | (191.38) | (55.25) |
| **Equity** | **1,012.19** | **875.21** |
| Proportion of the Group's ownership | 42.74% | 42.74% |
| Carrying amount of investment | 432.62 | 374.07 |

Table No. 2.160

**Summarised Statement of Profit and Loss:**

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Revenue | 940.26 | 748.43 |
| Other income | 20.25 | 17.49 |
| Employee benefits expense | (489.56) | (429.86) |
| Finance cost | (2.68) | (4.99) |
| Depreciation and amortisation expenses | (16.47) | (11.91) |
| Other expenses | (256.74) | (144.34) |
| **Profit before tax** | **195.06** | **174.82** |
| Income tax expense | (60.00) | (56.62) |
| **Profit for the year** | **135.06** | **118.20** |
| **Group's share of profit for the current year** | **57.72** | **50.52** |
| Re-measurement gains on defined benefit plans | 1.92 | - |
| Group's share of re-measurement gains/ (losses) on defined benefit plans | 0.82 | - |
| **Total comprehensive income for the year** | 136.98 | 50.52 |
| **Group's share of total comprehensive income for the year** | 58.55 | 21.59 |

Table No. 2.161

**47 NON-CONTROLLING INTEREST**

The Group has a 51% of Holding in Sonali Intellect Limited, 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**

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Accumulated balances of non-controlling interest | | |
| Sonali Intellect Limited | 109.15 | 128.95 |
| Profit/(Loss) allocated to non-controlling Interest | | |
| Sonali Intellect Limited | 13.67 | 13.60 |

Table No. 2.162

The summarised financial information of the Subsidiary is provided below. This information is based on amounts before inter-company elimination.

**Summarised Statement of Profit and Loss:**

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Revenue | 144.92 | 153.48 |
| Other income | 0.64 | 0.01 |
| Employee benefits expense | 93.94 | 100.23 |
| Finance cost | 0.08 | 1.59 |
| Depreciation and amortisation expense | 1.74 | 1.38 |
| Other expenses | 21.89 | 22.52 |
| **Profit before tax** | **27.91** | **27.77** |
| Income tax expense | - | - |
| **Profit for the year** | **27.91** | **27.77** |
| **Attributable to non-controlling interest** | 13.67 | 13.60 |

Table No. 2.163

**Summarised Balance Sheet**

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Current assets | 252.04 | 314.69 |
| Non-current assets | 7.82 | 9.15 |
| Current liabilities | (37.10) | (60.67) |
| **Equity** | **222.76** | **263.17** |
| | | |
| Attributable to equity holders of the Holding company | 113.61 | 134.22 |
| Attributable to non-controlling Interest | 109.15 | 128.95 |

Table No. 2.164

**48 CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Holding 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 is Rs. 29.73 million for the year March 31, 2023 (March 31, 2022 - Rs 19.23 million) respectively. The Holding company has voluntarily contributed Rs. 51.42 million (March 31, 2022 – Rs.19.26 million) towards CSR for the year March 31, 2023.

In Rs. Million

| Particulars | | | March 31, 2023 | March 31, 2022 |
|---|---|---|---|---|
| a) Gross amount required to be spent by the Holding company during the year | | | 29.73 | 19.23 |
| b) Amount approved by the Board to be spent during the year | | | 51.42 | 35.00 |
| | | | | |
| **c) Amount spent during the year ended on March 31, 2023** | **In Cash** | **Yet to be paid in cash** | | **Total** |
| (i) Construction/acquisition of any asset | - | - | | - |
| (ii) On purposes other than (i) above | 51.42 | - | | 51.42 |
| **d) Amount spent during the year ended on March 31, 2022** | **In Cash** | **Yet to be paid in cash** | | **Total** |
| (i) Construction/acquisition of any asset | - | - | | - |
| (ii) On purposes other than (i) above | 19.26 | - | | 19.26 |
| **e) Details related to spent / unspent obligations:** | | | | |
| i) Contribution to Public Trust | | | - | - |
| ii) Contribution to Charitable Trust | | | - | - |
| iii) Others | | | 51.42 | 19.26 |
| iv) Unspent amount in relation to: | | | | |
| - Ongoing project | | | - | - |
| - Other than ongoing project | | | - | - |
| **f) Nature of CSR activities** | | | | |
| Details of related party transactions, e.g., contribution to a trust controlled by the Holding company in relation to CSR expenditure | | | | For education of underpriveleged kids |

Table No. 2.165

**49 DISCLOSURE AS REQUIRED BY MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2023 and March 31, 2022 is as under:

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Dues remaining unpaid to any supplier: | | |
| - Principal amount due to micro and small enterprises | 30.86 | - |
| - Interest due on above | - | - |
| Interest paid by the Group 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. | - | - |
| 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. | - | - |
| Interest accrued and remaining unpaid | - | - |
| 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). | - | - |

Table No. 2.166

**50 SEGMENT REPORTING**

The Management 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.

**Analysis by Geographical segment**

Segment revenue is based on the location of the customers where software licenses are sold and related services are rendered. The following provides an analysis of the revenue from operations by geographical markets:

In Rs. Million

| Particulars | As at March 31 | |
|---|---|---|
| | 2023 | 2022 |
| **Revenue from operations:** | | |
| Within India | 5,713.54 | 4,912.65 |
| Outside India | 16,598.98 | 13,869.21 |
| **Total** | **22,312.52** | **18,781.86** |

Table No. 2.167

The following is analysis of the carrying amount of non-current assets, which do not include deferred tax assets, tax assets and financial assets analysed by the geographical area in which the assets are located:

In Rs. Million

| Particulars | As at March 31 | |
|---|---|---|
| | 2023 | 2022 |
| **Non-current assets:** | | |
| Within India | 5,940.27 | 5,471.82 |
| Outside India | 2,411.03 | 2,319.63 |
| **Total** | **8,351.30** | **7,791.45** |

Table No. 2.168

**51 OTHER STATUTORY INFORMATION**

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
(ii) The Group does not have any transactions with companies struck off.
(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of The Group (Ultimate Beneficiaries); and
b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(vii) The Group did not undertake any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income tax Act, 1961).

**52 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 Srinivas S**
Partner
Membership No. 213722
Chennai
May 11, 2023

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

**Arun Shekhar Aran**
Independent Director
DIN : 00015335

**Venkateswarlu Saranu**
Chief Financial Officer

**V.V. Naresh**
Senior Vice President &
Company Secretary

*This page has been intentionally left blank*

# INTELLECT DESIGN ARENA LIMITED
# AUDITED STANDALONE FINANCIAL STATEMENTS
# FOR THE YEAR ENDED MARCH 31, 2023

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

---

**The standalone financials and information have been provided as a part of the statutory requirements.**

**To understand the holistic financial position of the Company, keeping in mind its global operations, please consider the consolidated financial statements and related supporting information.**

**INDEPENDENT AUDITOR'S REPORT**
To the Members of Intellect Design Arena Limited

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of Intellect Design Arena Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, 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 standalone 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 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, 2023, its profit including other comprehensive loss its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (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 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 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 financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone 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 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 financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Accounting for revenue from Licenses and Services contracts**<br><br>We focused on revenue from license and services contract because of its significance and its risks related to judgements involved in the measurement, timing and presentation/disclosure of revenue from operations.<br><br>The Company enters into contracts with its customers that may include multiple performance obligations. For these contracts, the Company assesses the performance obligations and accounts for those obligations separately if they are distinct. The identification and the allocation of the transaction price to the different performance obligations and the appropriateness of the basis used to measure revenue recognized at a point in time or over a period, require management to use significant judgement and estimates.<br><br>Refer Note 3(k) to the Standalone Financial Statements. | Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:<br><br>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.<br>b) For revenue from license contracts 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 contracts. For each of the sample selected, we performed the following:<br><br>• Read the customer contract and obtained evidence of license software delivery.<br>• 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.<br>• We performed cut off procedures by reference to the contract and evidence of delivery.<br><br>c) For licenses and services where control is transferred over a period of time, we tested a sample of transactions to test revenue recognized in the year was calculated based on the stage of completion of the contract.<br><br>• 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.<br>• We performed other substantive transactional testing, journal entry testing and analytical procedures to validate the recognition of revenue throughout the year. |
| **Capitalization and valuation of Intangible Asset and Intangible asset under development**<br><br>Intangible Asset and Intangible asset under development are deemed significant to our audit, as 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. | Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:<br><br>a) 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 capitalization were met.<br>b) We performed walkthroughs of Intangible assets/Intangible assets under development process and assessed the design effectiveness and operating effectiveness for key controls.<br>c) Performed tests of details on a sample of capitalized costs in the current year and obtained evidence to verify whether the costs qualify for capitalization. We analyzed this evidence and |

| | |
|---|---|
| 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.<br><br>Refer Notes 3(g) and 3(i) to the Standalone Financial Statements. | evaluated whether it reflects the use of the asset for the Company and the Company's intention to complete the capitalized projects.<br>d) We evaluated the assumptions and methodology used by the Company to test the Intangible asset and Intangible asset under development for impairment.<br>e) We tested the amortization charge and estimate of useful life of Intangible asset.<br>f) We assessed the disclosures made by the Company in this connection in the accompanying financial statements. |
| **Recoverability of accounts receivables and contract asset**<br><br>We focused on this risk as the balances are material and there are significant judgments involved in assessing recoverability of accounts receivables and contract asset balances.<br><br>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.<br><br>Given the complexity, the size and the length of certain implementation projects, there is risk that a provision is not recognised in a timely or sufficient manner.<br><br>Refer to Note 3(u) of the Standalone Financial Statements. | Our audit approach was a combination of test of Internal controls and Substantive procedures which included the following:<br>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 reasons and summaries of discussions with customers and collection plans together with a detailed legal analysis where applicable.<br>b) We tested the ageing of accounts receivables, accrued revenue balances and circularised 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.<br>c) In addition, we evaluated the recoverability of accounts receivable and contract asset selected balances (significant and randomly selected) through discussions with project managers and with senior management when necessary.<br>d) We assessed the disclosures made by the Company in this connection in the accompanying financial statements. |

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report & Management Discussion and Analysis, Report on Corporate Governance, General Shareholders Information and Business Responsibility and Sustainability Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 with reference to financial statements 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 financial statements, including the disclosures, and whether the standalone 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 financial statements for the financial year ended March 31, 2023 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, 2020 ("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 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to standalone 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, 2023 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 financial statements - Refer Note 32(iii) to the standalone 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.

      iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

      v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

      As stated in Note 14 (h) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

      vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Srinivas S**
Partner
Membership Number: 213722
Place of Signature: Chennai

Date: May 11, 2023
UDIN: 23213722BGYZXW9605

**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 ("Company")

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, plant and equipment 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.

(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.

(d) According to the information and explanations given by the management, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(e) According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(ii) (b) As disclosed in note 7(b)(i) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) According to the information and explanations given by the management, during the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(iii) (b) According to the information and explanations given by the management, during the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(iii) (c) According to the information and explanations given by the management, the Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii)(b) According to the information and explanations given to us, the dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

| Name of the statute | Nature of the dues | Amount (Rs. in millions) | Period to which the amount relates | Forum where the dispute is pending | Remarks, if any |
|---|---|---|---|---|---|
| Income Tax Act 1961 | Income Tax | 45.20 | FY 2001-02, FY 2002-03 FY 2005-06 | Commissioner Appeal | |
| Income Tax Act 1961 | Income Tax | 27.15 | FY 2005-06 | High Court | |
| Finance Act 1994 | Service Tax | 730.35* | FY 2014-15, FY 2015-16 FY 2016-17, FY 2017-18 | CESTAT | |
| Finance Act 1994 | Goods and Service Tax | 0.30** | FY 2017-18 | Deputy Commissioner of State Tax | |

*net of amount paid under protest Rs. 28.45 million
**net of amount paid under protest Rs. 0.96 million

(viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix)(a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest there onto any lender.

(ix)(b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix)(c) According to the information and explanations given to us, the Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3 (ix)(c) of the Order is not applicable to the Company.

(ix)(d) According to the information and explanations given to us, the Company did not raise any funds during the year hence, the requirement to report on clause 3 (ix)(d) of the Order is not applicable to the Company.

(ix)(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(ix)(f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3 (ix)(f) of the Order is not applicable to the Company.

(x)(a) According to the information and explanations given to us, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3 (x)(a) of the Order is not applicable to the Company.

(x)(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi)(a) According to the information and explanations given to us, no fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.

(xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii)(a) In our opinion, the Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.

(xiii) As represented to us by the management, transactions with the related parties are in compliance with sections 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)(a) As represented to us by the management, the Company has an internal audit system commensurate with the size and nature of its business.

(xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) As represented to us by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3 (xv) of the Order is not applicable to the Company.

(xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3 (xvi)(a) of the Order is not applicable to the Company.

(xvi)(b) As represented to us by the management, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(xvi)(c) To the best of our knowledge, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(xvi)(d) As represented to us by the management, there is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 42 to the financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 40 to the financial statements.

(xx)(b) There are no ongoing projects and hence the requirement to report on clause 3 (xx)(b) of the Order is not applicable to the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Srinivas S**
Partner
Membership Number: 213722
UDIN: 23213722BGYZXW9605
Place of Signature: Chennai
Date: May 11, 2023

**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 with reference to Standalone Financial Statements of Intellect Design Arena Limited ("the Company") as of March 31, 2023 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- ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to these Standalone Financial Statements 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 Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these Standalone Financial Statements 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 with reference to these Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to these Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Standalone Financial Statements.

**Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements**

A Company's internal financial controls with reference to Standalone Financial Statements 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 controls with reference to Standalone Financial Statements 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 With Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, 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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to these Standalone Financial Statements 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, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

**per Srinivas S**
Partner
Membership Number: 213722
Place of Signature: Chennai

Date: May 11, 2023
UDIN: 23213722BGYZXW9605

# Balance Sheet

In Rs. Million

| Particulars | Note | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 4(a) | 1,030.63 | 1,050.17 |
| Capital work-in-progress | 4(b) | 45.62 | 43.40 |
| Investment property | 4(c) | 17.77 | 19.67 |
| Intangible assets under development | 4(b) | 2,661.50 | 2,076.32 |
| Other intangible assets | 4(d) | 1,750.19 | 1,662.86 |
| Right-of-use assets | 5 | 136.31 | 71.32 |
| Investment in subsidiaries and associates | 6 | 1,320.44 | 1,320.44 |
| Financial assets | | | |
| - Investments | 11(a) | 2,809.00 | 1,148.94 |
| - Trade receivables | 11(b) | 54.23 | 53.43 |
| - Loans and deposits | 7(a) | 34.49 | 28.03 |
| - Non-current bank balances | 7(b) | 1,202.76 | 227.95 |
| - Derivative instruments | 7(c) | - | 138.28 |
| Income tax assets (net) | 8 | 504.93 | 406.90 |
| Deferred tax assets (net) | 9 | 69.03 | 352.57 |
| Other non-current assets | 10 | 35.69 | 304.69 |
| **CURRENT ASSETS** | | | |
| Financial assets | | | |
| - Investments | 11(a) | 303.18 | 2,489.42 |
| - Trade receivables | 11(b) | 4,115.89 | 3,122.44 |
| - Cash and cash equivalents | 11(c) | 455.59 | 703.29 |
| - Bank balances other than cash and cash equivalents | 11(d) | 32.17 | 92.22 |
| - Loans and deposits | 11(e) | 7.97 | 29.49 |
| - Derivative instruments | 11(f) | - | 202.00 |
| - Other financial assets | 11(g) | 5,940.15 | 5,158.76 |
| Other current assets | 12 | 1,070.17 | 914.86 |
| **TOTAL** | | **23,597.71** | **21,617.45** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 13 | 678.61 | 672.77 |
| Other equity | 14 | 14,774.24 | 13,881.19 |
| **Total equity** | | **15,452.85** | **14,553.96** |
| **LIABILITIES** | | | |
| **NON-CURRENT LIABILITIES** | | | |
| Financial liabilities | | | |
| - Lease liabilities | 15(a) | 80.99 | 25.15 |
| - Derivative instruments | 15(b) | 19.24 | - |
| - Other long term liabilities | 15(c) | 9.73 | 6.00 |
| **CURRENT LIABILITIES** | | | |
| Financial liabilities | | | |
| - Lease liabilities | 16(a) | 42.37 | 35.62 |
| - Trade payables | 16(b) | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 30.86 | - |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,388.31 | 2,939.12 |
| - Other financial liabilities | 16(c) | 944.82 | 767.89 |
| - Derivative instruments | 16(d) | 127.73 | - |
| Other current liabilities | 17 | 2,755.43 | 2,767.19 |
| Provisions | 18 | 745.38 | 522.52 |
| **TOTAL** | | **23,597.71** | **21,617.45** |

Table No. 3.1

Summary of significant accounting policies 3

The accompanying notes are an integral part of the 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 Srinivas S**
Partner
Membership No. 213722
Chennai
May 11, 2023

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

**Arun Shekhar Aran**
Independent Director
DIN: 00015335

**Venkateswarlu Saranu**
Chief Financial Officer

**V.V. Naresh**
Senior Vice President &
Company Secretary

# Statement of Profit and Loss

In Rs. Million

| Particulars | Note | For the year ended March 31, 2023 | 2022 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 19 | 14,701.09 | 12,550.08 |
| Other income | 20 | 443.47 | 363.47 |
| **TOTAL INCOME** | | **15,144.56** | **12,913.55** |
| **EXPENSES** | | | |
| Employee benefits expense | 21 | 7,134.53 | 5,601.69 |
| Depreciation and amortisation expenses | 22 | 800.74 | 690.33 |
| Finance cost | 23 | 21.92 | 29.63 |
| Other expenses | 24 | 5,164.41 | 3,948.14 |
| **TOTAL EXPENSES** | | **13,121.60** | **10,269.79** |
| **PROFIT BEFORE TAX** | | **2,022.96** | **2,643.76** |
| **Income tax expense** | 25 | | |
| - Current tax | | 702.71 | 456.96 |
| - Adjustment of tax relating to earlier years | | - | (29.90) |
| - Deferred tax | | (19.67) | 195.88 |
| **PROFIT FOR THE YEAR** | | **1,339.92** | **2,020.82** |
| **OTHER COMPREHENSIVE INCOME** | 27 | | |
| **Items that will not be reclassified subsequently to profit or loss** | | | |
| Re-measurement (losses)/ gains on defined benefit plans | | (102.40) | 15.56 |
| **Items that will be reclassified subsequently to profit or loss** | | | |
| Net movement on cash flow hedges | | (487.25) | 154.78 |
| **Other comprehensive (loss)/ income for the year, net of tax** | | **(589.65)** | **170.34** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **750.27** | **2,191.16** |

Table No. 3.2

| | | | |
|---|---|---|---|
| **EARNINGS PER SHARE** | 26 | | |
| Equity shares par value Rs. 5 each (March 31, 2022 – Rs. 5 each) | | | |
| Basic | | 9.98 | 15.19 |
| Diluted | | 9.64 | 14.55 |

Summary of significant accounting policies 3

The accompanying notes are an integral part of the 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 Srinivas S**
Partner
Membership No. 213722
Chennai
May 11, 2023

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

**Arun Shekhar Aran**
Independent Director
DIN : 00015335

**Venkateswarlu Saranu**
Chief Financial Officer

**V.V. Naresh**
Senior Vice President &
Company Secretary

# Statement of Changes in Equity

**a. Equity share capital:**

| Equity shares of Rs. 5 each issued, subscribed and fully paid | No. of shares | Amount |
|---|---|---|
| As at April 1, 2021 | 13,29,74,363 | 664.87 |
| Issue of shares | 15,79,251 | 7.90 |
| As at March 31, 2022 | 13,45,53,614 | 672.77 |
| Issue of shares | 11,68,961 | 5.84 |
| **As at March 31, 2023** | **13,57,22,575** | **678.61** |

Table No. 3.3

**b. Other equity**

In Rs. Million

| Particulars | Reserves and Surplus | | | | | Other comprehensive income | Total |
|---|---|---|---|---|---|---|---|
| | Securities premium | Share based payment reserve | General reserve | Treasury shares | Retained earnings | Effective portion of cash flow hedge reserve | |
| **As at April 1, 2022** | **5,414.44** | **879.87** | **1,392.23** | **0.47** | **5,853.88** | **340.30** | **13,881.19** |
| Profit for the year | - | - | - | - | 1,339.92 | - | 1,339.92 |
| Re-measurement of the net defined benefit liability/asset, net of tax effect | - | - | - | - | (102.40) | - | (102.40) |
| Fair value movement in cash flow hedge | - | - | - | - | - | (487.25) | (487.25) |
| Shares issued on exercise of employee stock options | 163.07 | (163.07) | - | - | - | - | - |
| Transferred from share based payment reserve on exercise of stock option | 28.89 | - | - | - | - | - | 28.89 |
| Employee stock compensation cost | - | 449.00 | - | - | - | - | 449.00 |
| Transfer on account of options not exercised and lapsed | - | (33.67) | 33.67 | - | - | - | - |
| Dividend paid | - | - | - | - | (335.11) | - | (335.11) |
| **As at March 31, 2023** | **5,606.40** | **1,132.13** | **1,425.90** | **0.47** | **6,756.29** | **(146.95)** | **14,774.24** |

Table No. 3.4

In Rs. Million

| Particulars | Reserves and Surplus | | | | | Other comprehensive income | Total |
|---|---|---|---|---|---|---|---|
| | Securities premium | Share based payment reserve | General reserve | Treasury shares | Retained earnings | Effective portion of cash flow hedge reserve | |
| **As at April 1, 2021** | **5,196.93** | **627.72** | **1,368.31** | **-** | **3,817.50** | **185.52** | **11,195.98** |
| Profit for the year | - | - | - | - | 2,020.82 | - | 2,020.82 |
| Re-measurement of the net defined benefit liability/asset, net of tax effect | - | - | - | - | 15.56 | - | 15.56 |
| Fair value movement in cash flow hedge | - | - | - | - | - | 154.78 | 154.78 |
| Shares issued on exercise of employee stock options | 142.38 | (142.38) | - | - | - | - | - |
| Transferred from share based payment reserves on exercise of stock option | 75.13 | - | - | - | - | - | 75.13 |
| Employee stock compensation cost | - | 418.45 | - | - | - | - | 418.45 |
| Transfer on account of options not exercised and lapsed | - | (23.92) | 23.92 | - | - | - | - |
| Adjustment relating to Intellect Associates Benefit Trust | - | - | - | 0.47 | - | - | 0.47 |
| **As at March 31, 2022** | **5,414.44** | **879.87** | **1,392.23** | **0.47** | **5,853.88** | **340.30** | **13,881.19** |

Table No. 3.5

Summary of significant accounting policies　3

The accompanying notes are an integral part of the 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 Srinivas S**
Partner
Membership No. 213722
Chennai
May 11, 2023

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

**Arun Shekhar Aran**
Independent Director
DIN : 00015335

**Venkateswarlu Saranu**
Chief Financial Officer

**V.V. Naresh**
Senior Vice President &
Company Secretary

# Statement of Cash Flows

In Rs. Million

| Particulars | For the year ended March 31, 2023 | 2022 |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Profit before tax | 2,022.96 | 2,643.76 |
| **Adjustments to reconcile profit for the year to net cash flows:** | | |
| Depreciation and amortisation expenses | 800.74 | 690.33 |
| Exchange (gain)/loss on translation of assets and liabilities, unrealised (net) | (27.22) | 63.86 |
| Employee stock compensation cost | 449.00 | 418.45 |
| Interest income | (231.03) | (102.72) |
| Dividend income | (18.30) | (14.87) |
| Impairment allowance on financial instrument and contract asset | 344.93 | 0.78 |
| Bad debts / advances written off | 0.78 | 242.37 |
| Gain on sale of current investments (net) | (27.04) | (19.56) |
| Gain on disposal of property, plant and equipment (net) | (0.74) | (100.08) |
| Fair value gain on financial instruments at fair value through profit or loss | (12.45) | (26.08) |
| Finance cost | 21.92 | 29.63 |
| **Operating profit before working capital changes** | **3,323.55** | **3,825.87** |
| | | |
| **Movement in working capital** | | |
| (Increase) / Decrease in trade receivables | (949.75) | 204.41 |
| (Increase) in loans and deposits and other assets | (888.24) | (1,280.90) |
| Increase in trade payables, other finance liabilities, other liabilities and provisions | 653.52 | 2,008.29 |
| | | |
| **Cash flow from operations** | **2,139.08** | **4,757.67** |
| Income taxes paid (net of refunds) | (497.53) | (134.90) |
| **Net cash generated from operating activities (A)** | **1,641.55** | **4,622.77** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchase of property, plant and equipment including intangible assets, intangible assets under development changes in capital work in progress and capital advances | (1,414.57) | (1,012.64) |
| Proceeds from sale of property, plant and equipment | 1.08 | 106.08 |
| Investment in subsidiaries | - | (384.21) |
| Proceeds from sale /(purchase) of current investments (net) | 565.66 | (2,623.40) |
| Deposits made during the year (net) | (914.77) | (114.05) |
| Interest received | 205.66 | 56.51 |
| Dividend received | 18.30 | 8.51 |
| **Net cash (used in) investing activities (B)** | **(1,538.64)** | **(3,963.20)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Proceeds from shares issued on exercise of stock options | 5.84 | 7.90 |
| Proceeds from securities premium on exercise of stock options | 28.89 | 75.13 |
| Payment of principal portion of lease liabilities | (50.11) | (42.44) |
| (Repayment) of non - current finance liabilities - secured term loans | - | (75.56) |
| (Repayment) of current finance liabilities - unsecured borrowings | - | (344.05) |
| Interest paid | (2.99) | (22.43) |
| Dividends paid | (335.11) | - |
| **Net cash (used in) financing activities (C)** | **(353.48)** | **(401.45)** |
| **Net (decrease) / increase in cash and cash equivalents during the year (A+B+C)** | **(250.57)** | **258.12** |
| Cash and cash equivalents at the beginning of the year | 703.29 | 441.28 |
| Effect of exchange differences on cash and cash equivalents held in foreign currency | 2.87 | 3.89 |
| **Cash and cash equivalents at the end of the year** | **455.59** | **703.29** |
| **Cash and cash equivalents as per Note 11(c)** | **455.59** | **703.29** |

Table No. 3.6

| | | |
|---|---|---|
| **Non-cash financing activities** | | |
| Acquisition of Right-of-use assets | 105.44 | 1.93 |

Summary of significant accounting policies 3

The accompanying notes are an integral part of the 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 Srinivas S**
Partner
Membership No. 213722
Chennai
May 11, 2023

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

**Arun Shekhar Aran**
Independent Director
DIN : 00015335

**Venkateswarlu Saranu**
Chief Financial Officer

**V.V. Naresh**
Senior Vice President &
Company Secretary

## Notes forming part of the Standalone financial statements
(All amounts are in Rupees in Millions unless otherwise stated)

### 1. Corporate information
Intellect Design Arena Limited ('Intellect' or 'the Company') having Company Identification Number L72900TN2011PLC080183, 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, Global Transaction Banking and IntellectAI and is engaged in the business of software development.

The standalone financial statements for the year ended March 31, 2023 were approved by the Board of Directors of the Company and authorised for issue on May 11, 2023.

### 2. Basis of preparation
The standalone financial statements of the Company are prepared in accordance with the Indian Accounting Standards (Ind-AS) notified 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:

a. Derivative financial instruments
b. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The standalone financial statements are presented in INR which is also the Company's functional currency and all values are rounded to the nearest million, except where otherwise indicated.
The standalone financial statements have been prepared on a going concern basis.

### 3. Summary of Significant accounting policies

#### (a) Current versus non-current classification
The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when:

a) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) It is held primarily for the purpose of being traded;
c) It is expected to be realised within twelve months after the reporting date; or
d) 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.

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

a) It is expected to be settled in the Company's normal operating cycle;
b) It is held primarily for the purpose of being traded;
c) It is due to be settled within twelve months after the reporting date; or
d) The Company does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets and liabilities have been classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of products/activities, the Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

#### (b) 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:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. 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 Company 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:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

Management determines the fair value of instruments, such as derivative instruments, unquoted financial assets measured at fair value or where fair value is required to be determined for disclosure purposes. In connection therewith external valuers are involved for valuation of assets, liabilities and contingent consideration, based on discretion of management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The management in conjunction with the Company's external valuers, compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

#### (c) Use of Estimates and judgements
The preparation of the unconsolidated 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 standalone financial statements have been disclosed in Note 28. 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 the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### (d) Cash and cash equivalents
Cash and cash equivalents for the purposes of Statement of cash flow comprise cash at bank and in hand and short-term deposits with an original maturity of three

months or less that are readily convertible into known amounts of cash and which are subject to insignificant risks of change in value.

**(e) Statement of Cash flow**

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 Company are segregated based on the available information.

**(f) Property, plant and equipment ('PPE')**

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and impairment losses if any. Freehold land is measured at cost and not depreciated. Costs comprises the purchase price and any directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

**Depreciation**

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 management, based on technical assessment made by an expert, depreciates building over estimated useful life of 30 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

The useful lives considered for depreciation of plant, property and equipment are as prescribed in Schedule II of the Companies Act:

| Assets Category | Estimated useful life (in years) |
|---|---|
| Plant and machinery | 15 |
| Computer equipment | 3 |
| Servers and computer accessories | 6 |
| Electrical fittings, furniture and fixtures | 10 |
| Office equipment | 5 |
| Leasehold improvements | Over the lease period or 10 years whichever is lower |
| Leasehold land | Over the lease period (99 years) |

Categories of assets for which depreciation has been provided based on the estimated useful life of the Company based on management internal technical evaluation, durability based on use, etc. are:

| Assets Category | Estimated useful life (in years) |
|---|---|
| Vehicles | 8 |

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 ready for 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 recognised in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are derecognised on sale or retirement of the asset and the resultant gains or loss are recognised in the Statement of profit and loss. Asset held for disposal are reported at the lower of the carrying value or the fair value less cost to sell.

**(g) 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.

**Research and development cost:**

Expenditure on research is expensed under respective heads of account in the period in which it is incurred.

Development expenditure incurred on an individual new project is recognised as an intangible asset when the Company can demonstrate all the following:

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

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under 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 completed, and the asset is ready for intended 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. The amortisation of internally generated intangible assets comprising software development costs, and intellectual property costs, is allocated on a straight-line basis over the best estimate of its useful life after the asset is ready for use. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors. The amortisation period and the amortisation method are reviewed at each year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. The estimated useful life of the intangible assets is in the range of 3 to 5 years.

The amortisation period and the amortisation method for computer software acquired separately 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 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 and Loss when the asset is derecognised.

**(h) 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; and
3. The costs are recoverable.

**(i) Impairment of non-financial assets**

The Company assesses at each reporting date whether the carrying amounts of PPE, investment property, ROU assets, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, these are tested for impairment to determine the impairment loss, if any. Internally generated intangibles including intangibles under development are tested for impairment on annual basis.

Recoverable amount is determined: (i) in the case of an individual asset, at the higher of the fair value less costs to sell and the value-in-use; and (ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's fair value less costs to sell and the value-in-use. The amount of value-in-use is determined as the present value of estimated future cash flows from the continuing use of an asset, which may vary based on the future performance of the Company and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset.

In determining fair value less costs to sell or net selling price in relation to PPE or Investment property, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used.
The Company bases its recoverable amount calculation based on detailed budgets and forecast calculations which are prepared separately for each of the Company's asset or 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.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than it's carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's (or cash-generating unit's) recoverable amount. A previously recognised 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 recognised. When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.
After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**(j) Investment properties**
Investment property represents property held to earn rentals or for capital appreciation or both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for qualifying assets (in case of long-term construction projects, if recognition criteria is met). When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. Depreciation on building classified as Investment Property has been provided on the straight-line method over a period of 60 years as prescribed in Schedule II to the Companies Act, 2013.

Though the Company measures Investment Property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

**(k) Revenue recognition**
The Company 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").

Revenue is recognised upon transfer of control of promised products or services to customers and is measured 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 recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as revenue accrued not billed. Maintenance revenue is recognised rateably over the term of the underlying maintenance arrangement.

Revenue from services performed on fixed-price, fixed-bid contracts, where performance obligations are satisfied over time and there is no uncertainty as to measurement or collectability of consideration, is recognised based on percentage-of-completion method and to measure progress towards completion, uses either relevant input or output measures. For revenue recognised using output method, measures such as the achievement of any project milestones stipulated in the contract, or internal quality milestones are used to assess proportional performance. While using the input (cost expended) method to measure progress, management estimates total expected contract revenue and costs and reviews key factors in estimating the future costs to complete the contractual obligations. Management ensures that the input method is aligned to milestones and to the consideration recoverable. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed.

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.

Contractual arrangements with customers to deliver software products and related services generally have these elements of performance obligation: license, software development, implementation, customisation of license, and annual maintenance services. For allocating the transaction price, the Company measures the revenue in respect of each performance obligation at its relative standalone selling price where each element is considered as distinct performance obligation. 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.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognised over the access period. Where the license is required to be substantially customised as part of the implementation service the entire arrangement fee for license and implementation is considered as a single performance obligation and the revenue is recognised using the percentage-of-completion method as the implementation is performed. 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 client training, support and other services arising due to the sale of software products is recognised as the performance obligations are satisfied.

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 Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

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 recognised as at the end of the reporting period and an explanation as to when the entity expects to recognise 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 recognised 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 revalidations

and adjustment for revenue that has not materialised 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 is recognised when the Company's right to receive dividend is established by the reporting date.

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

**(l) Foreign currency transactions**
**Initial recognition**
Transactions in foreign currencies entered into by the Company 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.

**Measurement as at balance sheet date**
Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at year end exchange rates.

Non-monetary items 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. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

**Treatment of exchange differences**
Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

**(m) Leases**
The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**
The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**1. Right-of-use assets**
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment. Right-of-use assets mainly consists of buildings, having a lease term of 2 to 5 years.

| Assets category | Estimated useful life (in years) |
|---|---|
| Building (office premises) | Over the lease period |
| Leasehold improvements | Over the lease period or 10 years whichever is lower |
| Leasehold land | Over the lease period (99 years) |

**2. Lease liabilities**
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in financial liabilities (see Note 16(b) and 17(b)).

**3. Short-term leases**
The Company applies the short-term lease recognition exemption to its short-term leases of Buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

**Company as Lessor**
Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**(n) Employee benefits**

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

**2. Gratuity**
The Company 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 "Intellect Design 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.

**3. Superannuation**
The Company 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 company recognises contribution payable to the fund as an expenditure when an employee renders the related service. The

Company has no further obligations under the plan beyond its monthly contributions.

**4. Compensated absences**

The Company 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 Company 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.

**(o) Taxes on income**

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

Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. The carrying amount of MAT is reviewed at each reporting date and the asset is written down to the extent the Company does not have convincing evidence that it will pay normal income tax during the specified period.

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 for taxable temporary differences associated with investments in subsidiaries and associates, 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. 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 the Statement of profit and loss is recognised 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.

**(p) Provisions and contingencies**

A provision is recognised 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 Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

**(q) 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.

**(r) Earnings per share**

Basic Earnings Per Share is 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, treasury 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.

**(s) Share based payment (Employee Stock Option Scheme)**

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 Company 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 Company 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 Company’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.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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.

**(t) Treasury shares**

The Company has an Associates Benefit Trust, having Company's shares, for providing benefits to its employees. The Company treats Trust as its extension and shares held by Trust are treated as treasury shares. Own equity instruments (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, on sale, is recognised in equity.

**(u) 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.

**A. Financial assets**

**i. 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.

**ii. Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified into three categories:

a. Debt instruments at amortised cost
b. Debt instrument at fair value through profit or loss (FVTPL)
c. Equity instruments at fair value through profit or loss (FVTPL)

**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 FVTPL**

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

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortised 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 recognised in the profit or loss.

**Equity instruments at FVTPL**

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 Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

**iii. De-recognition**

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

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

When the Company 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 Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company 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 Company could be required to repay.

**iv.**

**iv. Impairment of financial assets**

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

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables and Revenues accrued and not billed.

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

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 Company 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) 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; and
- 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) recognised during the period is recognised as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. 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 company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company 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 Company 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 Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company 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 Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**B. Financial liabilities**

**i. 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 Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

**ii. 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 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.

**C. Derivative financial instruments and hedge accounting**

The Company uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitment or highly probable forecast transactions. The Company uses hedging instruments that are governed by the risk management policy which is approved by the board of directors. The policy provides written principles on the use of such derivative financial instruments. The Company designates such instruments as hedges and performs assessment of hedge effectiveness based on consideration of terms of the hedging instrument, the economic relationship between the hedging instrument and hedged item and the objective of the hedging. The Company does not use derivative financial instruments for speculative purposes.

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.

For the purpose of hedge accounting, hedges are classified as Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

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.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they were designated.

**Cash flow hedges**

The Company uses forward contracts and as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income (OCI) and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs or the foreign currency firm commitment is met. The cumulative gain or loss previously recognised in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to net profit 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.

**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.

**(v) Segment reporting**

Based on "Management approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker 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.

**(w) Changes in accounting policies and disclosures**

**Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

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

In Rs. Million

| Particulars | Land* | Buildings* | Plant and machinery | Electrical equipments | Furniture and fittings | Office equipment | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross block** | | | | | | | | |
| **As at April 1, 2021** | **42.14** | **1,125.10** | **798.60** | **160.48** | **399.89** | **174.13** | **72.30** | **2,772.64** |
| Reclassification on account of IND AS 40 | - | (53.05) | - | - | - | - | - | **(53.05)** |
| Additions | - | - | 96.24 | 0.10 | 2.31 | 3.46 | - | **102.11** |
| Deletions | - | (11.37) | (37.22) | (0.58) | (0.94) | (1.38) | (62.21) | **(113.70)** |
| **As at March 31, 2022** | **42.14** | **1,060.68** | **857.62** | **160.00** | **401.26** | **176.21** | **10.09** | **2,708.00** |
| Additions | - | 2.39 | 103.07 | 3.99 | 15.09 | 8.98 | 2.57 | 136.09 |
| Deletions | - | - | (23.65) | - | (1.36) | (0.94) | (1.06) | (27.01) |
| **As at March 31, 2023** | **42.14** | **1,063.07** | **937.04** | **163.99** | **414.99** | **184.25** | **11.60** | **2,817.08** |
| **Accumulated depreciation** | | | | | | | | |
| **As at April 1, 2021** | **-** | **374.82** | **676.36** | **117.63** | **257.32** | **161.61** | **69.17** | **1,656.91** |
| Reclassification on account of IND AS 40 | - | (31.48) | - | - | - | - | - | **(31.48)** |
| Depreciation charge for the year (Refer note 22) | - | 36.40 | 53.49 | 11.39 | 32.56 | 6.45 | 0.56 | **140.85** |
| Deletions | - | (5.59) | (37.97) | (0.49) | (0.85) | (1.34) | (62.21) | **(108.45)** |
| **As at March 31, 2022** | **-** | **374.15** | **691.88** | **128.53** | **289.03** | **166.72** | **7.52** | **1,657.83** |
| Depreciation charge for the year (Refer note 22) | - | 37.19 | 70.42 | 9.85 | 32.11 | 5.01 | 0.67 | **155.25** |
| Deletions | - | - | (23.27) | - | (1.36) | (0.94) | (1.06) | **(26.63)** |
| **As at March 31, 2023** | **-** | **411.34** | **739.03** | **138.38** | **319.78** | **170.79** | **7.13** | **1,786.45** |
| **Net block** | | | | | | | | |
| **As at March 31, 2022** | **42.14** | **686.53** | **165.74** | **31.47** | **112.23** | **9.49** | **2.57** | **1,050.17** |
| **As at March 31, 2023** | **42.14** | **651.73** | **198.01** | **25.61** | **95.21** | **13.46** | **4.47** | **1,030.63** |

Table No. 3.7

*Land and Buildings with a carrying amount of Rs. 254.46 million (March 31, 2022 - Rs. 728.67 million) are subject to a first charge to secure the Company's fund and non fund based credit facilities.

## 4(b). CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

In Rs. Million

| Particulars | Capital work in progress (CWIP) * | | | | | Intangible assets under development (Refer note 36)## |
|---|---|---|---|---|---|---|
| | Buildings | Plant & Machinery | Electrical equipments | Furniture and fixtures | Total | |
| **Balance as at April 1, 2021** | **32.73** | **0.08** | **7.64** | **2.54** | **42.99** | **1,960.93** |
| Additions during the year | - | - | - | 0.41 | 0.41 | 887.79 |
| Capitalisation of assets | - | - | - | - | - | (772.40) |
| **Balance as at March 31, 2022** | **32.73** | **0.08** | **7.64** | **2.95** | **43.40** | **2,076.32** |
| Additions during the year | - | 0.46 | 1.00 | 2.36 | 3.82 | 1,096.90 |
| Capitalisation of assets | (0.93) | (0.08) | - | (0.59) | (1.60) | (511.72) |
| **Balance as at March 31, 2023** | **31.80** | **0.46** | **8.64** | **4.72** | **45.62** | **2,661.50** |

Table No. 3.8

### *CWIP Ageing Schedule

**4(b)(i) As at March 31, 2023** In Rs. Million

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 2.63 | - | - | 42.99 | 45.62 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | 2.63 | - | - | 42.99 | **45.62** |

**4(b)(ii) As at March 31, 2022** In Rs. Million

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 0.41 | - | - | 42.99 | 43.40 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **0.41** | **-** | **-** | **42.99** | **43.40** |

**## Intangible assets under development Ageing Schedule**

**4(b)(iii) As at March 31, 2023**

In Rs. Million

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 1,096.90 | 882.34 | 682.26 | - | 2,661.50 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **1,096.90** | **882.34** | **682.26** | **-** | **2,661.50** |

**4(b)(iv) As at March 31, 2022**

In Rs. Million

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 883.97 | 690.07 | 501.61 | 0.67 | 2,076.32 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **883.97** | **690.07** | **501.61** | **0.67** | **2,076.32** |

Table No. 3.9

## 4(c). INVESTMENT PROPERTY

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| **Gross block** | | |
| Opening balance | 53.05 | - |
| Additions (Reclassified on account of IND AS 40) | - | 53.05 |
| **Closing balance, at year end** | **53.05** | **53.05** |
| **Accumulated depreciation** | | |
| Opening balance | 33.38 | - |
| Reclassified on account of IND AS 40 | - | 31.48 |
| Less: Depreciation charge for the year (Refer note 22) | 1.90 | 1.90 |
| **Closing balance, at year end** | **35.28** | **33.38** |
| **Net block** | | |
| **Closing balance, at year end** | **17.77** | **19.67** |

**4(c)(i) Information regarding income and expenditure of Investment property:**

In Rs. Million

| Particulars | For the year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Rental income derived from Investment property | 8.95 | 11.10 |
| Less: Direct operating expenses (including repairs and maintenance) arising from Investment property that generates rental income | 1.90 | 2.67 |
| **Profit arising from Investment property before depreciation and indirect expenses** | 7.05 | 8.43 |
| Less: Depreciation | 1.90 | 1.90 |
| **Profit arising from Investment property before indirect expenses** | **5.15** | **6.53** |

Table No. 3.10

The Company's Investment property consists of premises let out on lease. As at March 31, 2023 and March 31, 2022, the fair value of the property is Rs. 226 million and Rs. 233 million, respectively. The fair value is based on valuation determined by an accredited independent valuer who is a specialist in valuing these types of investment properties and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Company has no restrictions on the realisability of its investment property no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment property have been provided in note 34.

**4(c)(ii) Leasing arrangement**

An Investment property has been given on leased to tenants under long term operating leases with rentals payable monthly. Future minimum lease payments receivable under non-cancellable operating leases of the Investment property are as follows:

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Within 1 year | 20.44 | 7.31 |
| More than 1 year but not more than 5 year | 8.79 | 12.62 |
| More than 5 year | - | - |

**4(c)(iii) Description of valuation techniques used and key inputs to valuation on Investment property**

The Company has fair valued the premises let out on lease using Income approach method.

| Significant unobservable inputs | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Estimated rental value – Rs. per sq. per month | 55 | 55 |
| Rent growth per annum | 5.00% | 5.00% |
| Long term vacancy rate | 2.50% | 3.00% |
| Discount rate | 13.50% | 12.00% |

Table No. 3.11

## 4(d). OTHER INTANGIBLE ASSETS

In Rs. Million

| Particulars | Computer software | Internally generated Intangible assets | Total |
|---|---|---|---|
| **Gross block** | | | |
| **As at April 1, 2021** | **388.12** | **2,523.56** | **2,911.68** |
| Additions | 18.54 | 772.40 | 790.94 |
| **As at March 31, 2022** | **406.66** | **3,295.96** | **3,702.62** |
| Additions | 178.75 | 511.72 | 690.47 |
| **As at March 31, 2023** | **585.41** | **3,807.68** | **4,393.09** |
| **Accumulated amortisation** | | | |
| **As at April 1, 2021** | **298.78** | **1,229.02** | **1,527.80** |
| Amortisation for the year (Refer note 22) | 46.22 | 465.74 | 511.96 |
| **As at March 31, 2022** | **345.00** | **1,694.76** | **2,039.76** |
| Amortisation for the year (Refer note 22) | 59.30 | 543.84 | 603.14 |
| **As at March 31, 2023** | **404.30** | **2,238.60** | **2,642.90** |
| **Net block** | | | |
| **As at March 31, 2022** | **61.66** | **1,601.20** | **1,662.86** |
| **As at March 31, 2023** | **181.11** | **1,569.08** | **1,750.19** |

Table No. 3.12

## 5. RIGHT-OF-USE ASSETS

In Rs. Million

| Particulars | Buildings | Leasehold land* | Total |
|---|---|---|---|
| **Gross block** | | | |
| **As at April 1, 2021** | **203.04** | **28.05** | **231.09** |
| Additions | 1.93 | - | 1.93 |
| Deletions | (11.70) | - | (11.70) |
| **As at March 31, 2022** | **193.27** | **28.05** | **221.32** |
| Additions | 105.44 | - | 105.44 |
| Deletions | (51.99) | - | (51.99) |
| **As at March 31, 2023** | **246.72** | **28.05** | **274.77** |
| **Accumulated depreciation** | | | |
| **As at April 1, 2021** | **121.66** | **4.42** | **126.08** |
| Depreciation charge for the year (Refer note 22) | 35.34 | 0.28 | 35.62 |
| Deletions | (11.70) | - | (11.70) |
| **As at March 31, 2022** | **145.30** | **4.70** | **150.00** |
| Depreciation charge for the year (Refer note 22) | 40.17 | 0.28 | 40.45 |
| Deletions | (51.99) | - | (51.99) |
| **As at March 31, 2023** | **133.48** | **4.98** | **138.46** |
| **Net block** | | | |
| **As at March 31, 2022** | **47.97** | **23.35** | **71.32** |
| **As at March 31, 2023** | **113.24** | **23.07** | **136.31** |

Table No. 3.13

* represents 13.35 acres of land at Chennai taken on 99 years lease from SIPCOT under terms of MOU dated January 3, 2005 (modified on March 10, 2015) with Government of Tamil Nadu.

## 6. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

In Rs. Million

| | Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **(a)** | **Investments in equity instruments of subsidiaries, carried at cost** | | |
| | Intellect Design Arena Pte Ltd. (Singapore)<br>11,717,500 (March 31, 2022 - 11,717,500) equity shares of SGD 1 each fully paid up | 592.60 | 592.60 |
| | Intellect Design Arena Limited (United Kingdom)<br>889,000 (March 31, 2022 - 889,000) equity shares of GBP 1 each fully paid up | 61.75 | 61.75 |
| | Intellect Commerce Limited (India)<br>9,000,000 (March 31, 2022 - 9,000,000) equity shares of Rs. 10 each fully paid up | 90.00 | 90.00 |
| | Intellect Design Arena SA (Switzerland)<br>35,000 (March 31, 2022 - 35,000) equity shares of CHF 10 each fully paid up | 11.28 | 11.28 |
| | Intellect Design Arena Co. Ltd (Vietnam)<br>900,000,000 (March 31, 2022 - 900,000,000) equity shares of VND 1 each fully paid up | 2.25 | 2.25 |
| | Intellect Payments Limited (India)<br>10,100,000 (March 31, 2022 - 10,100,000) equity shares of Rs. 5 each fully paid up | 50.50 | 50.50 |
| | Intellect India Limited (India)<br>500,000 (March 31, 2022 - 500,000) equity shares of Rs. 5 each fully paid up | 2.50 | 2.50 |
| | Intellect Design Arena FZ LLC (Dubai)<br>1,500 (March 31, 2022 - 1,500) equity shares of AED 1,000 each fully paid up | 20.36 | 20.36 |
| | Sonali Intellect Limited (Bangladesh)<br>3,825,000 (March 31, 2022 - 3,825,000) equity shares of BDT 10 each fully paid up | 23.87 | 23.87 |
| | Intellect Design Arena Limited (Kenya)<br>20,770 (March 31, 2022 - 20,770) equity shares of KSHS 1,000 each fully paid up | 13.20 | 13.20 |
| | Intellect Design Arena GmbH (Germany)<br>25,000 (March 31, 2022 - 25,000) equity shares of EUR 1 each fully paid up | 2.15 | 2.15 |
| | Investment in Intellect Polaris Design, LLC<br>45 (March 31, 2022 - 45) equity shares of USD 50,000 each fully paid up | 138.02 | 138.02 |
| | **Total investments in equity instruments of subsidiaries, carried at cost (a)** | **1,008.48** | **1,008.48** |
| **(b)** | **Investments in equity instruments of associates, carried at cost** | | |
| | NMS Works Software Private Limited (India)<br>1,104,870 (March 31, 2022 - 1,104,870) equity shares Rs. 10 each fully paid up | 85.72 | 85.72 |
| | Adrenalin eSystems Limited (India)<br>29,485,502 (March 31, 2022 - 29,485,502) equity shares of Rs. 5 each fully paid up | 226.24 | 226.24 |
| | **Total investments in equity instruments of associates, carried at cost (b)** | **311.96** | **311.96** |
| | **Total investment in subsidiaries and associates (a)+(b)** | **1,320.44** | **1320.44** |

Table No. 3.14

## 7. FINANCIAL ASSETS

### 7(a) Loans and deposits

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Unsecured considered good, carried at amortised cost | | |
| - Security deposits* | 31.03 | 23.44 |
| - Loans to employees** | 3.46 | 4.59 |
| | **34.49** | **28.03** |

Table No. 3.15

*Security deposits 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. There are no loans given to any Promoters / Directors / Key management personnel.

### 7(b) Non-current bank balances

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Deposits with banks with more than 12 months maturity, carried at amortised cost | 1,202.76 | 227.95 |
| | **1,202.76** | **227.95** |

Table No. 3.16

i. Out of the above balances Rs. 64.30 million (March 31, 2022 - Rs. 77.71 million) have been pledged as security by the Company for availing fund and non-fund based credit facilities. The Company has sanctioned fund and non fund based working capital facilities which are secured by hypothecation of Land and Building, non-current and current assets of the Company ranking on a pari passu basis.

ii. Non-current bank balances as at March 31, 2023 includes restricted bank balance of Company's share of money based on subcontract agreement, lying in a joint escrow account amounting to Rs. 298.20 million (March 31, 2022 - Nil). Company will be able to withdraw these proceeds upon confirmation for distribution from the escrow holder (who is a subcontractor in a joint project).

**7(c) Derivative instruments**

In Rs. Million

| Particulars | As at March 31, 2023 | 2022 |
|---|---|---|
| Foreign exchange forward contracts (net) (Refer note 35) | - | 138.28 |
| | **-** | **138.28** |

Table No. 3.17

Derivative instruments 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.

## 8. INCOME TAX ASSETS (NET)

In Rs. Million

| Particulars | As at March 31, 2023 | 2022 |
|---|---|---|
| Advance income tax (net of provision for tax) | 504.93 | 406.90 |
| | **504.93** | **406.90** |

Table No. 3.18

## 9. DEFERRED TAX ASSETS (NET)

In Rs. Million

| Particulars | As at March 31, 2023 | 2022 |
|---|---|---|
| Deferred tax asset /(liability) | | |
| Difference between depreciation as per books of account and Income tax Act,1961 | (1,128.32) | (1,036.91) |
| Disallowance under Section 36(1)(vii) of the Income tax Act | 257.88 | 244.64 |
| Expenditure charged to the Statement of Profit and Loss, allowed for tax purposes on payment basis | 290.26 | 209.51 |
| Others | 38.94 | 21.85 |
| MAT credit entitlement | 610.27 | 913.48 |
| | **69.03** | **352.57** |
| **Reconciliation of deferred tax asset (net)** | | |
| Opening balance | 352.57 | 642.28 |
| Net deferred tax income/(expense) recognised in the Statement of Profit and Loss and Other comprehensive income | 19.67 | (560.91) |
| MAT credit (utilisation) / entitlement | (303.21) | 271.20 |
| **Closing balance** | **69.03** | **352.57** |

Table No. 3.19

## 10. OTHER NON-CURRENT ASSETS

In Rs. Million

| Particulars | As at March 31, 2023 | 2022 |
|---|---|---|
| *Unsecured, considered good* | | |
| Capital advances | 9.12 | 1.34 |
| Prepayments | 26.57 | 303.35 |
| | **35.69** | **304.69** |

Table No. 3.20

## 11. FINANCIAL ASSETS

### 11(a) Investments

In Rs. Million

| Particulars | March 31, 2023 Current | March 31, 2023 Non-current | March 31, 2022 Current | March 31, 2022 Non-current |
|---|---|---|---|---|
| Investment in Bonds carried at amortised cost | - | 2,808.95 | 182.45 | 1,148.89 |
| Investment in Mutual funds carried at fair value through profit and loss (FVTPL) | 303.18 | - | 2,306.97 | - |
| Equity instruments carried at FVTPL | - | 0.05 | - | 0.05 |
| | **303.18** | **2,809.00** | **2,489.42** | **1,148.94** |
| Aggregate book value of Quoted Investments | 303.18 | 2,809.00 | 2,489.42 | 1,148.94 |
| Aggregate market value of Quoted Investments | 303.18 | 2,674.57 | 2,477.76 | 1,291.25 |
| Aggregate amount of Unquoted Investment | - | 3.07 | - | 3.07 |
| Aggregate amount of impairment in value of Investment | - | (3.07) | - | (3.07) |

Table No. 3.21

Investment in mutual funds amounting to Rs. 98.58 million (March 31, 2022 - Rs. 143.92 million) are subject to a first charge to secure the Company's fund and non-fund based credit facilities.

### 11(b) Trade receivables

In Rs. Million

| Particulars | As at March 31, 2023 | | 2022 | |
|---|---|---|---|---|
| **Trade receivables** | **Current** | **Non-current** | **Current** | **Non-current** |
| Trade receivable | 1,815.16 | 54.23 | 1,120.89 | 53.43 |
| Receivables from related parties (Refer note 31) | 2,623.46 | - | 2,274.28 | - |
| | **4,438.62** | **54.23** | **3,395.17** | **53.43** |
| - Unsecured considered good | 4,424.88 | 54.23 | 3,362.46 | 53.43 |
| - Credit impaired | 13.74 | - | 32.71 | - |
| | **4,438.62** | **54.23** | **3,395.17** | **53.43** |
| Impairment allowance (allowance for bad and doubtful debts) | | | | |
| - Unsecured considered good | (308.99) | - | (240.02) | - |
| - Trade receivables - credit impaired | (13.74) | - | (32.71) | - |
| | **(322.73)** | **-** | **(272.73)** | **-** |
| | **4,115.89** | **54.23** | **3,122.44** | **53.43** |

Table No. 3.22

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 in which any Director is a partner, a Director or a member. Trade receivables are non-interest bearing.

**11(b)(i) Trade receivables ageing as at March 31, 2023**

In Rs. Million

| | Outstanding for following periods from invoice date | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Particulars** | **Unbilled** | **Current but not due** | **Less than 6 months** | **6 Months- 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| Undisputed trade receivables - considered good | 70.25 | 1,793.74 | 973.90 | 440.32 | 870.83 | 211.77 | 118.30 | 4,479.11 |
| Undisputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Undisputed trade receivables - credit impaired | - | - | - | 10.86 | 2.88 | - | - | 13.74 |
| Disputed trade receivables - considered good | - | - | - | - | - | - | - | - |
| Disputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Disputed trade receivables - credit impaired | - | - | - | - | - | - | - | - |
| **Total** | **70.25** | **1,793.74** | **973.90** | **451.18** | **873.71** | **211.77** | **118.30** | **4,492.85** |

Table No. 3.23

**11(b)(ii) Trade receivables ageing as at March 31, 2022**

In Rs. Million

| **As at March 31, 2022** | Outstanding for following periods from invoice date | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Particulars** | **Unbilled** | **Current but not due** | **Less than 6 months** | **6 Months- 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| Undisputed trade receivables - considered good | 139.03 | 1,199.35 | 818.53 | 752.14 | 350.20 | 61.53 | 95.11 | 3,415.89 |
| Undisputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Undisputed trade receivables - credit impaired | - | - | 13.26 | 3.54 | - | - | 15.91 | 32.71 |
| Disputed trade receivables - considered good | - | - | - | - | - | - | - | - |
| Disputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Disputed trade receivables - credit impaired | - | - | - | - | - | - | - | - |
| **Total** | **139.03** | **1,199.35** | **831.79** | **755.68** | **350.20** | **61.53** | **111.02** | **3,448.60** |

Table No. 3.24

**11(c) Cash and cash equivalents**

In Rs. Million

| **Particulars** | **As at March 31,** | |
|---|---|---|
| | **2023** | **2022** |
| *Carried at amortised cost* | | |
| Balance with banks | | |
| - On current accounts | 453.38 | 627.79 |
| - On deposit accounts | 2.20 | 75.49 |
| Cash on hand | 0.01 | 0.01 |
| | **455.59** | **703.29** |

Table No. 3.25

Balance with banks earn 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 Company, and earn interest at the respective short-term deposit rates.

Out of the above Rs. 0.30 million (March 31, 2022 - Rs. 75.49 million) are held as margin money deposits by the Company for availing fund and non-fund based credit facilities.

**11(d) Bank balances other than Cash and cash equivalents**

In Rs. Million

| **Particulars** | **As at March 31,** | |
|---|---|---|
| | **2023** | **2022** |
| Deposits having a maturity period more than 3 months and less than 12 months, carried at amortised cost | 32.17 | 92.22 |
| | **32.17** | **92.22** |

Table No. 3.26

Out of the above balances Rs. 31.13 million (March 31, 2022 - Rs. 92.11 million) are held as margin money deposits by the company for availing non-fund based credit facilities.

**11(e) Loans and deposits**

In Rs. Million

| **Particulars** | **As at March 31,** | |
|---|---|---|
| | **2023** | **2022** |
| *Unsecured considered good, carried at amortised cost* | | |
| - Security deposits * | 6.27 | 25.32 |
| - Loans to employees ** | 1.70 | 4.17 |
| | **7.97** | **29.49** |

Table No. 3.27

*Security deposits 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.

**11(f) Derivative instruments**

In Rs. Million

| **Particulars** | **As at March 31,** | |
|---|---|---|
| | **2023** | **2022** |
| Foreign exchange forward contracts (net) (Refer note 35) | - | 202.00 |
| | **-** | **202.00** |

Table No. 3.28

Derivative instruments 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 foreign currency (USD).

**11(g) Other financial assets**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| *Unsecured considered good, carried at amortised cost* | | |
| Revenue accrued not billed * | 5,661.18 | 4,929.28 |
| Claims receivables ** | 47.58 | 199.06 |
| Other receivables ***, # | 231.39 | 30.42 |
| | **5,940.15** | **5,158.76** |

Table No. 3.29

* The balance as at March 31, 2023 is net of allowance for expected credit loss of Rs. 626.90 million (March 31, 2022 - Rs. 416.90 million).
** The balance as at March 31, 2023 is net of allowance for expected credit loss of Rs. 75 million (March 31, 2022 - Nil).
*** Includes amounts held on behalf of a subcontractor based subcontract agreement, for Rs. 187.28 million (March 31, 2022 - Nil) in an escrow account which is pending distribution and equivalent trade payable is recognised. (Refer note 7(b(ii)).
# The balance as at March 31, 2023 is net of allowance for expected credit loss of Rs. 9.93 million (March 31, 2022 - Nil).

**12 OTHER CURRENT ASSETS**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| *Unsecured, considered good* | | |
| Advances to related parties (Refer note 31) | 247.74 | 172.52 |
| Prepayments and other recoveries | 631.08 | 587.23 |
| Salary advance | 0.21 | 1.16 |
| Balance with Government authorities | 191.14 | 153.95 |
| | **1,070.17** | **914.86** |

Table No. 3.30

**13 EQUITY SHARE CAPITAL**

In Rs. Million

| Particulars | | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Authorised** | | | |
| 19,48,00,000 equity shares of Rs 5 each. (March 31, 2022 - 19,48,00,000 equity shares of Rs. 5 each) | | 974.00 | 974.00 |
| | | **974.00** | **974.00** |
| **Issued, Subscribed and Paid up** | | | |
| 13,57,22,575 equity shares of Rs 5 each. (March 31, 2022 - 13,45,53,614 equity shares of Rs. 5 each) fully paid up | | 678.61 | 672.77 |
| | | **678.61** | **672.77** |
| **Shares held by shareholders holding more than 5 percent shares in the Company.** | | | |
| Polaris Banyan Holding Private Limited (March 31, 2022 - 23.68%) | - 23.48% | 3,18,61,000 | 3,18,61,000 |
| Arun Jain (March 31, 2022 - 5.62%) | - 5.57% | 75,56,321 | 75,56,321 |
| Amansa Holdings Private Limited (March 31, 2022 - 7.13%) | - 8.88% | 1,20,56,763 | 95,96,903 |
| | | **37.93%** | **36.43%** |

Table No. 3.31

**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. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the share holders in the ensuing Annual General Meeting. 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.

| Particulars | Number of shares March 31, 2023 | Number of shares March 31, 2022 |
|---|---|---|
| Shares at the beginning of the year | 13,45,53,614 | 13,29,74,363 |
| Shares issued on exercise of employee stock option | 11,68,961 | 15,79,251 |
| **Shares outstanding at the end of the year** | **13,57,22,575** | **13,45,53,614** |

Table No. 3.32

In Rs. Million

| Particulars | Share capital March 31, 2023 | Share capital March 31, 2022 |
|---|---|---|
| Balance at the beginning of the year | 672.77 | 664.87 |
| Shares issued on exercise of employee stock option | 5.84 | 7.90 |
| **Share capital at the end of the year** | **678.61** | **672.77** |

Table No. 3.33

**Details of shares held by promoters**

| Promoter's Name | March 31, 2023 | % of total shares | March 31, 2022 | % of total shares | % change during the year |
|---|---|---|---|---|---|
| Arun Jain | 75,56,321 | 5.57% | 75,56,321 | 5.62% | - |
| Arun Jain HUF | 21,09,108 | 1.55% | 21,09,108 | 1.57% | - |
| Polaris Banyan Holding Private Limited | 3,18,61,000 | 23.48% | 3,18,61,000 | 23.68% | - |

Table No. 3.34

**14 OTHER EQUITY**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Securities premium | 5,606.40 | 5,414.44 |
| Share based payment reserve | 1,132.13 | 879.87 |
| General Reserve | 1,425.90 | 1,392.23 |
| Retained earnings | 6,756.29 | 5,853.88 |
| Effective portion of cash flow hedge reserve | (146.95) | 340.30 |
| Treasury shares | 0.47 | 0.47 |
| | **14,774.24** | **13,881.19** |

Table No. 3.35

**14(a) Securities premium**

The Securities premium received during the year represents the premium received towards allotment of 11,68,961 equity shares. The balance can be utilised towards issuance of fully paid bonus shares, buy back of its own shares etc. in accordance with Companies Act 2013, by the Company.

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Balance at the beginning of the year | 5,414.44 | 5,196.93 |
| Additions during the year | 28.89 | 75.13 |
| Transfer from Share based payment reserve for options exercised during the year | 163.07 | 142.38 |
| **Balance at the end of the year** | **5,606.40** | **5,414.44** |

Table No. 3.36

**14(b) Share based payment reserve**

Fair value of the options granted is to be expensed over the life of the vesting period as employee stock compensation costs reflecting period of receipt of service. Share based payment reserve is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in this reserve are transferred to securities premium upon exercise of stock options and transferred to the general reserve on account of stock options not exercised by employees and lapsed during the year.

In Rs. Million

| Particular | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Balance at the beginning of the year | 879.87 | 627.72 |
| Additions during the year | 449.00 | 418.45 |
| Transfer to Securities premium for options exercised during the year | (163.07) | (142.38) |
| Transfer to General reserve on account of vested options not exercised and lapsed during the year | (33.67) | (23.92) |
| **Balance at the end of the year** | **1,132.13** | **879.87** |

Table No. 3.37

**14(c) General reserve**

The general reserve represents free reserve which is used as and when required to transfer profits from / to retained earnings for appropriation purposes. General reserve is recognised by a transfer from one component of equity to another and is not an item of other comprehensive income, and the balances will not be reclassified subsequently to Statement of Profit and Loss.

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Balance at the beginning of the year | 1,392.23 | 1,368.31 |
| Transfer from share based payment reserves on account of vested options not exercised and lapsed during the year | 33.67 | 23.92 |
| **Balance at the end of the year** | **1,425.90** | **1,392.23** |

Table No. 3.38

**14(d) Retained earnings**

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date and any distribution from this balance shall be subject to the provisions of the Companies, Act, 2013.

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Balance at the beginning of the year | 5,853.88 | 3,817.50 |
| Profit for the year | 1,339.92 | 2,020.82 |
| Re-measurement of the net defined benefit liability/asset, net of tax effect | (102.40) | 15.56 |
| Dividend | (335.11) | - |
| **Balance at the end of the year** | **6,756.29** | **5,853.88** |

Table No. 3.39

**14(e) Effective portion of cash flow hedge reserve**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The balance in this reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Balance at the beginning of the year | 340.30 | 185.52 |
| Movement during the year (net) | (487.25) | 154.78 |
| **Balance at the end of the year** | **(146.95)** | **340.30** |

Table No. 3.40

**14(f) Treasury shares**

Pursuant to the scheme of arrangement, Intellect Associates Benefit Trust (the trust) currently holds 9,42,389 equity shares of the Company at a cost of Rs. 0.47 million (March 31, 2022 - 0.47 million) as at March 31, 2023. These shares are recognised as treasury shares in the Standalone financial statements.

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Balance at the beginning of the year | 0.47 | - |
| Adjustment relating to Intellect Associates Benefit Trust | - | 0.47 |
| **Balance at the end of the year** | **0.47** | **0.47** |

Table No. 3.41

**14(g) Dividend paid**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Payment of dividend during the year | 335.11 | - |
| | **335.11** | - |

Table No. 3.42

**14(h) Proposed dividend**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Proposed dividend for March 31, 2023 Rs. 2.50 per share (March 31, 2022 - Rs. 2.50 per share) | 339.31 | 336.38 |
| | **339.31** | **336.38** |

Table No. 3.43

Proposed dividend on equity shares is subject to shareholders approval at the annual general meeting and is not recognised as a liability as at March 31, 2023 and March 31, 2022.

**15 FINANCIAL LIABILITIES**

**15(a) Lease liabilities**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Lease liabilities (Refer note 37) | 80.99 | 25.15 |
| | **80.99** | **25.15** |

Table No. 3.44

**15(b) Derivative instruments**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Foreign exchange forward contracts (net), carried at fair value through OCI (Refer note 35) | 19.24 | - |
| | **19.24** | **-** |

Table No. 3.45

**15(c) Other long term liabilities**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Security deposits | 9.73 | 6.00 |
| | **9.73** | **6.00** |

Table No. 3.46

**16 FINANCIAL LIABILITIES**

**16(a) Lease liabilities**

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Lease liabilities (Refer note 37) | 42.37 | 35.62 |
| | **42.37** | **35.62** |

Table No. 3.47

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **16(b) Trade payables** | | |
| - Total outstanding dues of micro enterprises and small enterprises (Refer note 41) | 30.86 | - |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note 31 for balance due to related parties) | 3,388.31 | 2,939.12 |
| | **3,419.17** | **2,939.12** |

Table No. 3.48

**16(b) (i) Trade payable ageing as at March 31, 2023**

In Rs. Million

| Particulars | Outstanding for following periods from date of invoice | | | | | |
|---|---|---|---|---|---|---|
| | Unbilled | Less than a year | 1-2 years | 2-3 years | More than 3 years | Total |
| Total outstanding dues of micro enterprises and small enterprises | - | 30.86 | - | - | - | 30.86 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,517.81 | 559.15 | 258.35 | 28.28 | 24.72 | 3,388.31 |
| Disputed outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| | **2,517.81** | **590.01** | **258.35** | **28.28** | **24.72** | **3,419.17** |

Table No. 3.49

**16(b) (ii) Trade payable ageing as at March 31, 2022**

In Rs. Million

| Particulars | Outstanding for following periods from date of invoice | | | | | |
|---|---|---|---|---|---|---|
| | Unbilled | Less than a year | 1-2 years | 2-3 years | More than 3 years | Total |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,463.73 | 422.11 | 28.43 | 19.32 | 5.53 | 2,939.12 |
| Disputed outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| | **2,463.73** | **422.11** | **28.43** | **19.32** | **5.53** | **2,939.12** |

Table No. 3.50

**16(c) Other financial liabilities**

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| *Carried at amortised cost* | | |
| Employee benefits payable | 832.67 | 665.56 |
| Capital creditors | 7.64 | 0.49 |
| Security deposit payable | 19.36 | 25.59 |
| Unclaimed dividends* | 1.00 | - |
| Superannuation payable | 84.15 | 76.25 |
| | **944.82** | **767.89** |

Table No. 3.51

*There are no unclaimed amounts that are required to be credited to Investor Education and Protection Fund as at March 31, 2023 and March 31, 2022.

**16(d) Derivative instruments**

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Foreign exchange forward contracts (net) (Refer note 35) | 127.73 | - |
| | **127.73** | **-** |

Table No. 3.52

Derivative instruments 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 foreign currency (USD).

## 17 OTHER CURRENT LIABILITIES

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Contract liabilities (Customer advances and Billing in excess of revenue) | 812.16 | 1,121.41 |
| Advances from related parties (Refer note 31) | 1,730.11 | 1,438.75 |
| Other advance received | 5.14 | 3.89 |
| Statutory dues | 208.02 | 203.14 |
| | **2,755.43** | **2,767.19** |

Table No. 3.53

## 18 PROVISIONS

In Rs. Million

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| **Provision for employee benefits** | | |
| - Provision for gratuity (Refer note 29) | 507.82 | 334.01 |
| - Provision for leave benefits | 237.56 | 188.51 |
| | **745.38** | **522.52** |

Table No. 3.54

## 19 REVENUE FROM OPERATIONS

**19(a) Timing of Revenue Recognition**

In Rs. Million

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| At a point in time | 1,027.52 | 1,425.22 |
| Over a period of time | 13,673.57 | 11,124.86 |
| **Revenue from operations** | **14,701.09** | **12,550.08** |

Table No. 3.55

**19(b) Summary of Contract balances**

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Trade receivables | 4,170.12 | 3,175.87 |
| Contract assets* | 5,661.18 | 4,929.28 |
| Contract liabilities* | 812.16 | 1,121.41 |

Table No. 3.56

*Contract assets represents revenue accrued and not billed and unbilled revenues. Contract Liabilities represents Billing in excess of revenue.

**19(c) Set out below is the amount of revenue recognised from:**

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Amounts included in contract liabilities at the beginning of the year | 1,121.41 | 674.98 |
| Revenue recognised from performance obligations satisfied in the reporting period | 508.71 | 336.57 |

Table No. 3.57

**Performance obligations and remaining performance obligations**

Information on Company's performance obligations and remaining performance obligations is summarised in accounting policies (also Refer note 3(j)).

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2023, other than those meeting the exclusion criteria mentioned in Note 3(j) is Rs. 1,668.51 million (March 31, 2022 - 2,040.11 million). Out of this, the Company expects to recognise revenue of around 90% (March 31, 2022 - 70%) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty however, based on current assessment, the occurrence of the same is expected to be remote.

One customer accounted for more than 10% of the revenue amounting to Rs. 2,551.87 million (March 31, 2022 - 2,138.58 million) for the year ended March 31, 2023.

## 20 OTHER INCOME

In Rs. Million

| Particulars | As at March 31 | |
|---|---|---|
| | 2023 | 2022 |
| Interest income | | |
| Interest on bonds, carried at amortised cost | 182.30 | 40.96 |
| Interest on deposits with banks and others | 42.25 | 58.58 |
| Interest from other financial assets carried at amortised cost | 6.48 | 3.18 |
| Dividend income | | |
| Dividend income on investments in mutual funds | 18.30 | 14.87 |
| Other non-operating income | | |
| Profit on sale of investments, carried at fair value through profit or loss | 27.04 | 19.56 |
| Fair value gain on investments, carried at fair value through profit or loss | 12.45 | 26.08 |
| Net gain on disposal of property, plant and equipment | 0.74 | 100.08 |
| Net gain on foreign currency transaction and translation | 129.84 | 49.92 |
| Miscellaneous income (net) | 24.07 | 50.24 |
| | **443.47** | **363.47** |

Table No. 3.58

## 21 EMPLOYEE BENEFITS EXPENSE

In Rs. Million

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Salaries and incentives | 6,111.01 | 4,719.49 |
| Contribution to provident and other funds | 322.51 | 241.03 |
| Gratuity contribution scheme (Refer note 29) | 103.40 | 76.17 |
| Employee stock compensation cost (Refer note 30 on Employee Stock Option Scheme) | 449.00 | 418.45 |
| Staff welfare expenses | 148.61 | 146.55 |
| | **7,134.53** | **5,601.69** |

Table No. 3.59

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

## 22 DEPRECIATION AND AMORTISATION EXPENSES

In Rs. Million

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Depreciation of Property, plant and equipment (Refer note 4(a)) | 155.25 | 140.85 |
| Depreciation of Investment property (Refer note 4(c)) | 1.90 | 1.90 |
| Depreciation of Right-of-use assets (Refer note 5) | 40.45 | 35.62 |
| Amortisation of Intangible assets (Refer note 4(d)) | 603.14 | 511.96 |
| | **800.74** | **690.33** |

Table No. 3.60

## 23 FINANCE COST

In Rs. Million

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Interest expenses | 21.92 | 29.63 |
| | **21.92** | **29.63** |

Table No. 3.61

## 24 OTHER EXPENSES

In Rs. Million

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2023 |
| Cost of software packages, consumable and maintenance | 1,085.83 | 648.36 |
| Cost of technical sub-contractors | 2,056.45 | 1,837.40 |
| Travelling expenses | 377.19 | 123.79 |
| Communication expenses | 359.08 | 289.69 |
| Professional and legal charges | 244.38 | 185.61 |
| Business promotion | 258.53 | 331.04 |
| Impairment allowances on financial instrument and contract asset | 344.93 | 0.78 |
| Bad debts / advances written off | 0.78 | 242.37 |
| Payment to the auditors | | |
| - Statutory audit | 10.15 | 8.70 |
| - for other services | 2.42 | 1.72 |
| - for reimbursement of expenses | 0.65 | 0.33 |
| Repairs - Plant and machinery | 101.42 | 86.86 |
| Power and fuel | 60.69 | 38.40 |
| Office maintenance | 52.19 | 44.54 |
| Contributions towards corporate social responsibility | 51.42 | 19.26 |
| Donations | 0.70 | - |
| Insurance | 45.78 | 19.54 |
| Rent | 10.24 | 5.54 |
| Repairs - Building | - | 0.04 |
| Repairs - Others | 23.90 | 15.56 |
| Printing and stationery | 7.51 | 2.53 |
| Rates and taxes excluding taxes on Income | 24.05 | 11.82 |
| Bank charges and commission | 24.46 | 21.97 |
| Directors' sitting fees | 4.75 | 3.75 |
| Miscellaneous expenses | 16.91 | 8.54 |
| | **5,164.41** | **3,948.14** |

Table No. 3.62

## 25 INCOME TAX EXPENSE

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

**Statement of Profit and Loss:** In Rs. Million

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| **Income tax expense:** | | |
| -Current tax | 702.71 | 456.96 |
| -Adjustments of tax relating to earlier years | - | (29.90) |
| **Tax expense** | 702.71 | 427.06 |
| **Deferred tax:** | | |
| In respect of current year | (19.67) | 286.89 |
| Ineligible MAT credit written off | - | (91.01) |
| Net deferred tax | (19.67) | 195.88 |
| | **683.04** | **622.94** |

Table No. 3.63

Note:
Tax in respect of earlier years include excess provision of earlier years reversed in the year ended March 31, 2022.

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

In Rs. Million

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **Accounting Profit before tax** | 2,022.96 | 2,643.76 |
| At India's statutory income tax rate - | 34.944% | 34.944% |
| Derived tax charge for the year (Restricted to zero incase of loss) | 706.90 | 923.84 |
| Adjustments: | | |
| Impact of measurement of Deferred tax liabilities due to change in tax rate (Refer note below) | (19.53) | (200.72) |
| Income tax expense at differential rate | - | (22.43) |
| Tax provision reversal of earlier years | - | (29.90) |
| Restoration of MAT credit written off in earlier years | (8.06) | (91.02) |
| Others | 3.73 | 43.17 |
| **Net derived tax charge** | **683.04** | **622.94** |
| **Income tax expense reported in the Statement of Profit and Loss** | **683.04** | **622.94** |

Table No. 3.64

Note:
Pursuant to the Taxation Law (Amendment) Ordinance, 2019 (‘Ordinance’) subsequently amended in Finance Act issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 which is effective April 1, 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess (‘New tax rate’) subject to certain conditions. Tax expense in the standalone financial statements includes reduction in deferred tax charge arising out of the estimated impact amounting to Rs. 19.53 million (March 31, 2022 - Rs. 200.72 million). This is arising from the re-measurement of deferred tax liability that is expected to reverse in future when the Company will migrate to the new tax regime.

There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters.

## 26 EARNINGS PER SHARE

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. Million

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Profit attributable to the equity holders of the company used in calculating basic earnings per share and diluted earnings per share | 1,339.92 | 2,020.82 |
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (number) | | |
| - Basic | 13,42,88,855 | 13,29,99,709 |
| - Diluted | 13,89,66,064 | 13,88,69,074 |
| Earning per share of Rs.5 each | | |
| - Basic | 9.98 | 15.19 |
| - Diluted | 9.64 | 14.55 |

Table No. 3.65

## 27 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

In Rs. Million

| Particulars | Retained Earnings | Effective portion of cash flow hedge reserve | Total |
|---|---|---|---|
| **During the year ended March 31, 2023** | | | |
| Re-measurement gains/ (losses) on defined benefit plans | (102.40) | - | (102.40) |
| Net movement on cash flow hedges | - | (487.25) | (487.25) |
| **During the year ended March 31, 2022** | | | |
| Re-measurement gains on defined benefit plans | 15.56 | - | 15.56 |
| Net movement on cash flow hedges | - | 154.78 | 154.78 |

Table No. 3.66

## 28 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's standalone 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 Company’s accounting policies, management has not made any judgements, which have significant effect on the amounts recognised in the standalone financial statements.

### b. Estimates and assumptions

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

#### 1) 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 projected 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 Company 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 Company 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.

#### 2) Share-based payments

The Company 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 30.

#### 3) Revenue from contract with customers

The Company is required to make an assessment for each new software license contract as to whether the underlying software requires significant modification or customisation by the Company in order to meet the customer’s requirements. If significant modification or customisation is required, then the license fee is recognised based on percentage-of-completion. Majority of such modifications or customisations 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 utilising output measures, such as the achievement of any project milestones stipulated in the contract, or internal quality milestones to assess proportional performance.

The Company 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.

**4) 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 29.

**5) 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 judgement is involved in evaluating and recognising MAT credit, to be set off against the future taxable profits for which the Company 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.

**6) Provision for allowance of credit Loss**

The Company 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 Revenue accrued and not billed. 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 ageing of the customer balance and the past trends of collection.

**7) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also Refer to Note 34 and Note 38 for further disclosures.

**8) Leases**

Determining the lease term of contracts with renewal and termination options - Company as lessee:

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow.

Refer note 37 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

**29 GRATUITY**

The Company 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.

Summary of the components of defined benefit plans:

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Change in benefit obligation** | | |
| Benefit obligations at the beginning | 453.50 | 436.85 |
| Current service cost | 74.83 | 57.11 |
| Interest cost | 36.93 | 28.57 |
| Benefits paid | (56.61) | (52.71) |
| Remeasurement - actuarial (gains) / losses | 104.16 | (16.32) |
| **Benefit obligations at the end** | **612.81** | **453.50** |
| **Change in plan assets** | | |
| Plan assets at beginning, at fair value | 119.49 | 163.38 |
| Expected return on plan assets | 8.36 | 9.54 |
| Contributions | 31.99 | 0.04 |
| Remeasurement - actuarial (gains) / losses | 1.76 | (0.76) |
| Benefits paid | (56.61) | (52.71) |
| **Plan assets at the end, at fair value** | **104.99** | **119.49** |
| Actual return on plan assets | 10.12 | 8.78 |
| **Asset / (liability) recognised in the Balance Sheet** | | |
| Fair value of plan assets at the end of the year | 104.99 | 119.49 |
| Present value of defined benefit obligations at the end of the period | 612.81 | 453.50 |
| **Asset / (liability) recognised** | **(507.82)** | **(334.01)** |
| a) Non-current portion | - | - |
| b) Current portion | (507.82) | (334.01) |
| **Amount recognised in the Statement of Profit and Loss** | | |
| Service cost | 74.83 | 57.11 |
| Net interest on the net defined liability/asset | 28.57 | 19.06 |
| | **103.40** | **76.17** |
| **Amount recognised in other comprehensive income** | | |
| *Remeasurement in benefit obligation:* | | |
| (Loss) / Gain from change in demographic assumptions | (47.55) | 45.17 |
| (Loss) from change in financial assumptions | (4.31) | (11.67) |
| Actuarial (loss) due to experience | (52.30) | (17.18) |
| *Remeasurement in plan assets:* | | |
| Return / (Loss) on plan assets greater / (less) than discount rate | 1.76 | (0.76) |
| | **(102.40)** | **15.56** |
| **Movement in Surplus / (Deficit)** | | |
| (Deficit)/ Surplus at the beginning | (334.01) | (273.47) |
| Current service cost | (74.84) | (57.11) |
| Past service cost | - | - |
| Net interest on net defined benefit obligation | (28.57) | (19.03) |
| Actuarial (losses) / gains | (102.39) | 15.56 |
| Contributions | 31.99 | 0.04 |
| (Deficit)/ Surplus at the end | **(507.82)** | **(334.01)** |
| | | |
| **Actuarial Assumptions** | | |
| Discount rate | 7.45% | 6.96% |
| Salary growth rate | 11.50% | 10.50% |
| Attrition rate | 23.70% | 35.20% |
| Expected weighted average remaining working life | 8.8 years | 4.3 years |

Table No. 3.67

**Notes**

(a) The estimate 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.

Estimated amount of contribution to the fund during the year ended March 31, 2023 is Rs. 507.82 million (March 31, 2022 - Rs. 334.01 million)

| Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Assets under insurance schemes | 100% | 100% |

Table No. 3.68

**A quantitative sensitive analysis of the assumption as at March 31, 2023**

| Assumptions | Discount rate | | Salary escalation rate | |
|---|---|---|---|---|
| Sensitivity level | 1% | 1% | 1% | 1% |
| Activity | Increase | Decrease | Increase | Decrease |
| Defined benefit obligation | 566.01 | 666.30 | 640.06 | 584.81 |

Table No. 3.69

| Assumptions | Attrition rate | | Mortality rate |
|---|---|---|---|
| Sensitivity level | 1% | 1% | 10% |
| Activity | Increase | Decrease | Increase |
| Defined benefit obligation | 605.16 | 621.08 | 612.57 |

Table No. 3.70

**A quantitative sensitive analysis of the assumption as at March 31, 2022**

| Assumptions | Discount rate | | Salary escalation rate | |
|---|---|---|---|---|
| Sensitivity level | 1% | 1% | 1% | 1% |
| Activity | Increase | Decrease | Increase | Decrease |
| Defined benefit obligation | 424.09 | 486.67 | 474.81 | 432.01 |

Table No. 3.71

| Assumptions | Attrition rate | | Mortality rate |
|---|---|---|---|
| Sensitivity level | 1% | 1% | 10% |
| Activity | Increase | Decrease | Increase |
| Defined benefit obligation | 448.18 | 459.22 | 453.26 |

Table No. 3.72

| Maturity profile of defined benefit obligation | Discounted values / Present value | |
|---|---|---|
| **Particulars** | **March 31, 2023** | **March 31, 2022** |
| Within next 12 months (next annual reporting period) | 53.52 | 61.21 |
| Between 2 and 5 years | 141.97 | 124.69 |
| Between 6 and 10 years | 140.92 | 92.14 |
| More than 10 years | 276.40 | 175.46 |
| **Total** | **612.81** | **453.50** |

Table No. 3.73

**30 SHARE BASED PAYMENTS (EMPLOYEE STOCK OPTION SCHEME)**

The Scheme of Arrangement (Demerger) entered into by the Company with Polaris Consulting and 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 and 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 following Employee stock option schemes (i) Intellect Stock Option Plan 2015 (ISOP 2015), Intellect Stock Option Plan 2016 (ISOP 2016) and Intellect Stock Option Plan (ISOP 2018) 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 year ended March 31, 2018, the Company had offered rights issue to its shareholders. 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 and 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 November 09, 2017 revised/ reduced the exercise prices of outstanding options (both vested and unvested) as on the record date i.e July 18, 2017 by 15 %. The fair values before and after the modification have remained unchanged and there is no incremental impact in the Statement of Profit and Loss. The option plans are summarised below:

**Share options modification**

The Nomination and remuneration committee (NRCC) at its meeting held at June 9, 2020 and June 17, 2020 decided to modify the options provided to the employees due to significant reduction in current market price of equity shares of the Company. As per decision of NRCC, the employees were given an option to surrender their existing options and avail new options under the new scheme in lieu of surrendered option.

As a result, associates holding 60,74,840 options under various schemes ASOP 2011, ISOP 2015, ISOP 2016 and ISOP 2018 voluntarily surrendered their options on May 29, 2020, June 9, 2020, June 17, 2020 and August 7, 2020 and were issued new options in the ratio of 2:1 under Intellect Incentive Plan Scheme 2018 (Restrictive Stock Options) at an exercise price of Rs. 5. These modification have been approved by the NRCC.

The details of surrendered and reissue options are provided below:

| Scheme | Date of reissue | Average fair value before modification | Fair value after modification |
|---|---|---|---|
| ASOP 2011, ISOP 2015, ISOP 2016 and ISOP 2018 | May 29, 2020 | 26.77 | 63.95 |
| ASOP 2011, ISOP 2015, ISOP 2016 and ISOP 2018 | June 09, 2020 | 89.03 | 89.03 |
| ASOP 2011, ISOP 2015 and ISOP 2016 | June 17, 2020 | 24.57 | 92.63 |
| ASOP 2011, ISOP 2015 and ISOP 2016 | August 07, 2020 | 85.39 | 156.68 |

Table No. 3.74

The Black Scholes valuation model has been used for computing the weighted average fair value the details of which is mentioned under section RSU 2018 scheme.

**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 | 36,48,450 Less: Number of Options granted under Swarnam 21 | 17,36,000 | 12,40,000 Less: Number of Options granted under Swarnam 41 | 2,00,000 |

Table No. 3.75

**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. 3.76

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. 3.77

**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. 3.78

The exercise period shall commence from the date of vesting and expires within 60 calendar months from the relevant vesting date.

| Particulars | March 31, 2023 | |
|---|---|---|
| | Number of Shares | Weighted Average Exercise Price (Rs.) |
| Outstanding at the beginning of the year | 58,200 | 39.38 |
| Granted during the year | - | - |
| Exercised during the year | (25,140) | 41.14 |
| Forfeited during the year | - | - |
| Expired during the year | (12,890) | 34.96 |
| Surrender during the year | - | - |
| Outstanding at the end of the year | 20,170 | 40.70 |
| Exercisable at the end of the year | 20,170 | 40.70 |

Table No. 3.79

| Particulars | March 31, 2023 |
|---|---|
| Range of exercise price (Rs.) | 27.3 to 62.35 |
| Weighted average remaining contractual life (in years) | 1.30 |
| Weighted average fair value of options granted (Rs.) | - |
| Weighted average market price of shares on the date of exercise (Rs.) | 598.85 |

Table No. 3.80

| Particulars | March 31, 2022 | |
|---|---|---|
| | Number of Shares | Weighted Average Exercise Price (Rs.) |
| Outstanding at the beginning of the year | 1,98,070 | 39.38 |
| Granted during the year | - | - |
| Exercised during the year | (1,24,750) | 39.87 |
| Forfeited during the year | - | - |
| Expired during the year | (15,120) | 34.41 |
| Surrender during the year | - | - |
| Outstanding at the end of the year | 58,200 | 39.62 |
| Exercisable at the end of the year | 58,200 | 39.62 |

Table No. 3.81

| Particulars | March 31, 2022 |
|---|---|
| Range of exercise price (Rs.) | 27.3 to 62.35 |
| Weighted average remaining contractual life (in years) | 1.42 |
| Weighted average fair value of options granted (Rs.) | - |
| Weighted average market price of shares on the date of exercise (Rs.) | 718.83 |

Table No. 3.82

| 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. 3.83

| 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 | 07-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. 3.84

| Scheme | ASOP 2011 | | | |
|---|---|---|---|---|
| Grant ID | Swarnam 21 & 31 | Swarnam 21 & 31 | Swarnam 11 | Swarnam 21 & 31 |
| Grant date | 10-Mar-14 | 30-Apr-14 | 07-Jan-15 | 07-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. 3.85

**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 Nomination Remuneration and Compensation Committee and the Board has decided to amend the Scheme to include Restricted Stock Units (RSU's) to facilitate grant of fresh RSU's in lieu of options voluntarily surrendered as well as for future grants. The Company in its shareholder's meeting held on August 21, 2020 have approved the modification to the scheme, to include Restrictive stock options in addition to existing options part of scheme. The plan shall be administered under 5 different schemes based on the following terms:

**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. 3.86

Grant price of options (RSU's) under Swarnam 601 shall be Rs. 5 per option

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. 3.87

The vesting schedule for Swarnam 601 shall be decided by Nomination Remuneration and Compensation Committee subject to a maximum vesting period of 5 years.

**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 |

Table No. 3.88

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 as at March 31, 2023 is presented below:

| Particulars | March 31, 2023 | |
|---|---|---|
| | Number of Shares | Weighted average exercise price (Rs.) |
| Outstanding at the beginning of the year | 17,57,605 | 85.51 |
| Granted during the year | 9,99,885 | 5.00 |
| Exercised during the year | (2,38,842) | 89.45 |
| Forfeited during the year | (1,94,175) | 11.82 |
| Expired during the year | (77,300) | 76.98 |
| Outstanding at the end of the year | 22,47,173 | 55.94 |
| Exercisable at the end of the year | 5,45,063 | 124.08 |

Table No. 3.89

| Particulars | March 31, 2023 |
|---|---|
| Range of exercise price (Rs.) | 5 to 344.95 |
| Weighted average remaining contractual life (in years) | 6.44 |
| Weighted average fair value of options granted (Rs.) | 519.88 |
| Weighted average market price of shares on the date of exercise (Rs.) | 593.01 |

Table No. 3.90

| Particulars | March 31, 2022 | |
|---|---|---|
| | Number of Shares | Weighted average exercise price (Rs.) |
| Outstanding at the beginning of the year | 18,76,925 | 118.09 |
| Granted during the year | 7,11,500 | 5.00 |
| Exercised during the year | (6,15,662) | 111.02 |
| Forfeited during the year | (1,87,875) | 30.05 |
| Expired during the year | (27,283) | 150.86 |
| Surrender during the year | - | - |
| Outstanding at the end of the year | 17,57,605 | 85.51 |
| Exercisable at the end of the year | 4,96,955 | 135.82 |

Table No. 3.91

| Particulars | March 31, 2022 |
|---|---|
| Range of exercise price (Rs.) | 5 to 344.95 |
| Weighted average remaining contractual life (in years) | 5.83 |
| Weighted average fair value of options granted (Rs.) | 665.79 |
| Weighted average market price of shares on the date of exercise (Rs.) | 727.32 |

Table No. 3.92

The fair value of options was estimated at the date of grant using the Black Scholes Model with the following assumptions:

**Grants made for the year ended March 31, 2023**

| **Date of Grant: May 17, 2022** | **May 17, 2023** | **May 17, 2024** | **May 17, 2025** | **May 17, 2026** |
|---|---|---|---|---|
| Market price (Rs.) | 576.85 | 576.85 | 576.85 | 576.85 |
| Expected life | 3.51 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 53.45 | 54.02 | 53.26 | 52.77 |
| Risk free rate (%) | 6.74 | 6.96 | 7.12 | 7.24 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.43 | 0.43 | 0.43 | 0.43 |
| **Fair value per vest (Rs.)** | **564.26** | **562.12** | **559.97** | **557.81** |
| Vest percentage (%) | 0.00 | 50.00 | 0.00 | 50.00 |
| **Option fair value (Rs.)** | | **559.97** | | |

Table No. 3.93

| **Date of Grant: May 17, 2022** | **May 17, 2023** | **May 17, 2024** | **May 17, 2025** | **May 17, 2026** | **May 17, 2027** |
|---|---|---|---|---|---|
| Market price (Rs.) | 576.85 | 576.85 | 576.85 | 576.85 | 576.85 |
| Expected Life | 3.51 | 4.51 | 5.51 | 6.51 | 7.51 |
| Volatility (%) | 53.45 | 54.02 | 53.26 | 52.77 | 54.62 |
| Risk free rate (%) | 6.74 | 6.96 | 7.12 | 7.24 | 7.33 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.43 | 0.43 | 0.43 | 0.43 | 0.43 |
| **Fair value per vest (Rs.)** | **564.26** | **562.12** | **559.97** | **557.81** | **555.64** |
| Vest percentage (%) | 0.00 | 0.00 | 33.33 | 33.33 | 33.34 |
| **Option fair value (Rs.)** | | | **557.81** | | |

Table No. 3.94

| **Date of Grant: August 29, 2022** | **August 29, 2023** | **August 29, 2024** | **August 29, 2025** | **August 29, 2026** |
|---|---|---|---|---|
| Market price (Rs.) | 587.15 | 587.15 | 587.15 | 587.15 |
| Expected life | 3.51 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 53.17 | 53.26 | 52.44 | 51.78 |
| Risk free rate (%) | 6.87 | 7.00 | 7.09 | 7.14 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.43 | 0.43 | 0.43 | 0.43 |
| **Fair value per vest (Rs)** | **574.43** | **572.23** | **570.02** | **567.8** |
| Vest percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs.)** | | **571.12** | | |

Table No. 3.95

| **Date of Grant: August 29, 2022** | **August 29, 2023** | **August 29, 2024** | **August 29, 2025** | **August 29, 2026** | **August 29, 2027** |
|---|---|---|---|---|---|
| Market price (Rs.) | 587.15 | 587.15 | 587.15 | 587.15 | 587.15 |
| Expected life | 3.51 | 4.51 | 5.51 | 6.51 | 7.51 |
| Volatility (%) | 53.17 | 53.26 | 52.44 | 51.78 | 53.31 |
| Risk free rate (%) | 6.87 | 7.00 | 7.09 | 7.14 | 7.18 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.43 | 0.43 | 0.43 | 0.43 | 0.43 |
| **Fair value per vest (Rs.)** | **574.43** | **572.23** | **570.02** | **567.8** | **565.58** |
| Vest percentage (%) | 0.00 | 0.00 | 33.33 | 33.33 | 33.34 |
| **Option fair value (Rs.)** | | | **567.80** | | |

Table No. 3.96

| **Date of Grant: December 29, 2022** | **December 29, 2023** | **December 29, 2024** | **December 29, 2025** | **December 29, 2026** | **December 29, 2027** |
|---|---|---|---|---|---|
| Market price (Rs.) | 442.00 | 442.00 | 442.00 | 442.00 | 442.00 |
| Expected life | 3.51 | 4.51 | 5.51 | 6.51 | 7.51 |
| Volatility (%) | 53.59 | 52.84 | 52.56 | 51.66 | 52.70 |
| Risk free rate (%) | 7.10 | 7.19 | 7.25 | 7.28 | 7.30 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.57 | 0.57 | 0.57 | 0.57 | 0.57 |
| **Fair value per vest (Rs.)** | **432.48** | **430.32** | **428.06** | **425.73** | **423.38** |
| Vest percentage (%) | 0.00 | 0.00 | 33.33 | 33.33 | 33.34 |
| **Option fair value (Rs.)** | | | **422.79** | | |

Table No. 3.97

**Grants made for the year ended March 31, 2022**

| **Date of Grant: August 12, 2021** | **August 12, 2022** | **August 12, 2023** | **August 12, 2024** | **August 12, 2025** |
|---|---|---|---|---|
| Market price (Rs.) | 653.95 | 653.95 | 653.95 | 653.95 |
| Expected life | 3.50 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 55.22 | 53.72 | 52.93 | 54.30 |
| Risk free rate (%) | 5.25 | 5.63 | 5.95 | 6.21 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| **Fair value per vest (Rs.)** | **649.79** | **650.07** | **650.35** | **650.61** |
| Vest percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs.)** | | **650.21** | | |

Table No. 3.98

| **Date of Grant: October 29, 2021** | **October 29, 2022** | **October 29, 2023** | **October 29, 2024** | **October 29, 2025** |
|---|---|---|---|---|
| Market price (Rs.) | 659.65 | 659.65 | 659.65 | 659.65 |
| Expected life | 3.50 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 55.02 | 53.68 | 52.31 | 53.50 |
| Risk free rate (%) | 5.22 | 5.60 | 5.91 | 6.17 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| **Fair value per vest (Rs.)** | **655.48** | **655.77** | **656.04** | **656.30** |
| Vest percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs.)** | | **655.9** | | |

Table No. 3.99

| **Date of Grant: January 27, 2022** | **January 27, 2023** | **January 27, 2024** | **January 27, 2025** | **January 27, 2026** |
|---|---|---|---|---|
| Market price (Rs.) | 721.25 | 721.25 | 721.25 | 721.25 |
| Expected life | 3.50 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 54.91 | 53.42 | 52.94 | 53.93 |
| Risk free rate (%) | 5.51 | 5.88 | 6.19 | 6.44 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| **Fair value per vest (Rs.)** | **717.13** | **717.41** | **717.70** | **717.96** |
| Vest percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs.)** | | **717.55** | | |

Table No. 3.100

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. The Nomination Remuneration and Compensation Committee and the board has decided to amend the Scheme to include Restricted Stock Units (RSU's) to facilitate grant of fresh RSU's in lieu of options voluntarily surrendered as well as for future grants. The Company in its shareholding meeting held on August 21, 2020 have approved the modification the scheme, to include Restrictive stock options in addition to existing options part of scheme. A summary of the status of the options granted under 2016 plan at March 31, 2023 is presented as below:

**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 | 10% discount on market price. (Subject to being not lower than Rs. 49) | 20% 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 | 15% discount on market price | 30% 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. 3.101

Grant price of options (RSUs) under Swarnam 601 shall be Rs. 5 per option

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.

**Service conditions**

The option vests over a period of 3-5 years from the date of grant in a graded manner, subject to fulfillment of vesting conditions as follows:

| Particulars | Swarnam 201 - 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. 3.102

The vesting schedule for Swarnam 601 shall be decided by Nomination Remuneration and Compensation Committee subject to a maximum vesting period of 5 years.

**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 |

Table No. 3.103

The fair value of options was estimated at the date of grant using the Black Scholes Model with the following assumptions:

**March 31, 2023**

| Particulars | Number of Shares | Weighted Average Exercise Price (Rs.) |
|---|---|---|
| Outstanding at the beginning of the year | 3,50,950 | 155.39 |
| Granted during the year | - | - |
| Exercised during the year | (55,150) | 146.85 |
| Forfeited during the year | (25,450) | 113.81 |
| Expired during the year | (3,900) | 147.47 |
| Outstanding at the end of the year | 2,66,450 | 161.24 |
| Exercisable at the end of the year | 1,73,600 | 142.24 |

Table No. 3.104

| Particulars | March 31, 2023 |
|---|---|
| Range of exercise price (Rs.) | 83.09 to 643.32 |
| Weighted average remaining contractual life (in years) | 4.32 |
| Weighted average fair value of options granted (Rs.) | - |
| Weighted average market price of shares on the date of exercise (Rs.) | 536.74 |

Table No. 3.105

**March 31, 2022**

| Particulars | Number of Shares | Weighted Average Exercise Price (Rs.) |
|---|---|---|
| Outstanding at the beginning of the year | 4,24,450 | 145.30 |
| Granted during the year | 5,000 | 643.32 |
| Exercised during the year | (66,750) | 112.39 |
| Forfeited during the year | (5,650) | 522.79 |
| Expired during the year | (6,100) | 173.91 |
| Surrender during the year | - | - |
| Outstanding at the end of the year | 3,50,950 | 155.39 |
| Exercisable at the end of the year | 1,58,350 | 134.87 |

Table No. 3.106

| Particulars | March 31, 2022 |
|---|---|
| Range of exercise price (Rs.) | 83.09 to 643.32 |
| Weighted average remaining contractual life (in years) | 5.26 |
| Weighted average fair value of options granted (Rs.) | 469.20 |
| Weighted average market price of shares on the date of exercise (Rs.) | 736.75 |

Table No. 3.107

**Granted for the year ended March 31, 2022**

| Date of Grant - May 12, 2021 | May 12, 2022 | May 12, 2023 | May 12, 2024 | May 12, 2025 | May 12, 2026 |
|---|---|---|---|---|---|
| Market price (Rs.) | 756.85 | 756.85 | 756.85 | 756.85 | 756.85 |
| Expected life | 3.50 | 4.51 | 5.51 | 6.51 | 7.51 |
| Volatility (%) | 55.56 | 54.48 | 53.51 | 55.54 | 55.54 |
| Riskfree rate (%) | 5.17 | 5.52 | 5.80 | 6.04 | 6.23 |
| Exercise price (Rs.) | 643.32 | 643.32 | 643.32 | 643.32 | 643.32 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Fair value per vest (Rs.)** | **379.16** | **417.76** | **450.34** | **491.10** | **519.25** |
| Vest percentage (%) | 10.00 | 15.00 | 20.00 | 25.00 | 30.00 |
| **Option fair value (Rs.)** | | | **469.20** | | |

Table No. 3.108

**Intellect Incentive Plan Scheme 2018**

The Shareholders of the Company in the Annual General Meeting held on August 23, 2018 approved Intellect Incentive Plan Scheme 2018. The 2018 plan provides for issuance of 62,50,000 options through Restrictive Stock Units (RSU's) 2018 and ISOP 2018 in total 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 for RSU 2018 it shall continue to be in force until (i) its termination by the Company as per provisions of Applicable Laws, or (ii) the date on which all of the Restricted Stock Units available for issuance under the RSU 2018 / Stock Options 2018 have been issued and exercised, whichever is earlier and for ISOP 2018 is 12 years from the date of the Scheme coming to force. The scheme shall be extended by a period of not more than 5 years as the Board of Directors may decide. Nomination and remuneration committee (NRCC) in its meeting held of June 15, 2020 has decided to make the total options fungible between RSU and ISOP 2018. A summary of the status of the options granted under Intellect Incentive Plan scheme 2018 as at March 31, 2023 is presented below:

**RSU 2018**

| Particulars | March 31, 2023 | |
|---|---|---|
| | Number of Shares | Weighted Average Exercise Price (Rs.) |
| Outstanding at the beginning of the year | 53,11,723 | 5.00 |
| Granted during the year | 67,500 | 5.00 |
| Exercised during the year | (8,49,829) | 5.00 |
| Forfeited during the year | (2,38,000) | 5.00 |
| Expired during the year | (12,000) | - |
| Cancelled & restored | 1,500 | - |
| Outstanding at the end of the year | 42,80,894 | 5.00 |
| Exercisable at the end of the year | 14,49,369 | 5.00 |

Table No. 3.109

| Particulars | March 31, 2023 |
|---|---|
| Range of exercise price (Rs.) | 5.00 |
| Weighted average remaining contractual life (in years) | 5.12 |
| Weighted average fair value of options granted (Rs.) | 465.10 |
| Weighted average market price of shares on the date of exercise (Rs.) | 121.79 |

Table No. 3.110

**Service conditions**

| Particulars | Type 1 | Type 2 |
|---|---|---|
| Service conditions | | |
| At the end of year 1 | 100% | 33.00% |
| At the end of year 2 | - | 33.00% |
| At the end of year 3 | - | 34.00% |

Table No. 3.111

The fair value of options was estimated at the date of grant using the Black Scholes Model with the following assumptions:

**RSU 2018**

| Particulars | March 31, 2022 | |
|---|---|---|
| | Number of Shares | Weighted Average Exercise Price (Rs.) |
| Outstanding at the beginning of the year | 59,88,187 | 5.00 |
| Granted during the year | 4,64,500 | 5.00 |
| Exercised during the year | (7,72,089) | 5.00 |
| Forfeited during the year | (3,62,750) | 5.00 |
| Expired during the year | (6,125) | - |
| Outstanding at the end of the year | 53,11,723 | 5.00 |
| Exercisable at the end of the year | 8,03,763 | 5.00 |

Table No. 3.112

| Particulars | March 31, 2022 |
|---|---|
| Range of exercise price (Rs.) | 5.00 |
| Weighted average remaining contractual life (in years) | 6.66 |
| Weighted average fair value of options granted (Rs.) | 753.08 |
| Weighted average market price of shares on the date of exercise (Rs.) | 729.66 |

Table No. 3.113

**Service conditions**

| Particulars | Type 1 | Type 2 |
|---|---|---|
| Service conditions | | |
| At the end of year 1 | 100% | 33.00% |
| At the end of year 2 | - | 33.00% |
| At the end of year 3 | - | 34.00% |

Table No. 3.114

The fair value of options was estimated at the date of grant using the Black Scholes Model with the following assumptions:

**Granted for the year ended March 31, 2023**

**RSU 2018**

| Date of Grant: May 17, 2022 | May 17, 2023 | May 17, 2024 | May 17, 2025 | May 17, 2026 |
|---|---|---|---|---|
| Market price (Rs.) | 576.85 | 576.85 | 576.85 | 576.85 |
| Expected life | 3.51 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 53.45 | 54.02 | 53.26 | 52.77 |
| Risk free rate (%) | 6.74 | 6.96 | 7.12 | 7.24 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.43 | 0.43 | 0.43 | 0.43 |
| **Fair value per vest (Rs.)** | **564.26** | **562.12** | **559.97** | **557.81** |
| Vest percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs.)** | **561.04** | | | |

Table No. 3.115

| Date of Grant: December 29, 2022 | December 29, 2023 | December 29, 2024 | December 29, 2025 | December 29, 2026 |
|---|---|---|---|---|
| Market price (Rs.) | 442.00 | 442.00 | 442.00 | 442.00 |
| Expected Life | 3.51 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 53.59 | 52.84 | 52.66 | 51.74 |
| Risk free rate (%) | 7.10 | 7.19 | 7.25 | 7.28 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.57 | 0.57 | 0.57 | 0.57 |
| **Fair value per vest (Rs.)** | **429.35** | **427.17** | **424.98** | **422.79** |
| Vest percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs)** | **426.07** | | | |

Table No. 3.116

**Granted for the year ended March 31, 2022**

**RSU 2018**

| Type 4 - Date of Grant - May 12, 2021 | May 12, 2022 | May 12, 2023 | May 12, 2024 | May 12, 2025 |
|---|---|---|---|---|
| Market price (Rs.) | 756.85 | 756.85 | 756.85 | 756.85 |
| Expected life | 3.50 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 55.56 | 54.48 | 53.51 | 55.54 |
| Risk free rate (%) | 5.17 | 5.52 | 5.80 | 6.04 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| **Fair value per vest (Rs.)** | **752.68** | **752.95** | **753.22** | **753.48** |
| Vest percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option Fair Value (Rs.)** | **753.08** | | | |

Table No. 3.117

| Date of Grant: October 29, 2021 | October 29, 2022 | October 29, 2023 | October 29, 2024 | October 29, 2025 |
|---|---|---|---|---|
| Market price (Rs.) | 659.65 | 659.65 | 659.65 | 659.65 |
| Expected life | 3.50 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 55.02 | 53.68 | 52.31 | 53.50 |
| Risk free rate (%) | 5.22 | 5.60 | 5.91 | 6.17 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| **Fair value per vest (Rs.)** | **655.48** | **655.77** | **656.04** | **656.3** |
| Vest percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs.)** | **655.90** | | | |

Table No. 3.118

| Date of grant: January 27, 2022 | January 27, 2023 | January 27, 2024 | January 27, 2025 | January 27, 2026 |
|---|---|---|---|---|
| Market price (Rs.) | 721.25 | 721.25 | 721.25 | 721.25 |
| Expected life | 3.50 | 4.51 | 5.51 | 6.51 |
| Volatility (%) | 54.91 | 53.42 | 52.94 | 53.93 |
| Risk free rate (%) | 5.51 | 5.88 | 6.19 | 6.44 |
| Exercise price (Rs.) | 5.00 | 5.00 | 5.00 | 5.00 |
| Dividend yield (%) | 0.00 | 0.00 | 0.00 | 0.00 |
| **Fair value per vest (Rs.)** | **717.13** | **717.41** | **717.7** | **717.96** |
| Vest percentage (%) | 25.00 | 25.00 | 25.00 | 25.00 |
| **Option fair value (Rs.)** | **717.55** | | | |

Table No. 3.119

**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 | 10% discount on market price. (Subject to being not lower than Rs 49) | 20% 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 | 15% discount on market price | 30% 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. 3.120

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.

**Service conditions**

| Particulars | Swarnam 101 | Swarnam 201- 501 |
|---|---|---|
| Service conditions | | |
| At the end of year 1 | 10% | 0% |
| At the end of year 2 | 15% | 0% |
| At the end of year 3 | 20% | 33% |
| At the end of year 4 | 25% | 33% |
| At the end of year 5 | 30% | 34% |

Table No. 3.121

**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 |

Table No. 3.122

## 31 RELATED PARTY TRANSACTIONS

### 31(a) List of related parties

**Subsidiaries**

1. Intellect Design Arena Pte Ltd, Singapore ('Intellect Singapore')
2. Intellect Design Arena Limited, United Kingdom ('Intellect UK')
3. Intellect Design Arena SA, Switzerland ('Intellect Switzerland')
4. Intellect Design Arena FZ-LLC, Dubai ('Intellect Dubai')
5. Intellect Commerce Limited, India ('Intellect Commerce')
6. Intellect Design Arena Chile Limitada, Chile ('Intellect Chile')*
7. Intellect Design Arena Inc, USA ('Intellect Inc. – SEEC US')**
8. SEEC Technologies Asia Private Limited, India ('SEEC Asia')***
9. Intellect Design Arena Co. Ltd, Vietnam ('Intellect Vietnam')
10. Intellect Design Arena Philippines Inc.('Intellect Philippines')**
11. Sonali Intellect Limited, Bangladesh ('Sonali Intellect')
12. Intellect Design Arena, PT Indonesia ('Intellect Indonesia')**
13. Intellect Design Arena Inc.('Intellect Canada')*
14. Intellect Design Arena Limited. ('Intellect Thailand')**
15. Intellect Design Arena, SDN BHD. ('Intellect Malaysia')**
16. Intellect Design Arena Pty Ltd. ('Intellect Australia')**
17. Intellect Payments Limited ('Intellect Payments')
18. Intellect India Limited ('Intellect India')
19. Intellect Design Arena Limited ('Intellect Kenya')
20. Intellect Design Arena Limited GMBH (Intellect Germany)
21. Intellect Design Arena (Mauritius) Ltd, ('Intellect Mauritius')****
22. Intellect Polaris Design LLC, USA

* Subsidiaries of Intellect Design Arena Limited, UK

** Subsidiaries of Intellect Design Arena Pte Ltd, Singapore

*** Subsidiary of Intellect Design Arena Inc., USA

**** Subsidiary of Intellect Design Arena FZ-LLC, Dubai

**Associates**

1. NMS Works Software Private Limited, India ('NMS')
2. Adrenalin eSystems Limited, India ('Adrenalin eSystems')

**Others**

**(a) Enterprises that directly or indirectly through one or more intermediaries, over which Key Management Personnel is able to exercise significant influence.**

1. Polaris Banyan Holding Private Ltd, India ('Polaris Banyan')
2. Maveric Systems Limited
3. School Of Design Thinking Private Limited

**(b) Key Management Personnel (KMP)**

1. Mr. Arun Jain, Managing Director
2. Mr. Venkateswarlu Saranu, Chief Financial Officer
3. Mr. Naresh VV, Company Secretary
4. Mr. Anil Kumar Verma, Whole time director
5. Mr. Arun Shekhar Aran, Independent Director and Audit Committee Chairman
6. Mr. Abhay Anant Gupte, Independent Director
7. Mrs. Vijaya Sampath, Independent Director
8. Mr. Andrew Ralph England, Director
9. Mr. Ambrish Pandey Jain, Independent Director (w.e.f. May 05, 2022)

### 31(b) Transactions and Balances with related parties

In Rs. Million

| Particulars | Subsidiaries | |
|---|---|---|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| **TRANSACTIONS DURING THE YEAR** | | |
| **Advances given** | | |
| Intellect Singapore | 0.17 | - |
| Intellect Vietnam | 0.16 | - |
| Intellect Canada | 0.88 | 2.56 |
| SEEC US | 0.43 | 0.41 |
| Intellect UK | 7.93 | 11.32 |
| Intellect Switzerland | 0.80 | 0.23 |
| Intellect Dubai | 0.35 | 0.10 |
| Intellect Malaysia | 0.34 | - |
| | **11.06** | **14.63** |
| **Software development service income** | | |
| Intellect Malaysia | 125.84 | 230.18 |
| Intellect Philippines | 156.83 | 102.16 |
| Intellect Singapore | 281.48 | - |
| Intellect Thailand | 6.71 | - |
| Intellect Canada | 656.22 | 588.61 |
| Intellect Indonesia | 0.18 | 64.77 |
| Intellect Germany, Gmbh | 39.27 | 216.90 |
| Intellect Dubai | 563.71 | 577.31 |
| SEEC US | 373.85 | 543.39 |
| Intellect Australia | 73.21 | 92.67 |
| Intellect Mauritius | 37.79 | - |
| Intellect Kenya | 12.14 | 46.22 |
| Intellect Switzerland | 97.35 | 115.43 |
| Intellect UK | 2,979.72 | 2,260.70 |
| | **5,404.30** | **4,838.34** |
| **Software development expenses** | | |
| Intellect Payments | 23.49 | 29.71 |
| Intellect Singapore | - | 105.67 |
| Intellect Vietnam | 108.83 | 158.09 |
| Intellect Mauritius | 31.37 | 8.62 |
| Intellect Dubai | - | 98.50 |
| Intellect Kenya | 9.05 | - |
| Intellect Indonesia | 14.10 | - |
| Intellect Germany, Gmbh | 9.57 | - |
| Intellect Thailand | 25.18 | 81.99 |
| | **221.59** | **482.58** |

In Rs. Million

| Particulars | Subsidiaries | |
|---|---|---|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| **Reimbursement of expenses by the Company** | | |
| Intellect Singapore | 2.30 | 2.04 |
| Intellect Thailand | 3.25 | 2.14 |
| SEEC US | 8.00 | 8.45 |
| Intellect UK | 82.52 | 83.40 |
| Intellect Australia | 2.22 | 3.15 |
| Intellect Chile | - | 6.82 |
| Intellect Canada | 9.84 | 26.94 |
| Intellect Vietnam | 0.01 | - |
| Intellect Commerce | 0.73 | 1.23 |
| Intellect Malaysia | 0.98 | 0.44 |
| Intellect Dubai | 316.88 | 72.40 |
| Intellect Switzerland | 0.43 | 0.42 |
| Intellect Germany, GmbH | 2.76 | 2.87 |
| | **429.93** | **210.30** |

Table No. 3.123

In Rs. Million

| | | |
|---|---|---|
| **Reimbursement of expenses to the Company** | | |
| Intellect Dubai | 13.16 | 0.77 |
| Intellect Payments | 16.19 | 1.73 |
| Intellect Australia | 2.65 | 4.46 |
| Intellect Chile | 0.69 | - |
| Intellect Commerce | 1.81 | 1.38 |
| Intellect Switzerland | 1.96 | 2.19 |
| Intellect Malaysia | 2.62 | - |
| Intellect Canada | 9.32 | 8.06 |
| Intellect Singapore | 8.96 | 3.38 |
| Intellect Thailand | 1.04 | - |
| SEEC US | 12.47 | 9.63 |
| Intellect Germany, GmbH | 3.49 | - |
| Intellect UK | 128.19 | 131.36 |
| | **202.54** | **162.96** |
| **Purchase of Computer software** | | |
| Intellect Payments | 141.94 | - |

Table No. 3.124

In Rs. Million

| Particulars | Others | |
|---|---|---|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| **TRANSACTIONS DURING THE YEAR** | | |
| **Rental expenses** | | |
| Polaris Banyan Holding Private Limited | 5.28 | 4.93 |
| **Rental income** | | |
| School Of Design Thinking Private Limited | 0.10 | 0.10 |
| **Contribution to Gratuity** | | |
| Intellect Design Group gratuity trust | 31.99 | 0.04 |

Table No. 3.125

In Rs. Million

| Particulars | Associates | |
|---|---|---|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| **Software development expenses** | | |
| Adrenalin eSystems | 11.18 | 1.34 |
| **Reimbursement of expenses to the Company** | | |
| Adrenalin eSystems | 19.81 | 19.02 |

Table No. 3.126

In Rs. Million

| Particulars | Key Management Personnel | |
|---|---|---|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| **Remuneration to Key Management Personnel*** | | |
| Remuneration and other benefits | 21.13 | 17.01 |
| | **21.13** | **17.01** |
| Sitting Fees paid to Directors | 4.75 | 3.75 |

Table No. 3.127

*The remuneration to the key management personnel does not include provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole and cost accrued for share based payments options provided to KMP.

**Balance Due From / To Related Parties** In Rs. Million

| Particulars | Subsidiaries | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| **BALANCE DUE FROM RELATED PARTIES** | | |
| **Prepayments** | | |
| Intellect Payments | 18.61 | 17.50 |
| **Trade receivables** | | |
| Intellect Malaysia | 75.99 | 51.40 |
| Intellect Philippines | 143.74 | 156.94 |
| Intellect Singapore | 327.28 | 289.83 |
| Intellect Thailand | 80.55 | 69.53 |
| Intellect Indonesia | 121.30 | 130.68 |
| Intellect Australia | - | 36.16 |
| Intellect Vietnam | 115.94 | 109.32 |
| Intellect Kenya | 54.76 | - |
| Intellect Mauritius | 3.35 | - |
| Intellect Germany, GmbH | 164.29 | 264.73 |
| SEEC US | 880.86 | 747.72 |
| Intellect UK | 641.54 | 405.18 |
| Sonali Intellect Ltd | 13.86 | 12.79 |
| | **2,642.07** | **2,291.78** |

Table No. 3.128

In Rs. Million

| Particulars | Subsidiaries | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| **BALANCE DUE FROM RELATED PARTIES** | | |
| **Revenue accrued but not billed** | | |
| Intellect Malaysia | 22.97 | 31.65 |
| Intellect Philippines | 91.89 | 25.62 |
| Intellect Singapore | 88.24 | - |
| Intellect Kenya | - | 46.29 |
| Intellect Indonesia | - | 21.58 |
| Intellect Australia | 20.06 | 10.98 |
| Intellect Canada | 262.16 | 206.39 |
| Intellect Dubai | 309.30 | - |
| Intellect Germany, GmbH | - | 6.89 |
| SEEC US | 81.62 | 142.73 |
| Intellect Switzerland | 28.44 | 31.36 |
| Intellect UK | 818.51 | 533.74 |
| | **1,723.19** | **1,057.23** |
| **Loans and advances** | | |
| Intellect Singapore | 51.33 | 41.24 |
| Intellect Payments | - | - |
| Intellect Indonesia | 0.23 | 0.22 |
| Intellect UK | 98.56 | 40.81 |
| Intellect Commerce | 1.28 | - |
| Intellect Thailand | 7.18 | 9.16 |
| Intellect India | - | - |
| Intellect Malaysia | 18.68 | 16.16 |
| Intellect Kenya | 16.43 | 15.16 |
| | **193.69** | **122.75** |

Table No. 3.129

In Rs. Million

| Particulars | Subsidiaries | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| **Trade payables** | | |
| Intellect Payments | 113.91 | 23.96 |
| Intellect Philippines | 19.03 | 18.40 |
| Intellect Germany, GmbH | 9.64 | - |
| Intellect Indonesia | 14.45 | - |
| Intellect Dubai | 106.83 | 98.57 |
| Intellect Thailand | 112.50 | 82.95 |
| Intellect Vietnam | 423.94 | 293.66 |
| Intellect Singapore | 117.79 | 106.69 |
| Intellect Kenya | 67.66 | 62.38 |
| Intellect Mauritius | 41.15 | 8.62 |
| SEEC US | 152.42 | 140.59 |
| | **1,179.32** | **835.82** |

Table No. 3.130

In Rs. Million

| Particulars | Subsidiaries | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| **Advances from related parties** | | |
| Intellect Australia | 24.83 | 8.60 |
| Intellect Dubai | 833.08 | 445.82 |
| Intellect Switzerland | 415.96 | 486.51 |
| Intellect Singapore | 6.67 | - |
| Intellect Commerce | - | 0.02 |
| Intellect Canada | 141.56 | 129.86 |
| Intellect Vietnam | 10.97 | 93.25 |
| Intellect Chile | - | 0.71 |
| Intellect UK | 4.32 | 4.11 |
| Intellect Germany, GmbH | 1.92 | 2.60 |
| Intellect Philippines | 1.32 | 1.28 |
| SEEC US | 289.48 | 265.99 |
| | **1,730.11** | **1,438.75** |

Table No. 3.131

In Rs. Million

| Particulars | Subsidiaries | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| **INVESTMENTS** | | |
| Intellect Commerce | 90.00 | 90.00 |
| Sonali Intellect Ltd | 23.87 | 23.87 |
| Intellect Singapore | 592.59 | 592.59 |
| Intellect Vietnam | 2.25 | 2.25 |
| Intellect Dubai | 20.36 | 20.36 |
| Intellect Kenya | 13.20 | 13.20 |
| Intellect Switzerland | 11.28 | 11.28 |
| Intellect UK | 61.75 | 61.75 |
| Intellect India | 2.50 | 2.50 |
| IPDLLC USA | 138.02 | 138.02 |
| Intellect Germany, GmbH | 2.15 | 2.15 |
| Intellect Payments | 50.50 | 50.50 |
| | **1,008.47** | **1,008.47** |

Table No. 3.132

In Rs. Million

| Particulars | Others | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| **Security deposit (for Rental Premises)** | | |
| Polaris Banyan Holding Private Ltd, India | 2.94 | 2.94 |

| Particulars | Associates | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| **Trade payables** | | |
| Adrenalin eSystems | 13.96 | 6.70 |
| **Loans and advances (Current)** | | |
| Adrenalin eSystems | 54.05 | 49.77 |

Table No. 3.133

In Rs. Million

| Particulars | KMP's | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| **Remuneration payable** | | |
| Remuneration and other benefits | 16.20 | 15.81 |

Table No. 3.134

**INVESTMENTS IN ASSOCIATES** In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| NMS | 85.72 | 85.72 |
| Adrenalin eSystems | 226.24 | 226.24 |
| | **311.96** | **311.96** |

Table No. 3.135

**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, 2023 and March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. 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.

## 32 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

**(i) Capital commitment:**

Contracts yet to be executed on capital account (net of advances) Rs. 69.94 million (March 31, 2022- Rs.6.76 million).

**(ii) Other commitment:**

Bank guarantees in the nature of financial guarantees (guarantees being fully backed by margin deposits) as at March 31, 2023 amounting to Rs. 179.46 million (March 31, 2022 - Rs 470.73 million)

**(iii) Claims against the Company, not acknowledged as debt includes:**

a) Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments / decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for contingent liability has been recognised 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.

In Rs. Million

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Demand from Indian income tax authorities | 72.35 | 72.35 |
| Sales Tax demand from Commercial Tax Officer, Chennai | 2.40 | 2.40 |
| Service tax demand from Commissioner of GST & Central excise, Chennai | 780.44 | 758.80 |

Table No. 3.136

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.

b) 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 recognised 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.

## 33 FAIR VALUE

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values. The management assessed that the fair values of cash and cash equivalents, bank balances including deposits, trade receivables, loans and deposits, other financial assets, trade payables and other financial liabilities would approximate their carrying amounts due to their nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The method and assumptions used to estimate the fair values is the fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date.

In Rs. Million

| Particulars | Carrying value | | Fair value | |
|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **Financial assets** | | | | |
| Investment in Bonds at amortised cost - Refer note 11(a) | 2,808.95 | 1,331.34 | 2,674.52 | 1,291.20 |
| Investment in Mutual funds at FVTPL - Refer note 11(a) | 303.18 | 2,306.97 | 303.18 | 2,306.97 |
| Equity instruments at FVTPL - Refer note 11(a) | 0.05 | 0.05 | 0.05 | 0.05 |
| Derivative financial instruments | | | | |
| - Current - Refer note 11(f) | - | 202.00 | - | 202.00 |
| - Non-current - Refer note 7(c) | - | 138.28 | - | 138.28 |
| **Investment property** - Refer note 4(c) | 17.77 | 19.67 | 226.00 | 233.00 |
| **Financial liability** | | | | |
| Derivative financial instruments | | | | |
| - Current - Refer note 16(d) | (127.73) | - | (127.73) | - |
| - Non-current - Refer note 15(b) | (19.24) | - | (19.24) | - |

Table No. 3.137

## 34 FAIR VALUE HIERARCHY

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023 and March 31, 2022**

In Rs. Million

| Particulars | Date of valuation | Fair value measurement using | | |
|---|---|---|---|---|
| | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Assets measured at fair value:** | | | | |
| Investment in Mutual funds | March 31, 2023 | 303.18 | - | - |
| | March 31, 2022 | 2,306.97 | - | - |
| Equity instruments | March 31, 2023 | 0.05 | - | - |
| | March 31, 2022 | 0.05 | - | - |
| Derivative financial instruments - Forward Contracts | March 31, 2023 | - | (146.97) | - |
| | March 31, 2022 | - | 340.28 | - |
| **Assets for which fair value is disclosed:** | | | | |
| Investment in Bonds at amortised cost | March 31, 2023 | 2,674.52 | - | - |
| | March 31, 2022 | 1,291.20 | - | - |
| Investment property | March 31, 2023 | - | - | 226.00 |
| | March 31, 2022 | - | - | 233.00 |

Table No. 3.138

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, 2023 and March 31, 2022.

## 35 DERIVATIVE INSTRUMENTS (Hedging of foreign currency exposures)

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to forecasted transactions. The Company does not use forward contracts for speculative purposes. The following are the outstanding Forward Exchange Contracts entered into by the Company as at March 31, 2023 and March 31, 2022 including forward cover taken for forecasted revenue receivable transactions:

In Rs. Million

| Particulars | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| Derivative financial instruments - foreign exchange forward contracts | - | 146.97 | 340.28 | - |
| **Total** | - | 146.97 | 340.28 | - |

Table No. 3.139

**March 31, 2023**

In Rs. Million

| Foreign Exchange risk on Cash flow hedge | Nominal value of Hedging Instruments | | Carrying value of Hedging Instruments | |
|---|---|---|---|---|
| | Asset | Liabilities | Asset | Liabilities |
| Foreign currency forward contracts | - | 146.97 | 14,815.81 | - |

| Changes in value of hedged item used as basis for recognising hedge effectiveness | Changes in fair value in hedging instruments | Weighted Average Rate | Hedge ratio | Maturity date |
|---|---|---|---|---|
| 487.25 | (487.25) | 1 USD =83.13 INR | 1:1 | 28-04-2023 to 31-03-2025 |

Table No. 3.140

In Rs. Million

| Cash flow hedge | Change in value of Hedging instrument recognised in Other comprehensive income | Hedge ineffectiveness recognised in profit or loss | Amount reclassified from Cash flow hedge reserve to profit or loss | Line item affected in Statement of profit and loss because of reclassification |
|---|---|---|---|---|
| Foreign exchange risk | (487.25) | Nil | 147.18 | Revenue |

Table No. 3.141

**March 31, 2022**

In Rs. Million

| Foreign exchange risk on Cash flow hedge | Nominal value of Hedging Instruments | | Carrying value of Hedging Instruments | |
|---|---|---|---|---|
| | Asset | Liabilities | Asset | Liabilities |
| Foreign currency forward contracts | 340.28 | Nil | 37,995.49 | Nil |

Table No. 3.142

In Rs. Million

| Changes in value of hedged item used as basis for recognising hedge effectiveness | Changes in fair value in hedging instruments | Weighted Average Rate | Hedge ratio | Maturity date |
|---|---|---|---|---|
| (154.78) | 154.78 | 1 USD =80.27 INR | 1:1 | 29-04-2022 to 31-03-2025 |

Table No. 3.143

In Rs. Million

| Cash flow hedge | Change in value of Hedging instrument recognised in Other comprehensive income | Hedge Ineffectiveness recognised in profit or loss | Amount reclassified from Cash flow hedge reserve to profit or loss | Line item affected in Statement of profit and loss because of reclassification |
|---|---|---|---|---|
| Foreign exchange risk | 154.78 | Nil | (217.11) | Revenue |

Table No. 3.144

## 36 RESEARCH AND DEVELOPMENT EXPENDITURE

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 criteria of Ind AS 38 Intangible assets and has accordingly recognised such cost as Internally generated Intangible asset under 'Intangible assets under development' (Refer note 4(b)) and Intangible asset (Refer note 4(d)). During the year ended March 31, 2023 the Company has incurred a revenue expenditure of Rs. 1,500 million (March 31, 2022 - Rs. 1,051 million) which has been debited to the Income statement and capital expenditure as per table below:

We hereby furnish the details of expenses under the respective Head of accounts which are recognised as Intangible assets under development:

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Salaries, wages and bonus | 959.28 | 713.37 |
| Cost of license | 2.85 | 3.66 |
| Other direct overheads | 134.78 | 170.76 |
| **Total** | **1,096.90** | **887.79** |

Table No. 3.145

## 37 LEASES

The Company has lease contracts for Land and Building used for the purpose of office space at different locations. Leases of such assets generally have lease terms between 1 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases on Plant and machinery and leases of low-value assets on Office equipments. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Set out below are the carrying amounts of Right-of-use assets recognised and the movements during the year:

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Opening balance | 71.32 | 105.01 |
| Additions | 105.44 | 1.93 |
| Depreciation expense | (40.45) | (35.62) |
| **Closing balance** | **136.31** | **71.32** |

Table No. 3.146

Set out below are the carrying amounts of lease liabilities included under financial liabilities and the movements during the year:

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Opening balance | 60.77 | 94.26 |
| Additions during the year | 105.44 | 1.93 |
| Accretion of interest | 7.26 | 7.02 |
| Payments during the year | (50.11) | (42.44) |
| **Closing balance** | **123.36** | **60.77** |
| | | |
| **Current** | 42.37 | 35.62 |
| **Non-current** | 80.99 | 25.15 |

Table No. 3.147

| Maturity analysis of lease liabilities on an undiscounted basis | | |
|---|---|---|
| **Year ended** | **Less than 1 Year** | **1 - 5 Years** |
| March 31, 2023 | 50.61 | 93.57 |
| March 31, 2022 | 39.16 | 26.22 |

Table No. 3.148

The effective interest rate for lease liabilities is 8.28-11.56%, with maturity between 2019-2028.

The following are the amounts recognised in the Statement of Profit and Loss:

| Particulars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Depreciation expense of right-of-use assets | 40.45 | 35.62 |
| Interest expense on lease liabilities | 7.26 | 7.02 |
| Expense relating to short-term leases (included in other expenses) | 10.24 | 5.54 |
| **Total** | **57.95** | **48.18** |

Table No. 3.149

The Company had total cash outflows for leases of Rs. 50.11 million in March 31, 2023 (March 31, 2022 - Rs. 42.44 million). The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 105.44 million during the year (March 31, 2022- Rs. 1.93 million). There are no future cash outflows relating to leases that have not yet commenced.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The management does not expect undiscounted potential future rental payments due to extension options expected not to be exercised and termination options expected to be exercised.

There are no potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

## 38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise lease liabilities, trade and other payables and financial guarantee contracts. Most of these liabilities relate to financing Company's working capital cycle. The Company has trade and other receivables in local and in foreign currency, loans and advances that arise directly from its operations. The Company also executes contracts of hedging to cover foreign exchange risk exposure.

The Company is accordingly exposed to market risk, credit risk and liquidity risk.

The Company'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 Company are accountable to the Board of Directors, Risk Committee and the Audit Committee. This process provides assurance that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and overall risk appetite. It is the Company'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:

**1. 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.

**1.(a) Interest rate risk:**

The Company's exposure to the risk of changes in market interest rates relates primarily to debt obligations with floating interest rates. The Company does not have any debt obligations outstanding, other than lease liabilities where interest rates are fixed and implicit at the time of inception of the lease and is therefore not subject to any variability in the interest rates.

**1.(b) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

**1.(b)(i) Foreign currency sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material. The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

In Rs. Million

| Currency | Increase in Foreign Currency by | March 31, 2023 Amount in foreign currency | March 31, 2023 Effect on Profit before tax | March 31, 2022 Amount in foreign currency | March 31, 2022 Effect on Profit before tax |
|---|---|---|---|---|---|
| **Amounts receivable in foreign currency** | | | | | |
| AED | 5% | 13.83 | 15.47 | - | - |
| CAD | 5% | 5.84 | 17.70 | 3.41 | 10.32 |
| GBP | 5% | 14.49 | 73.65 | 9.44 | 46.95 |
| SGD | 5% | 6.73 | 20.79 | 4.91 | 13.74 |
| USD | 5% | 33.39 | 137.20 | 29.90 | 113.32 |
| VND | 5% | 56,842.49 | 9.95 | 80,027.34 | 13.21 |
| | | | **274.75** | | **197.54** |
| **Amounts Payable in foreign currency** | | | | | |
| KES | 5% | 109.13 | 3.38 | 94.52 | 3.12 |
| AED | 5% | 4.78 | 5.34 | 4.80 | 4.96 |
| VND | 5% | 1,21,126.09 | 21.20 | - | - |
| USD | 5% | 12.09 | 49.67 | 10.66 | 40.38 |
| | | | **79.59** | | **48.46** |

Table No. 3.150

In respect of the Company's forward derivative contracts, a 5% increase in the contract exchange rates of each of the currencies underlying such contracts would have resulted in increase in Other Comprehensive income by Rs. 7.35 million (March 31, 2022 - Rs. 17.58 million.)

Conversely, 5% decrease in the above mentioned exchange rates on foreign currency exposures as at March 31, 2023 and March 31, 2022 would have had the same but opposite effect, again holding all other variable constant.

**2. Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and revenue accrued not billed) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

**2.(a) Trade receivables and Revenue accrued and not billed**

Customer credit risk is managed by each business unit subject to the Company'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, many minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is determined on expected credit loss method basis the 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 11(b) and Note 11(g). The Company does not hold collateral as security. The Company 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) operate in several jurisdictions in largely independent markets.

**Exposure to credit risk**

The allowance for ECL for the year ended March 31, 2023 and March 31, 2022:

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Balance at the beginning of the year | 689.63 | 931.22 |
| Impairment allowances recognised | 345.71 | 0.78 |
| Bad debts/advances written off | (0.78) | (242.37) |
| **Balance at the end of the year** | **1,034.56** | **689.63** |

Table No. 3.151

**2.(b) Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company'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 Board of Directors of the Company on an annual basis which are monitored and updated, if necessary, on a regular basis by the management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through the counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2023 and March 31, 2022 is the carrying amount as illustrated in Notes 7 and Notes 11.

**3. Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet it cash and collateral requirements. The Company 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 summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

In Rs. Million

| Particulars | As of March 31, 2023 Less than 1 year | More than 1 year | Total |
|---|---|---|---|
| Lease liabilities | 50.61 | 93.57 | 144.18 |
| Trade payables | 3,419.17 | - | 3,419.17 |
| Other long term liabilities | - | 9.73 | 9.73 |
| Other financial liabilities | 944.82 | - | 944.82 |
| **Total** | **4,414.60** | **103.30** | **4,517.90** |

Table No. 3.152

In Rs. Million

| Particulars | As of March 31, 2022 Less than 1 year | More than 1 year | Total |
|---|---|---|---|
| Lease liabilities | 39.16 | 26.22 | 65.38 |
| Trade payables | 2,939.14 | - | 2,939.14 |
| Other long term liabilities | - | 6.00 | 6.00 |
| Other financial liabilities | 767.89 | - | 767.89 |
| **Total** | **3,746.19** | **32.22** | **3,778.41** |

Table No. 3.153

As at March 31, 2023, the outstanding amount of provision for employee benefits amounting to Rs. 745.38 million (March 31, 2022 - Rs. 522.52 million) have been substantially funded, accordingly no liquidity risk perceived.

## 39 CAPITAL MANAGEMENT

For the purpose of the Company'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 Company's capital management is to maximise the shareholders' value. The Company determines the amount of capital required based on annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and borrowings (includes lease liabilities).

The Company manages its capital structure and adjusts in the light of changes in economic conditions and the requirements of financial covenants or lease arrangements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt only lease liabilities less cash and cash equivalents.

In Rs. Million

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Borrowings | 123.36 | 60.77 |
| Less: Cash and bank balances | (487.76) | (795.51) |
| **Net debt** | **(364.40)** | **(734.74)** |
| Equity | 15,452.85 | 14,553.96 |
| **Total capital*** | **15,452.85** | **14,553.96** |
| **Capital and net debt** | **15,088.45** | **13,819.22** |
| **Gearing ratio** | **-2.42%** | **-5.32%** |

Table No. 3.154

* Includes Equity share capital and Other equity

## 40 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 is Rs. 29.73 million for the year March 31, 2023 (March 31, 2022 - Rs. 19.23 million) respectively. The Company has voluntarily contributed Rs. 51.42 million (March 31, 2022 - Rs.19.26 million) towards CSR for the year March 31, 2023.

| Particulars | | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| a) Gross amount required to be spent by the Company during the year | | 29.73 | 19.23 |
| b) Amount approved by the Board to be spent during the year | | 51.42 | 35.00 |
| | | | |
| **c) Amount spent during the year ended on March 31, 2023** | **In Cash** | **Yet to be paid in cash** | **Total** |
| (i) Construction/acquisition of any asset | - | - | - |
| (ii) On purposes other than (i) above | 51.42 | - | 51.42 |
| | | | |
| **d) Amount spent during the year ended on March 31, 2022** | **In Cash** | **Yet to be paid in cash** | **Total** |
| (i) Construction/acquisition of any asset | - | - | - |
| (ii) On purposes other than (i) above | 19.26 | - | 19.26 |

Table No. 3.155

| **e) Details related to spent / unspent obligations:** | | |
|---|---|---|
| i) Contribution to Public Trust | - | - |
| ii) Contribution to Charitable Trust | - | - |
| iii) Others | 51.42 | 19.26 |
| iv) Unspent amount in relation to: | | |
| - Ongoing project | - | - |
| - Other than ongoing project | - | - |

Table No. 3.156

| f) Nature of CSR activities | |
|---|---|
| Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure | For education of underprivileged kids |

Table No. 3.157

## 41 DISCLOSURE AS REQUIRED BY MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2023 and March 31, 2022 is as under:

In Rs. Million

| Particulars | As of March 31 | |
|---|---|---|
| | 2023 | 2022 |
| Dues remaining unpaid to any supplier: | | |
| - Principal amount due to micro and small enterprises | 30.86 | - |
| - Interest due on above | - | - |
| Interest paid by the Company 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. | - | - |
| 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. | - | - |
| Interest accrued and remaining unpaid | - | - |
| 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). | - | - |

Table No. 3.158

**42 Ratio Analysis and its elements***

| Ratio | Numerator | Denominator | 31-March-23 | 31-March-22 | % change | Reason** |
|---|---|---|---|---|---|---|
| Current ratio | Current assets | Current liabilities | 1.48 | 1.81 | -18% | - |
| Debt- Equity Ratio | Total debt (represents lease liability) | Shareholder's equity | 0.01 | 0.00 | 91% | Debt equity ratio increased due to increase in the outstanding lease obligation. |
| Debt Service Coverage ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease payments + Principal repayments | 39.51 | 6.84 | 477% | Debt service coverage has improved as Company repaid its loans in the year ended March 31, 2022 and is servicing lease obligations only in March 31, 2023. |
| Return on Equity ratio | Net profits after taxes – Preference dividend | Average shareholder's equity | 0.09 | 0.15 | -42% | Decrease is due to increase in Equity and investments made in Platforms during the year. |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average trade receivable | 4.00 | 3.82 | 5% | - |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average trade payables | 1.49 | 1.57 | -5% | - |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets – Current liabilities | 3.07 | 2.42 | 27% | Improved ratio reflects that Company is able to generate higher revenues while maintaining lower working capital. |
| Net Profit ratio | Net profit | Net sales = Total sales - sales return | 0.09 | 0.16 | -43% | Decrease is due to investments made in Platforms during the year. |
| Return on Capital Employed | Earnings before interest and taxes | Capital employed = Tangible Net worth + Total debt + Deferred tax liability | 0.13 | 0.19 | -30% | Decrease is due to increase in capital employed and investments made in Platforms during the year. |
| Return on Investment | Interest, dividend and profit on sale of investments | Investment (Bonds and mutual funds) | 0.07 | 0.04 | 61% | Due to higher returns on bonds. |

Table No. 3.159

The Company has not disclosed inventory turnover ratio since the Company's business does not require maintenance of inventories.

*Based on the requirements of Schedule III
** Explanation given for change in the ratios which are more than 25% as compared to the preceding year.

| Particulars | As at March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Current asset | 11,925 | 12,712 |
| Current liability | 8,035 | 7,032 |
| Borrowings | 123 | 61 |
| Shareholder's equity | 15,453 | 14,554 |
| EBITDA | 2,846 | 3,364 |
| Finance costs + Principal repayments made during the year | 72 | 492 |
| Profit after tax (PAT) | 1,340 | 2,021 |
| Average shareholders' equity | 15,003 | 13,207 |
| Revenue from operations | 14,701 | 12,550 |
| Average trade receivable | 3,673 | 3,285 |
| Other expenses | 4,737 | 3,660 |
| Average trade payable | 3,179 | 2,331 |
| Average working capital | 4,785 | 5,189 |
| EBIT (Earnings before interest and tax) | 2,045 | 2,673 |
| Capital employed | 15,507 | 14,262 |
| Income from bonds and mutual funds | 240 | 101 |
| Average investment in bonds and mutual funds | 3,375 | 2,301 |

Table No. 3.160

## 43 TRANSFER PRICING ARRANGEMENTS WITH SUBSIDIARIES

The Company has international operations and in its normal course of business with its various subsidiaries, it is involved in the business of software sale and implementation of its products across various countries. The Company reviews these arrangements on a periodic basis to reflect the current business models and in the current financial year has implemented a transfer pricing model to reflect its business environment. The Company has a policy of maintaining documents as prescribed by the Income-tax Act, 1961 to prove that these international transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

## 44 SEGMENT REPORTING

The Management 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.

**Analysis by Geographical segment**

Segment revenue is based on the location of the customers where software licenses are sold and related services are rendered. The following provides an analysis of the revenue from operations by geographical markets:

In Rs. Million

| Particular | As at March 31 | |
|---|---|---|
| | 2023 | 2022 |
| **Revenue from operations:** | | |
| Within India | 5,788.81 | 4,939.51 |
| Outside India | 8,912.28 | 7,610.57 |
| **Total Revenue from Contracts with Customers** | **14,701.09** | **12,550.08** |

Table No. 3.161

The following is analysis of the carrying amount of non-current assets, which do not include deferred tax assets, tax assets and financial assets analysed by the geographical area in which the assets are located:

In Rs. Million

| Particular | As at March 31 | |
|---|---|---|
| | 2023 | 2022 |
| **Non-current assets:** | | |
| Within India | 5,677.71 | 5,228.43 |
| Outside India | - | - |
| **Total** | **5,677.71** | **5,228.43** |

Table No. 3.162

## 45 OTHER STATUTORY INFORMATION

i. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
ii. The Company does not have any transactions with Companies struck off.
iii. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
iv. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
v. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries)
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
vi. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
vii. The Company did not undertake any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income tax Act, 1961.

## 46 PRIOR PERIODS COMPARATIVES

Previous year figures have been re grouped/reclassified, where ever necessary to conform to this years classification

**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 Srinivas S**
Partner
Membership No. 213722
Chennai
May 11, 2023

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

**Arun Shekhar Aran**
Independent Director
DIN : 00015335

**Venkateswarlu Saranu**
Chief Financial Officer

**V.V. Naresh**
Senior Vice President &
Company Secretary

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

This report is given pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**SECTION A: GENERAL DISCLOSURES**

**I. Details of the listed entity**

| | | |
|---|---|---|
| 1. | Corporate Identity Number (CIN) of the Listed Entity | L72900TN2011PLC080183 |
| 2. | Name of the Listed Entity | INTELLECT DESIGN ARENA LIMITED |
| 3. | Year of incorporation | 2011 |
| 4. | Registered office address | 244, Anna Salai, Chennai – 600 006 |
| 5. | Corporate address | Plot No. 3/G3, SIPCOT IT Park, Siruseri,<br>Chennai – 600 130, India. |
| 6. | E-mail | company.secretary@intellectdesign.com |
| 7. | Telephone | +91-44-6615 5100 |
| 8. | Website | www.intellectdesign.com |
| 9. | Financial year for which reporting is being done | April 01, 2022 to March 31, 2023 |
| 10. | Name of the Stock Exchange(s) where shares are listed | National Stock Exchange of India Limited<br>BSE Limited |
| 11. | Paid-up Capital | Rs. 67,86,12,875 |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Mr. V V Naresh – Company Secretary and Compliance Officer<br>Telephone: +91-44-6615 5100<br>Email ID: company.secretary@intellectdesign.com |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | On Standalone basis |

Table No. 4.1

**II. Products/Services**

14. Details of business activities *(accounting for 90% of the turnover):*

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1. | Information and Communication | Computer programming, consultancy and related activities | 100% |

Table No. 4.2

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1. | Software application development and maintenance, IT consulting | 620 | 100% |

Table No. 4.3

**III. Operations**

16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| **National** | NA | 7 | 7 |
| **International** | NA | 7 | 7 |

Table No. 4.4

17. Markets served by the entity:
    a. Number of locations

| Locations | Number |
|---|---|
| National (No. of States) | All States and Union Territories |
| International (No. of Countries) | 57+ countries |

Table No. 4.5

b. What is the contribution of exports as a percentage of the total turnover of the entity?
- 61%

c. A brief on types of customers
- Our customers are global leading banks (including central banks), Insurance providers and other financial institutions.

**IV. Employees**

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| **EMPLOYEES** | | | | | | |
| 1. | Permanent (D) | 5248 | 3791 | 72% | 1457 | 28% |
| 2. | Other than Permanent* (E) | 230 | 166 | 72% | 64 | 28% |
| 3. | **Total employees (D + E)** | 5478 | 3957 | 72% | 1521 | 28% |

Table No. 4.6

*Other than permanent employees include Vendors and Contractors. The entire workforce of Intellect is categorised as 'Employees' and none as 'Workers'. Therefore, the information required in all sections in the 'Workers' Category is not applicable to Intellect.

b. Differently abled Employees and workers:

| S. No | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| **DIFFERENTLY ABLED EMPLOYEES** | | | | | | |
| 1. | Permanent (D) | 43 | 30 | 70% | 13 | 30% |
| 2. | Other than Permanent (E) | - | - | - | - | - |
| 3. | **Total differently abled employees (D + E)** | 43 | 30 | 70% | 13 | 30% |

Table No. 4.7

19. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 7 | 1 | 14.29% |
| Key Management Personnel | 4 (includes two of the Board members) | NIL | NIL |

Table No. 4.8

20. Turnover rate for permanent employees and workers

| Particulars | FY 2022-2023 (Turnover rate in current FY) (In %) | | | FY 2021-2022 (Turnover rate in previous FY) (In %) | | | FY 2020-2021 (Turnover rate in the year prior to the previous FY) (In %) | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| **Permanent Employees** | 17.05% | 19.37% | 17.71% | 28.54% | 29.78% | 28.89% | 16.36% | 16.17% | 16.31% |

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

21. (a) Names of holding / subsidiary / associate companies / joint ventures

| S. NO | Name of the holding/ subsidiary/ associate companies/ joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1. | INTELLECT DESIGN ARENA PTE. LTD., SINGAPORE | Subsidiary | 100% | No |
| 2. | INTELLECT DESIGN ARENA LIMITED, UNITED KINGDOM | Subsidiary | 100% | No |
| 3. | INTELLECT DESIGN ARENA SA, SWITZERLAND | Subsidiary | 100% | No |
| 4. | INTELLECT DESIGN ARENA PT, INDONESIA | Subsidiary | 100% | No |

| | | | | |
|---|---|---|---|---|
| 5 | INTELLECT DESIGN ARENA LIMITADA, CHILE | Subsidiary | 100% | No |
| 6. | INTELLECT DESIGN ARENA INC., US | Subsidiary | 100% | No |
| 7. | INTELLECT COMMERCE LIMITED | Subsidiary | 100% | No |
| 8. | INTELLECT DESIGN ARENA CO. LTD, VIETNAM | Subsidiary | 100% | No |
| 9. | INTELLECT DESIGN ARENA FZ LLC, DUBAI | Subsidiary | 100% | No |
| 10. | INTELLECT DESIGN ARENA PHILIPPINES, INC | Subsidiary | 100% | No |
| 11. | SONALI INTELLECT LIMITED, BANGLADESH | Subsidiary | 51% | No |
| 12. | SEEC TECHNOLOGIES ASIA PRIVATE LIMITED | Subsidiary | 100% | No |
| 13. | INTELLECT DESIGN ARENA INC., CANADA | Subsidiary | 100% | No |
| 14. | INTELLECT DESIGN ARENA, SDN BHD, MALAYSIA | Subsidiary | 100% | No |
| 15. | INTELLECT PAYMENTS LIMITED | Subsidiary | 100% | No |
| 16. | INTELLECT INDIA LIMITED | Subsidiary | 100% | No |
| 17. | INTELLECT DESIGN ARENA PTY LTD, AUSTRALIA | Subsidiary | 100% | No |
| 18. | INTELLECT DESIGN ARENA LTD, THAILAND | Subsidiary | 100% | No |
| 19. | INTELLECT DESIGN ARENA LIMITED, KENYA | Subsidiary | 100% | No |
| 20. | INTELLECT DESIGN ARENA GMBH, GERMANY | Subsidiary | 100% | No |
| 21. | INTELLECT POLARIS DESIGN LLC, USA | Subsidiary | 100% | No |
| 22. | INTELLECT DESIGN ARENA (MAURITIUS) LTD, MAURITIUS | Subsidiary | 100% | No |
| 23. | ADRENALIN ESYSTEMS LIMITED | Associate | 44.54% | No |
| 24. | NMS WORKS SOFTWARE PRIVATE LIMITED | Associate | 42.74% | No |

Table No. 4.9

### VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
    (ii) Turnover (in Rs.): 15,144.56 million
    (iii) Net worth (in Rs.): 15,452.85 million

### VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) | FY 2022 - 2023 Current Financial Year | | | FY 2021-2022 Previous Financial Year | | |
|---|---|---|---|---|---|---|---|
| | *(If Yes, then provide web-link for grievance redress policy)* | **Number of complaints filed during the year** | **Number of complaints pending resolution at close of the year** | **Remarks** | **Number of complaints filed during the year** | **Number of complaints pending resolution at close of the year** | **Remarks** |
| Communities | Yes (Internal) | NIL | NIL | | NIL | NIL | |
| Investors (other than shareholders) | Yes (https://scores.gov.in/) | NIL | NIL | | NIL | NIL | |
| Shareholders | Yes (https://www.intellectdesign.com/investor-relations/) | NIL | NIL | | NIL | NIL | |
| Employees and workers | Yes (Internal) | 1 | 1 | Complaint received from Employee has been resolved after March 31, 2023. | NIL | NIL | |
| Customers | Yes (Internal) | NIL | NIL | | NIL | NIL | |
| Value Chain Partners | Yes (Internal) | NIL | NIL | | NIL | NIL | |
| Other (please specify) | — | – | – | | – | – | |

Table No. 4.10

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| S. No. | Material Issue Identified | Indicate Whether Risk Or Opportunity (R/O) | Rationale For Identifying The Risk / Opportunity | Incase of risk, approach to adapt Or mitigate | Financial Implications Of The Risk Or Opportunity (Indicate Positive Or Negative Implications) |
|---|---|---|---|---|---|
| 1. | Increase in the demand for technology skill sets / talent and inadequate supply resulting in higher costs. | Risk / Opportunity | Risk: Organisation's success is largely dependent upon availability of highly skilled technology professionals and ability of the Company to attract such talent from the market.<br>Opportunity: Need and increasing demand for digitisation by Banking & Financial services sector would result in increase in the growth prospects and thereby revenue of the Company. | Future talent acquisition strategy has been put in place with appropriately categorised Campus to hire technical talent, fungible talent & future leadership talent.<br>Structured training programmes have been institutionalised to accelerate time to productivity.<br>Future emerging leader programme is put in place for hiring mid management talent. | Positive: Increased retention or attracting new talent from Campus which brings in fresh thinking and energy in the system.<br>Negative: Higher costs for retention of skilled talent / attracting required talent from the market & creating required pool of the skilled talent. |
| 2. | Increasing threats of cyber security & data breach incidents in the technology industry | Risk | Risk: Company may face reputation risk and increase in the liability to customers for any damages that may be caused on account of cyber security / data breach incidents or any non compliance to privacy & protection laws & regulations . This risk gets accentuated on account of increased industry wide practice of working remotely. | Cyber Security and data breach threats are assessed on a continual basis and necessary remediations are taken to address the threats through systematic certifications such as ISO27001, ISO27017 & ISO27018. | Negative: Adverse reputation impact for the project, imposition of fines / penalties by the regulators or damages by the customer |
| 3. | Changes in the work environments and associate expectations | Risk / Opportunity | Risk: Changed industry wide preferences to work from remote locations if not managed adequately may have impact on confidentiality, integrity & availability of the information, productivity and service delivery resulting in client dis-satisfaction or higher associate attritions<br>Opportunity: Ability to tap skilled resources from remote locations which shall enable cost optimisation | Productivity decline observed with adoption of work from home on a continual basis hence the default working option is from office with exceptions being provided by managers who are empowered to authorise work from home on case to case basis | Positive: Flexibility to work from home coupled with recognition of distinct advantages of work from office culture given the nature of business of the Intellect.<br>Negative: Adverse reputation impact for the project, imposition of fines / penalties by the regulators or damages by the customer in case of work from home in case of privacy violations |
| 4. | Technology Disruption with enhanced usage and dependency | Risk | Recent changes in the higher adaptation and upcoming of newer technology requires continuous upskilling of the existing talent to meet customer / market expectations | Continuous training programmes in place to upskill the existing talent. Refer to the section on Training of this report | Positive: Continuous upgrade and upskilling of associates contributing to the innovative social environment |
| 5. | Diversity, Equity & Inclusion | Risk | Inadequate affirmative action programmes around DEI may result in inability to attract diverse talent and thereby impact the innovation and upbringing of the new ideas by the organisation | Actions underway to increase the gender , differently abled diversity within Intellect. Refer the section on DEI of this report | Positive: Inclusive culture foster better ideation and innovations |
| 6. | Adverse Climate change | Risk / Opportunity | Risk: The overall climate change globally impacts businesses with natural calamities, higher | a) Enhancing energy efficiency and progressive movement from fossil based energy to renewable energy. | Positive: Resources and Cost Optimisation. Reduction of operational |

| | | | | | |
|---|---|---|---|---|---|
| | | | temperature, water scarcity which may result in increased business costs in a longer run if not effectively addressed.<br><br>Opportunity:<br>Climate change issues may help generate opportunities to improve resource productivity e.g increasing energy efficiency thereby reducing their costs ; it can spur innovation, inspiring new products and services which can ensure faster processing, lesser consumption of infrastructure and computing resources and demands lesser dedicated resources. Further, resilience can be enhanced by reducing reliance on fossil fuels and shifting towards renewable energy. Together, these actions can foster competitiveness and unlock new market opportunities. | b) Reduction of waste generation and increase in recycling of the hazardous & non hazardous waste.<br><br>c) Water conservation by improving water use efficiently and reuse and recycling of treated waste water.<br><br>d)Efforts are made to reduce travel by substituting with virtual meetings wherever feasible.<br>Encouragement of carpooling culture across the Company. With the shift to cloud native architecture, Intellect's products enable its customers' use the products & services through shared public cloud infrastructure providers rather than having to set up their own data centres, servers and all other energy consuming supporting infrastructure needed for them to operate our products.<br><br>Refer section on Water, Energy & Waste management in the Sustainability Report 2022 - 2023 for further details | cost on energy, water and waste management and travel logistic |

Table No. 4.11

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

**Principle-wise (as per NVGs) Business Responsibility Policy/policies**

P1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

P2 Businesses should provide goods and services in a manner that is sustainable and safe

P3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

P4 Businesses should respect the interests of and be responsive to all its stakeholders.

P5 Businesses should respect and promote human rights

P6 Businesses should respect and make efforts to protect and restore the environment.

P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

P8 Businesses should promote inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their consumers in a responsible manner.

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web Link of the Policies, if available | Policies covering certain principles are available on Company's website: www.intellectdesign.com/investor-relations/<br>Other policies are in the Intellect Intranet site (iPort). For details, Please refer to 'Annexure -- A'- - Links to Intellect's Key Policies' at the end of this Report. | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) | The certifications adopted by the Company are ISO 14001 certification for Environment Management System, ISO 27001 certification for Information Security Management System, ISO 27017 certification obtained for cloud security controls, PCI – DSS certification for Card solution business segment, Certified with CMMi level 5 by CMMI Institute, USA for its Global | | | | | | | | |

| | |
|---|---|
| adopted by your entity and mapped to each principle. | Consumer Banking (iGCB) business, ISO 27018 certification obtained for cloud privacy, SOC 2 certification for Insurance products and GRI Standards<br>(Refer to Intellect Sustainability Report 2022 - 2023 : Awards & Accolades & Certifications section) |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | To adhere to the policies covering each principle and its core elements of the NGRBC. - (Refer Intellect Sustainability Report 2022 - 2023 : Performance and Targets) |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | Yes. The details of performance on our ESG goals is available in the chapters . (Refer Intellect Sustainability Report 2022 - 2023 : Performance and Targets) |
| **Governance, leadership and oversight** | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (*listed entity has flexibility regarding the placement of this disclosure)*<br>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.<br>Coverage under **"Message from the Chairman & Managing Director"** in Intellect Sustainability Report 2022 - 2023 | |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Mr. Arun Jain, Chairman & Managing Director |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Yes, the Corporate Social Responsibility Committee of the Board, Stakeholders' Relationship Committee, Risk Management Committee are responsible for decision making on sustainability related issues. |

10. Details of Review of NGRBCs by the Company:

| **Subject for Review** | **Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee** | | | | **Frequency (Annually/ Half yearly/Quarterly/ Any other – please specify)** | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **P1** | **P2** | **P3** | **P4** | **P5** | **P6** | **P7** | **P8** | **P9** |
| Performance against above policies and follow up action | Responsible Business conduct is reviewed through Code of Business Conduct and Corporate Social Responsibility engagements by the respective Committees at periodical intervals i.e., half-yearly / Annual basis.<br>The Board of Directors assess CSR initiatives, Sustainability, Risk and Strategic initiatives. The CSR Head and the MD connect on a need basis to oversee implementation of CSR projects / programmes / activities to be undertaken by the Company. The CSR Committee of the Board meets annually to oversee the functioning of CSR activities and implementation of projects. | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances | We comply with statutory requirements relevant to the principles. | | | | | | | | |

| | **P1** | **P2** | **P3** | **P4** | **P5** | **P6** | **P7** | **P8** | **P9** |
|---|---|---|---|---|---|---|---|---|---|
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | While these Policies are reviewed from time to time by the Management and experts in respective areas, Evaluation of processes and policies are also covered under ISO 14001 certification for Environment Management System, ISO 27001 certification for Information Security Management System, ISO 27017 certification for cloud security, ISO 27018 certification for cloud privacy etc, Please refer to "Certifications" Section in Intellect Sustainability Report 2022 - 2023 . | | | | | | | | |

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

| **Questions** | **P 1** | **P2** | **P3** | **P4** | **P5** | **P6** | **P7** | **P8** | **P9** |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | All Principles are covered by required policy/policies | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

Table No. 4.12

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

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. The 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.

**Essential Indicators**

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:
   - The Board of Directors, Key Managerial Personnel are actively involved throughout the year in addressing updates related to Business, Regulatory Compliance, Safety, ESG matters and other relevant matters. These discussions provided valuable insights and information on the mentioned principles. There are various training and awareness programmes conducted for all the employees covering topics including Code of Conduct, Information Security, Prevention of Sexual Harassment, SEBI (Prohibition of Insider Trading) Regulations, 2015 and Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information Policy, Conflict of Interest, Disciplinary Actions, Exigency Funds, Health & Safety, Leave Policy, Medical Insurance coverage etc.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, :
   - There are no Monetary and Non-Monetary Actions on the Company or its Directors / KMPs with regulators / law enforcement agencies/ judicial institutions, in the financial year.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.
   - Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.
   - Yes, the Company's Code of Conduct policy complies with the legal requirements of applicable laws and regulations, and specific policies and procedures put in place with regard to work practices, code of conduct, anti bribery, anti-money laundering, data protection and privacy etc. Consultation support is also taken from reputed tax firms.
     Conducting business in an ethical and compliant manner is at the forefront of all Intellect interactions. Intellect takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity at all times. All employees of Intellect are expected to perform with integrity every day across all divisions and locations. To reinforce this expectation, all employees, regardless of job responsibility or location are required to complete intellects Code of Conduct training with a specific focus on recognizing, avoiding and reporting any actual or suspected corruption activities. All employees receive an introduction on anti-corruption and anti-bribery training. anti-corruption , anti-bribery and ethical handling of conflicts of interest.

All policies are available on the Company's Intranet portal (iPort) and maintained internally for employees and regular promotions are done for employees to visit the portal.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:
   - There have been no cases involving disciplinary action by any law enforcement agency against Directors/KMPs/employees that have been brought to our attention.

6. Details of complaints with regard to conflict of interest:
   - There were no complaints received with regard to conflict of interest against the Directors / KMPs

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.
   - Not Applicable

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

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.

**Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| Particulars | Current Financial Year (In %) | Previous Financial Year (In % | Details of improvement in environment al and social impacts | Particulars |
|---|---|---|---|---|
| R&D | Currently, there are no R&D investments in specific technologies to improve the environmental and social impacts. | | | |
| Capex | 9.55% | | 5.61% | Variable speed drive for energy conservation and upgrading of energy efficient AC systems, Conversion of CFL with LED lights. |

Table No. 4.13

2. A. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
   - Yes, Our suppliers are a part of our sustainability journey and an essential part of our ecosystem. We encourage our suppliers to adhere to social and environmentally responsible practices. We believe that we can increase our positive impact through rolling out the sustainability agenda across our supply chain. Our suppliers abide by Intellect's code of conduct. We aim to support the local communities in the locations where we operate thereby strengthening economic development and reducing negative environmental impact. We undertake additional risk-based checks to identify elements of modern slavery in our routine supplier due diligence process.

**The procedure in place for sustainable sourcing include –**

- Supplier Selection
  All potential suppliers of Intellect are checked against global sanctions and enforcement databases (for example - OFAC, World Bank Debarment List). They are subjected to adverse media review to identify risks including human rights abuses, human trafficking and labour violations.
- Supplier Assessment
  We carry out planned audits on risk assessment of all of our potential suppliers, criteria for which include the risks of modern slavery based on the country of operation, as assessed by Global Slavery Index and the nature of their work, such as reliance on low-skilled, temporary, seasonal or agency workers.
- Supplier Evaluation
  Potential suppliers are identified as medium or high risk are subject to further vetting. In cases where there is a high risk of modern slavery, an enhanced review is carried out of information which the supplier publishes about its approach to labour practices to ensure alignment with International Labour Organisation's fundamental principles.

B. If yes, what percentage of inputs were sourced sustainably?
   - 60% of all inputs were sourced sustainably as per the sustainable sourcing policy.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
   - Not Applicable. We don't manufacture any products. We are an IT Company.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
   - Not Applicable.

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

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.

**Essential Indicators**

1. Details of measures for the well-being of employees:

| Category | % of employees covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent Employees | | | | | | | | | | | |
| Male | 3791 | 3791 | 100% | 3791 | 100% | NA | NA | NA | NA | 2018 | 100% |
| Female | 1457 | 1457 | 100% | 1457 | 100% | 1457 | 100% | NA | NA | 824 | 100% |
| **Total** | 5248 | 5248 | 100% | 5248 | 100% | 1457 | 100% | NA | NA | 2902 | 100% |

Table No. 4.14

The health and accidental insurance coverage for other than permanent employees are covered by their respective employers as per applicable statutory norms in the country of operation. The Day care facilities have been extended to all working out of the facility.

2. Details of retirement benefits, for Current FY and Previous Financial Year

| Benefits | FY 2022 – 2023 Current Financial Year | | | FY 2021 – 2022 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| **PF** | 100% | NA | Yes | 100% | NA | Yes |
| **Gratuity** | 100% | NA | Yes | 100% | NA | Yes |
| **ESI** | 1% | NA | Yes | 6% | NA | Yes |
| **Others – Please specify** | - | - | - | - | - | - |

Table No. 4.15

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

- Yes, the organisation is sensitive to the requirements of differently abled employees and the following facilities are made available

(i) Special transport facility: There is a separate transport facility provided by the organisation free of cost with assistance provided for getting in and out of the vehicle and to the workstations.
(ii) Accessibility across campus: The campuses of the organisation are made accessible by provision of ramps in all possible places, lifts and special rest rooms for differently abled. Wheelchairs are also provided on every floor free of charge. For those who prefer to commute by their own transport, special parking lots are allocated for ease of entry into the office after parking.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.
   - Yes. It is available in our Internal Portal (iPort)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Permanent Employees | | |
|---|---|---|
| **Gender** | **Return to work rate** | **Retention rate** |
| Male | NA | NA |
| Female | 100% | 100% |
| **Total** | 100% | 100% |

Table No. 4.16

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | **Yes / No (If Yes, then give details of the mechanism in brief)** |
|---|---|
| Permanent Employees and | Yes. The organisation has defined channels for expression of grievances like ICC (for POSH related complaints), Ombudsman (for grievance of any type), Unified ticketing system through which grievances can be registered and HR business partners in every unit to whom grievances can be raised. Skip level meetings are also held periodically to encourage sharing of grievances if any. There are supporting policies like the Code of Conduct, Ombudsman Policy, POSH Policy and Disciplinary action policy that support in giving directions and actions. The process for grievance redressal is also given in the policies. Principles of natural justice are followed in all enquiries conducted in the organisation. iPort is the common intranet portal for associates to view policies or raise grievances through helpdesk. |
| Other than Permanent Employees | |

Table No. 4.17

7. Membership of and worker in association(s) or Unions recognised by the listed entity:

   - The organisation respects the right of association, right to communicate and right to collective representation of all its employees within the purview of the overall policies of the organisation. Going above the basic requirement provisioning the rights, the organisation gets employees to talk freely by organising them in groups and encouraging them to talk freely in what is called as “circle time” meets where they can represent their case to the management as equals.

8. Details of training given to employees and workers:

| Category | FY 2022 – 2023 Current Financial Year | | | | | FY 2021 – 2022 Previous Financial Year | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and Safety Measures | | On Skill upgradation | | Total (D) | On Health and Safety Measures | | On Skill upgradation | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| Male | 3791 | 3791 | 100% | 2394 | 63% | 3209 | 3209 | 100% | 2634 | 82% |
| Female | 1457 | 1457 | 100% | 944 | 75% | 1317 | 1317 | 100% | 1094 | 83% |
| **Total** | 5248 | 5248 | 100% | 3338 | 64% | 4526 | 4526 | 100% | 3728 | 82% |

Table No. 4.18

9. Details of performance and career development reviews of employees and workers:

| Category | FY 2022 – 2023 Current Financial Year | | | FY 2021 – 2022 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| **Employees** | | | | | | |
| Male | 3339 | 3339 | 100% | 2579 | 2579 | 100% |
| Female | 1315 | 1315 | 100% | 1007 | 1007 | 100% |

Table No. 4.19

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

- Occupational health and safety in the IT industry primarily revolves around care for the eyes due to continuous use of computers, neck and back issues due to continuous sitting, breathing issues that may arise from air quality related issues and stress due to various factors. The organisation has recognised the importance of mental health and provided employees with “Employee Assistance program” through which they can contact psychological counselors free of cost and in a confidential manner. Awareness sessions on how to be seated including preventive exercises like Yoga are encouraged at the workplace. Channel for raising concerns on health and safety are provided 24*7 (MyHelpdesk).

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- Being an IT industry there are limited work related hazards. Air quality standard within the office is measured on a periodic basis and ergonomic seating provided for employees to avoid any strain. Necessary foot support or elevated platform for laptops are also provided on individual requirement.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

- Yes. Employees can report any hazards including air quality, seating change required etc through a unified helpdesk facility.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

- Yes. Company doctor is appointed and is available on call at any time and the number is widely circulated within the organisation. Regular health camps are also conducted for creating awareness and identifying any issues in health in advance. First aid boxes are made available across the premises and sick rooms (separately for men and women) are also provided should any employee require to rest during work hours. Nursing support is also provided on premises during functions / events.

11. Details of safety related incidents

| Safety Incident/Number | Category | FY 2022 - 2023 Current Financial Year | FY 2021-2022 Previous Financial Year |
|---|---|---|---|
| **Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)** | **Employees** | The employees of the Company have not experienced safety related incidents. | |
| | **Workers** | | |
| **Total recordable work-related injuries** | **Employees** | | |
| | **Workers** | | |
| **No. of fatalities** | **Employees** | | |
| | **Workers** | | |
| **High consequence work-related injury or ill-health (excluding fatalities)** | **Employees** | | |
| | **Workers** | | |

Table No. 4.20

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- The organisation emphasises the importance of maintaining a safe and healthy workplace for all its members and third-party teams who work on its premises. The Company has Health and Safety Policy which includes measures such as:

    I. Monitoring the internal health and safety performance, including work-related accidents, incidents, and significant ill-health occurrences such as epidemic threats, shall investigate those that occur and work to help reduce their number and severity.
    II. Working closely with appropriate external agencies and within its industry to ensure the continued adoption of appropriate best-practice in health and safety management.
    III. Emergency Team dealing with severe incidents involving safety threats to the Company's locations with potential health and safety implications for team members, clients, or visitors at the Company locations. The Facilities & Administration Team acts in case of fire alarms, medical situations, and partial or total evacuations of the Company location in question.

The members of these teams receive relevant training on an annual basis.

13. Number of Complaints on the following made by employees and workers:

| | FY (Current Financial Year) | | | FY (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | **Filed during the year** | **Pending resolution at the end of year** | **Remarks** | **Filed during the year** | **Pending resolution at the end of year** | **Remarks** |
| **Working Conditions** | Intellect has not received any complaint on "Health & Safety" and "Working Conditions" in FY 22-23. However, the Company encourages its employees to proactively submit safety observations and report unsafe acts and conditions at workplace as a preventive action. | | | | | |
| **Health & Safety** | | | | | | |

Table No. 4.21

14. Assessments for the year:

| | **% of your plants and offices that were assessed (by entity or statutory authorities or third parties)** |
|---|---|
| Health and safety practices | Internal Audit covers these aspects for the largest campus of Intellect. Apart from this our Facility Risk Assessment covers Health, Safety and Working conditions which is reviewed annually. |
| Working Conditions | |

Table No. 4.22

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.
    - During the reporting period, the company reported no safety related incidents of any employee whilst on duty. Also there have been no significant risks / concerns arising from Facility Risk assessments of health and safety practices and working conditions during the reporting period.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

Intellect partners with many people and organizations 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 - Prioritized consideration of the economic, environmental and social impacts identified to be important to the organization 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.

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.
    - Our stakeholders are our Investors, Clients, Employees, Suppliers, Government / Regulators and the Community. Some other stakeholders that the Company closely engages with are Industry Analysts and News Media.
      Key Stakeholder groups are identified and their interest are managed by various board committees such as:-
      i. Audit Committee ii. Nomination, Remuneration & Compensation Committee iii. Stakeholders' Relationship Committee iv. Corporate Social Responsibility Committee v. Risk Management Committee
      Refer to Intellect Sustainability Report 2023 - Stakeholder Engagement Section & "Stakeholder Relationship Committee" (Annual Report)

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Customers (External) | No | Customer Feedback (Net Promoter Score), Website, Corporate Newsletter Customer Meet<br>Press Releases, Newsletters from LOB, Ticketing Tools such as Service Now and JIRA | Quarterly Customer Feedback obtained through NPS<br>Annual Corporate Newsletter<br>Annual Customer Meet | • Delivery Commitments<br>• Product quality<br>• Resolution of customer complaints<br>• New business Opportunities |
| Employees & contractual Workforce (Internal) | No | Surveys, Events, Employee - Centric Applications (iPORT), Periodicals(Incredible Intellect Newsletters), Workshops/ Trainings, Website, Social Media Platforms, Townhalls, Performance Development Dialogues(PDD) | Quarterly, Monthly, weekly<br>Quarterly Surveys<br>Annual Performance Development Dialogues(PDD)<br>Annual Day Address by Chairman<br>Foundation Day Address by chairman | • Career development<br>• Performance feedback<br>• Fair evaluation and compensation<br>• A comfortable organizational culture and workplace<br>• Learning Opportunities<br>• Rewards and Recognition<br>• Career growth prospects<br>• Grievance redressal mechanism<br>• Ethics, transparency and accountability |
| Shareholders & Investors (External) | No | Investor & Analyst Meet, Annual General Meeting, Investor Conferences & meets, Annual Reports, Corporate website and press releases/press conference | Annually, Quarterly, Need based<br>Quarterly Investor Call<br>Annual Investor meet<br>Annual AGM<br>Need Based - Third Party Investor's calls | • Business growth and stability<br>• Corporate reputation<br>• Transparency in corporate governance<br>• Financial performance<br>• Risk management<br>• Optimizing operational costs<br>• Corporate Governance |
| Suppliers, contractors & vendors, Business Partners (External) | No | Contract Agreement, Meeting with Contractors | Need based | • Fair and accountable transactions<br>• Transparency in tendering process<br>• Supply & Distribution, Quality and Quantity, Customer Satisfaction, |
| Local Communities | No | Awareness Programmes, Community Meetings | Need based<br>Annual CAN DO Workshop<br>Annual Touch the Soil Weekends Summit Programme<br>Need Based connect - School Of Design Thinking | • Minimum environmental impact on the communities<br>• Recruitment of the people from the community<br>• Supporting the local economy<br>• Corporate Social Responsibility Initiatives, Societal Priorities, etc. |
| Civil Society Organisations, NGOs | No | Interactions, meetings, Webinars | Monthly | Implementation of CSR Projects. Partnership for sustainability programs |
| Government / Regulatory Bodies | No | Meetings, Industry Forum, Regular Updates<br>Tamil Nadu Startup and Innovation Mission (TANSIM)<br>Software Technology Parks of India (STPI) | Need based | • Legal Compliance<br>• Policy implementation review, Apprising the Government on organization plans and progress, Communicating industry's challenges and issues, etc |

| | | | | |
|---|---|---|---|---|
| Media | No | Press Release, Social Media, Media Event, Magazines, Meetings organized at regular interval | Need based<br>Annual POLESTAR | • Keeping our stakeholders updated about the developments in the company<br>• Financial and operational performance<br>• Risk management<br>• Entry into new markets<br>• Corporate governance and corruption |
| Physically challenged associates | Yes | In person as circle time meeting of "Sampada" associates | Annual | To identify any issues faced/raised by such employees and redress on a periodical basis |

Table No. 4.23

**PRINCIPLE 5: Businesses should respect and promote human rights**

Intellect does not discriminate in the treatment of people based on caste, creed, sex, race, ethnicity, age, colour, religion, disability, socio-economic status or sexual orientation. Intellect'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. Intellect'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 with external initiatives, like NGOs.

***Essential Indicators***

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 2022 - 2023 | | | FY 2021 - 2022 | | |
|---|---|---|---|---|---|---|
| | Current Financial Year | | | Previous Financial Year | | |
| | Total (A) | No. employees/ workers covered (B) | % (B / A) | Total (C) | No. employees/ workers covered (D) | % (D / C) |
| **Employees** | | | | | | |
| Permanent | 5248 | 5248 | 100% | 4526 | 4526 | 100% |
| Other than permanent | 230 | 230 | 100% | 446 | 446 | 100% |
| **Total Employees** | 5478 | 5478 | 100% | 4972 | 4972 | 100% |

Table No. 4.24

2. Details of minimum wages paid to employees and workers, in the following format:
   - All permanent employees and other than permanent employees have been paid more than minimum wage in accordance with statutory laws in the country of operations.

3. Details of remuneration/salary/wages, in the following format:
   - Please refer to Annexure 4 under Directors' Report of Annual Report FY 22-23

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **(Yes/No)**
   - Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.
   - Internal mechanisms have been set up and a unit HR is authorised to redress and report any grievances pertaining to human rights issues. The reporting avenues have been communicated and are made aware of occurrence of any event which leads or could potentially lead to human rights violation.

6. Number of Complaints on the following made by employees and workers:

| | **FY 2022 - 2023 Current Financial Year** | | | **FY 2021 - 2022 Previous Financial Year** | | |
|---|---|---|---|---|---|---|
| | **Filed during the year** | **Pending resolution at the end of year** | **Remarks** | **Filed during the year** | **Pending resolution at the end of year** | **Remarks** |
| Sexual Harassment | 1 | 1 | The case was reviewed and closed post financial year. | NIL | NIL | NIL |
| Discrimination at workplace | NIL | NIL | NIL | NIL | NIL | NIL |
| Child Labour | NIL | NIL | NIL | NIL | NIL | NIL |
| Forced Labour /Involuntary Labour | NIL | NIL | NIL | NIL | NIL | NIL |
| Wages | NIL | NIL | NIL | NIL | NIL | NIL |
| Other human rights related issues | NIL | NIL | NIL | NIL | NIL | NIL |

Table No. 4.25

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.
    - Any complaints pertaining to discrimination and harassment are dealt with in a confidential and secure manner. The Company has zero tolerance towards such discrimination and harassment and anyone involved in discriminating or harassing any person would be subject to disciplinary actions.

8. Do human rights requirements form part of your business agreements and contracts?

    ***(Yes/No)***

    - *Yes*

9. Assessments for the year:

| | **% of your plants and offices that were assessed (by entity or statutory authorities or third parties)** |
|---|---|
| Child labour | The Company internally monitors compliances for all relevant laws and policies relating to these issues. There have been no observations by local statutory authorities/third parties in India pertaining to these issues for FY 2022-2023. |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others | |

Table No. 4.26

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.
    - Not Applicable

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

Intellect's approach to reduce, reuse and recycle has helped to minimise its environmental impact across the value chain. Intellect has contributed to environmental security by not only ensuring efficient use of resources, but also by augmenting precious natural resources. At the Chennai Campus, 61.07% of total energy consumption was generated through Wind Energy (through Group Captive Power) and 100% Rainwater harvesting is done at Intellect owned premises in Chennai & Gurugram. At Intellect, we responsibly source water from groundwater and also utilise harvested rainwater to minimise any potential impact on groundwater levels.

***Essential Indicators***

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| **Parameter** | **FY 2022 - 2023 *(Current Financial Year) (in MJ)*** | **FY 2021 - 2022 *(Previous Financial Year) (in MJ)*** |
|---|---|---|
| Total electricity consumption (A) | 1541425 | 1032796 |
| Total fuel consumption (B) | 876.80 | 885.69 |
| Energy consumption through other sources (C) | - | - |
| **Total energy consumption (A+B+C)** | 1542301.63 | 1033681.80 |
| Energy intensity per rupee of turnover *(Total energy consumption/ turnover in rupees)* | 101.84 MJ / Rs. Millions | 80.05 MJ / Rs. Millions |
| Energy intensity *(optional)* – the relevant metric may be selected by the entity | - | - |

Table No. 4.27

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India?

    (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

- Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2022 - 2023 *(Current Financial Year)* | FY 2021 - 2022 *(Previous Financial Year)* |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | - | - |
| (ii) Groundwater | 21257 | 16009 |
| (iii) Third party water | 4565 | - |
| (iv) Seawater / desalinated water | - | - |
| (v) Others (Rain Water Harvested) | 110 | - |
| ***Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)*** | 25932 | 16009 |
| **Total volume of water consumption (in kilolitres)** | 25932 | 16009 |
| **Water intensity per rupee of turnover** *(Water consumed / turnover)* | 1.71 KL / Rs.Millions | 1.23 KL / Rs.Millions |
| **Water intensity** *(optional)* – the relevant metric may be selected by the entity | - | - |

Table No. 4.28

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

- The Company ensures that no untreated effluent is discharged. The water from a borewell and treated sewage water is utilized for flushing and gardening purposes. In addition, testing is conducted on a monthly basis

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify unit | FY 2022 - 2023 (Current Financial Year) | FY 2021 - 2022 (Previous Financial Year) |
|---|---|---|---|
| NOx | ppm | 134 | 85 |
| SOx | mg / NM3 | 21 | 19 |
| Particulate matter (PM) | mg / NM3 | 52 | 43 |
| Persistent organic pollutants (POP) | - | - | - |
| Volatile organic compounds (VOC) | - | - | - |
| Hazardous air pollutants (HAP) | - | - | - |
| Others – please specify | - | - | - |

Table No. 4.29

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | FY 2022 – 202 (Current Financial Year) | FY 2021 - 2022 (Previous Financial Year) |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 147.36 | 137.20 |
| **Total Scope 2 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 4490 | 3006 |
| **Total Scope 1 and Scope 2 emissions per rupee of turnover** | Metric tonnes of CO2 equivalent / Rs. Million | 0.31 | 0.25 |
| **Total Scope 1 and Scope 2 emission intensity** *(optional)* – the relevant metric may be selected by the entity | - | - | - |

Table No. 4.30

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

- Yes, Intellect is setting up a 100 kW solar power plant to reduce the energy consumption through grid thereby reducing the Scope 2 GHG emissions.

8. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2022 – 2023 (Current Financial Year) | FY 2021-2022 (Previous Financial Year) |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste ***(A)*** | 3.543 | 0.885 |
| E-waste ***(B)*** | 0.908 | 0.911 |
| Bio-medical waste ***(C)*** | - | - |
| Construction and demolition waste ***(D)*** | - | - |
| Battery waste ***(E)*** | 5.59 | - |
| Radioactive waste ***(F)*** | - | - |
| Other Hazardous waste - Used Oil(G) | - | 0.80 |
| Other Non-hazardous waste generated (H). Please specify, if any. | 8.235 | 1.685 |

| | | |
|---|---|---|
| (Break-up by composition i.e. by materials relevant to the sector) | | |
| Total (A+B + C + D + E + F + G + H) | **18.276** | **4.281** |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Recycled | 14.73 | 2.60 |
| (ii) Re-used | - | 0.80 |
| (iii) Other recovery operations | - | - |
| ***Total*** | **14.73** | **3.40** |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Incineration | NIL | NIL |
| (ii) Landfilling | NIL | NIL |
| (iii) Other disposal operations | 3.543 | 0.885 |
| ***Total*** | **3.543** | **0.885** |

Table No. 4.31

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

- Intellect being an IT Company does not manufacture physical products and therefore does not use any hazardous or toxic chemicals in any of our processes.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

| S.No. | Location of operations/ offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| Not Applicable | | | |

Table No. 4.32

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Not Applicable | | | | | |

Table No. 4.33

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

| S. No. | Specify the law / regulation/ guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| Yes, Intellect is compliant with all the applicable environmental laws and regulations based on its nature of business. | | | | |

Table No. 4.34

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

Intellect believes that a lot can be achieved if it works together with the Government, legislators, regulators and NGOs to create positive social and environmental outcomes. Intellect'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 NGOs must be done with honesty and integrity.

School of Design Thinking partners with Educational Institutions, Corporations, Businesses, Startups, Government agencies and institutes to nurture and enable the culture of Design Thinking as an approach to innovation and problem solving.

**Essential Indicators**

1. A. Number of affiliations with trade and industry chambers/ associations. - 8
   B. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1 | Confederation of Indian Industry (CII) | National |
| 2 | Madras Chamber of Commerce & Industry (MCCI) | National |
| 3 | Madras Management Association (MMA) | National |
| 4 | Indo-American Chamber of Commerce & Industry | International |
| 5 | Indo Japan Chamber of Commerce & Industry | International |
| 6 | Indo-Australian Chamber of Commerce | International |
| 7 | Indo-German Chamber of Commerce | International |
| 8 | The Indus Entrepreneurs (TiE) | International |

Table No. 4.35

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| Not Applicable as there are no corrective action taken on any issue related to anti-competitive conduct by Intellect. | | |

Table No. 4.36

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

The collective social responsibility of Intellect that brings together our associates with the adolescent young minds in the communities we live and work in, and even going back to our roots in the districts, to experience the magic of mentoring young minds! Ullas Trust (implementing agency) has grown into a thriving community of dedicated associate volunteer mentors from Intellect, from our Clients, and other Corporates; partners from Civil Society Organizations, and youth from Colleges – all united by the common purpose of shaping the thinking of adolescent young minds. Mission Samriddhi is the social impact platform dedicated to the holistic human development of rural India, through the design and development of projects that are sustainable and capable of scale to positively impact the larger population. We harness the energy of existing programmes that are aimed at the poorest of our rural poor, activate and extend self-initiated projects, collaborate with Development Accelerators / CSOs and endeavour to be that change in the rural landscape of our nation, for more details refer to Community Engagement Section of Sustainability Report 2022-2023.

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.
    - Not Applicable – We have no SIA Notification

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

    - Not Applicable. No rehabilitation and resettlement were undertaken by the entity during this reporting period

3. Describe the mechanisms to receive and redress grievances of the community.

    - There are robust mechanisms in place to receive and redress grievances of the community by way of one-on-one discussions, group discussions, provide feedback, surveys and questionnaires that capture such grievances. Agreements that are entered by the Company with the stakeholders contain clauses on handling of grievances and redressal of disputes etc.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | FY 2022 – 2023 Current Financial Year | FY 2021 – 2022 Previous Financial Year |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 13% | 8% |
| Sourced directly from within the district and neighbouring districts | 14% | 14% |

Table No. 4.37

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

Intellect immensely values and carefully nurtures its customer relationships and works closely with them to pioneer new concepts. All businesses of the Company comply with relevant regulations and 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.

**Essential Indicators:**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
    - A Customer complaint once received is recorded centrally as part of the project's health dashboard. The Quality department of the business unit coordinates with the project teams and tracks the complaint to closure. As part of this process, the project team needs to come up with a Go To Green Plan (GTGP), which details how the project will be brought back on track (made Green) by resolving the Customer complaint. Project teams can have multiple discussions with customers to understand the issue and discuss the resolution. The central team, which maintains the record of all such projects, also provides a mechanism whereby alert mails to relevant stakeholders are automatically triggered at various stages.
    - We also have a well-established system to obtain customer feedback through the_Net Promoter Score which is the industry benchmark on customer satisfaction. An independent corporate team is tasked with triggering surveys, obtaining feedback and consolidation across Intellect. Assurance teams within business units ensure Service Delivery, Manufacturing and Support teams analyze the feedback, connect back with customer and put action plans in place to address customer concerns / Suggestions for improvements (if any). NPS ratings and analysis is shared with top management.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:
    - Not Applicable

3. Number of consumer complaints in respect of the following:
    - There are no consumer complaints in respect of data privacy, advertising, cybersecurity, delivery of essential services, restrictive trade practices, unfair trade practices etc.

4. Details of instances of product recalls on account of safety issues
    - Not Applicable

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy
    - Yes. Company has implemented a policy on cyber security and risks related to data privacy.
    - Intellect has obtained ISO27018 certification for data protection on cloud and has included data privacy as a principle for SOC2 attestation engagements (specific to products / clients).
    - Internal practices write up Link - https://sites.google.com/intellectdesign.com/intellect-csg/policies-manual?authuser=1#h.3rh1btu38k7

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.
    - None

**Annexure - A**

**Links to Intellect's Key Policies**

| Principle No. | Policy List | Location |
|---|---|---|
| P1 | Code of Conduct Policy | https://www.intellectdesign.com/investor-relations/<br>Available in the Intellect Intranet Site (iPort) (Internal) |
| | Disciplinary Action Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Dress Code Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Whistle Blower Policy | https://www.intellectdesign.com/investor/general/whistle-blower-policy-2019.pdf |
| | Attendance Monitoring Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Human Resource Security Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| P2 | Information and Cyber Security policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | IT Security Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Green Initiative | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Procurement Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Retired IT Assets - Disposal and Donation Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Sustainability Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| P3 | Retirement Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Sexual Harassment and Prevention Policy (POSH) | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Equal Opportunity Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Exigency Fund Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Health and Safety policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Medical Insurance policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| P4 | Corporate Social Responsibility Policy | https://www.intellectdesign.com/investor/general/csr-policy.pdf |
| | Sustainability Policy | Available in the Intellect Intranet Site (iPort) (Internal) |

| | | |
|---|---|---|
| P5 | Code of Conduct Policy | https://www.intellectdesign.com/investor-relations/<br>Available in the Intellect Intranet Site (iPort) (Internal) |
| | Equal Opportunity Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Modern Slavery Act Policy | https://www.intellectdesign.com/investor/general/modern-slavery-act-policy-2020.pdf |
| | Ombudsman Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| P6 | Health and Safety policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Green Initiative | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Environmental Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Sustainability Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Retired IT Assets - Disposal and Donation Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| P7 | Data Protection and Privacy Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Sustainability Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Ombudsman Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Code of Conduct Policy | https://www.intellectdesign.com/investor-relations/<br>Available in the Intellect Intranet Site (iPort) (Internal) |
| P8 | Corporate Social Responsibility Policy | https://www.intellectdesign.com/investor/general/csr-policy.pdf |
| | Sustainability Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| P9 | Information and Cyber Security Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | IT Security Policy | Available in the Intellect Intranet Site (iPort) (Internal) |
| | Risk Management Policy | https://www.intellectdesign.com/investor/general/2021-Aug-Risk-Management-Policy.pdf |
| | Emergency Response - disruption in Intellect Live System | Available in the Intellect Intranet Site (iPort) (Internal) |

Table No. 4.38

# REPORT ON CORPORATE GOVERNANCE

**Report on Corporate Governance**

## 1. Company's Philosophy

Your Company 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. The Company 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 the 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 31, 2023**

  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 whole time, Non-Executive and Independent Directors to maintain the independence of the Board.

- **Board's Composition**

  As on March 31, 2023, the Board comprises of seven members consisting of one Managing Director, one Whole-Time Director, One Non-Executive Director and four Independent Directors including one woman Independent Director.

  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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Composition of the Board and Directorships held as on March 31, 2023:**

| Name of the Director | Age | Directorship in other Companies | | Position held in Committees of other Companies | |
|---|---|---|---|---|---|
| | | As Chairperson | As Director | As Chairperson | As Member |
| **Chairman and Managing Director** | | | | | |
| Mr. Arun Jain | 63 | - | 4 | - | - |
| **Executive Director** | | | | | |
| Mr. Anil Kumar Verma | 67 | - | 2 | - | - |
| **Non- Executive Director** | | | | | |
| Mr. Andrew Ralph England | 65 | - | 2 | - | - |
| **Independent Directors** | | | | | |
| Mr. Arun Shekhar Aran | 64 | - | 3 | - | - |
| Ms. Vijaya Sampath | 70 | - | 10 | 4 | 9 |
| Mr. Abhay Anant Gupte | 62 | - | 4 | - | - |
| Mr. Ambrish Pandey Jain | 66 | - | 1 | - | - |

Table No. 5.1

**Notes:**

1. None of the Directors are related other than Mr. Arun Jain and Mr. Anil Kumar Verma. Nature of relationship – Brother-in-law.
2. Directorship in companies (includes Listed, Unlisted, Private Limited Companies and Body Corporates).
3. Committees includes Audit Committee, Nomination and Remuneration & Compensation Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee (Listed and Unlisted Public Limited Companies).
4. **Name of the Listed entities where Company's Director is a Director and the category of the Directorship is given below as on 31st March, 2023**

| Name | Directorship Details in other Listed Entities |
|---|---|
| Mr. Arun Jain | - |
| Mr. Anil Kumar Verma | - |
| Mr. Arun Shekhar Aran | - |
| Mr. Andrew Ralph England | - |
| Ms. Vijaya Sampath | 1. Safari Industries (India) Limited, Independent Director<br>2. Craftsman Automation Limited, Independent Director<br>3. Varroc Engineering Limited, Independent Director<br>4. Ingersoll - Rand (India) Limited, Independent Director<br>5. VA Tech Wabag Limited, Independent Director |
| Mr. Abhay Anant Gupte | - |
| Mr. Ambrish Pandey Jain | - |

Table No. 5.2

**During the financial year 2022-23, Board of Directors met 05 times on the following dates:**

| | |
|---|---|
| May 05, 2022 | December 29, 2022 |
| July 28, 2022 | February 03, 2023 |
| October 28, 2022 | |

Table No. 5.3

The maximum gap between two Board meetings was 91 days. (Between July 2022 to October 2022)

**Attendance of Board of Directors' at the 11th Annual General Meeting held on July 29, 2022.**

| Sl. No. | Name | Director Identification Number (DIN) | Designation / Category | Attended |
|---|---|---|---|---|
| 1. | Mr. Arun Jain | 00580919 | Chairman & Managing Director | Y |
| 2. | Mr. Arun Shekhar Aran | 00015335 | Independent Director | Y |
| 3. | Mr. Anil Kumar Verma | 01957168 | Whole Time Director | Y |
| 4. | Ms. Vijaya Sampath | 00641110 | Independent Director | Y |
| 5. | Mr. Andrew Ralph England | 08211307 | Non- Executive Director | Y |
| 6. | Mr. Abhay Anant Gupte | 00389288 | Independent Director | Y |
| 7. | Mr. Ambrish Pandey Jain | 07068438 | Independent Director | Y |

Table No. 5.4

**Board of Directors' attendance for the Board & Committee Meetings held during the year 2022-23**

[Y= Attended, N= Not attended, (*) attended through Video Conference, (+) attended through Audio Conference; BM: Board Meeting, NRCC: Nomination 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.

| Sl. No. | Name of Director | 05.05.2022 | | | | 16.05.2022 | 28.07.2022 | | 08.08.2022 | 13.09.2022 | 18.10.2022 | 28.10.2022 | | 23.11.2022 | 29.12.2022 | | | 02.02.2023 | 03.02.2023 | 09.03.2023 | 22.03.2023 | 22.03.2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | BM | AC | NRCC | SRC | RMC | BM | AC | NRCC | RMC | CSR | BM | AC | CSR | BM | AC | NRCC | AC | BM | RMC | NRCC | ID |
| 1 | Mr. Arun Jain | Y | - | Y | - | Y | Y | - | Y | Y | Y | Y | - | Y* | Y* | - | Y* | - | Y | Y | Y* | - |
| 2 | Mr. Arun Shekhar Aran | Y | Y | Y | Y | Y* | Y | Y | Y* | Y* | - | Y | Y | - | Y* | Y* | Y* | Y | Y | Y* | Y* | Y* |
| 3 | Mr. Anil Kumar Verma | Y* | Y* | - | Y* | - | N | N | - | - | Y* | Y* | Y* | Y* | Y* | Y* | - | Y | Y | - | - | - |
| 4 | Mr. Andrew Ralph England | Y* | - | - | - | Y* | Y* | - | - | Y* | - | Y* | - | - | Y* | - | - | - | Y* | Y* | - | - |
| 5 | Ms. Vijaya Sampath | Y | Y | Y | - | - | Y* | Y* | Y* | - | - | Y | Y | - | Y* | Y* | Y* | Y | Y | - | Y* | Y* |
| 6 | Mr. Abhay Anant Gupte | Y* | Y* | Y* | Y* | - | Y | Y | Y* | - | Y* | Y | Y | Y* | Y* | Y* | Y* | Y* | Y* | - | Y* | Y* |
| 7 | Mr. Ambrish Pandey Jain | - | - | - | - | - | Y | - | - | - | - | Y | - | - | Y* | Y* | Y* | Y | Y | - | Y* | Y* |

Table No.5.5

**Profile of the Directors of the Company are given below:**

**Mr. 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. Intellect powers over 260 leading Banks and Financial Institutions around the globe with its suite of Products. IBS Intelligence, a leading global research firm in its 2022 Sales League Table ranked Intellect # 1 in Retail Banking and Wholesale Banking (Transaction Banking) and InsurTech categories.

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.

As an evangelist of Design Thinking, his brainchild – FinTech 8012, the World's First Design Center at Chennai dedicated to Financial Technology came into being. An avid design practitioner, Arun also evangelizes Design Thinking through public workshops, branded as UnMukt. It is one-of-its-kind flagship workshop where participants explore and immerse in Design Thinking. With the constant drive to better the community around him, he instituted Mission Samriddhi – 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;

School of Design Thinking – focusing on shaping thinking of young minds and professional through Design The Thinking™ philosophy. He is passionate about Design Thinking as a science to create the biggest impact on individual and organisational performance.

Arun has been nominated as the Chairperson of the Board of Governors of Indian Institute of Information Technology Ranchi, Jharkhand, India by Hon'ble President of India, for a period of three years with effect from 2nd Sept 2020. He is entrusted with the responsibility of the Chief Mentor of the FinTech Centre of Excellence at STPI, Chennai setup by Ministry of Electronics & Information Technology, Govt. of India in association with the ELCOT, Govt. of Tamil Nadu. He holds/ has held prestigious positions in various other forums like National Software Product Mission (Ministry of Electronics and Information Technology), National Institute of Electronics and Information Technology (NIELIT), Software Technology Parks of India (STPI), Confederation of Indian Industry (CII), Madras Management Association (MMA), and the Indo American Chamber of Commerce (IACC).

He was bestowed with Dronacharya Award 2019 by TiECON Chennai. 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 Rotary Club's "For The Sake of Honour Award", 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.

A social engineer by nature, Arun has been working towards creating a better community. Ullas Trust, founded in 1997, with the purpose of igniting young minds and guiding them to realizing their dreams, has since nurtured over 18 lakh young minds across 115 Districts, in 8 States and 2 Union Territories. This brainchild of Arun provides vital professional skills to adolescent children across the country nurturing the "Can Do" spirit among the young minds.

Arun holds a degree in Electrical Engineering from the Delhi College of Engineering.

**Mr. Anil Kumar Verma, Whole Time Director**

Anil Kumar Verma is a key contributor to the strategic vision of the organisation. 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 41 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 conceptualised 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 courses 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 the 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. He is a member of the Australian Institute of Company Directors (AICD).

**Mr. Arun Shekhar Aran, Independent Director**

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 specialising in Systems.

He commenced his professional journey at Asian Paints (I) Ltd, a company highly esteemed for its exceptional management expertise at that time. During his seven-year tenure, he established numerous path-breaking usages for computers within the organization. He rapidly advanced to a middle management role during his time at Asian Paints.

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 in Chennai. He made major contributions 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 Nuc Soft Ltd which also started working with clients in Banking, Insurance and Financial Services area.

**Mr. Andrew Ralph England, Non-Executive Non Independent Director**

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.

**Mrs. Vijaya Sampath, Independent Director**

Mrs. Vijaya Sampath has been a lawyer for over 41 years. She is an Independent Director on the Board of listed and unlisted companies in the manufacturing, branded luggage, pharmaceuticals and auto component sectors. She was associated with Bharti Airtel Limited as group general counsel and company secretary in the past. 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 and been a speaker at various forums on women in professions, governance, ethics, law and practice.

**Mr. Abhay Anant Gupte, Independent Director**

Abhay Anant Gupte, Managing Director and CEO, Manipal Technologies Limited (MTL), is responsible for its businesses & subsidiaries in India, Germany, Kenya and Nigeria. He has over 38 years of work experience with large global and Indian organisations. Prior to joining MTL, he was MD & CEO of Indian operations of global IT companies such as EDS and Logica. He has also held senior leadership positions at American Express Bank and GE Capital. Abhay Anant Gupte is an alumnus of IIT, New Delhi. He is a guest speaker at various Engineering and Management institutes, Associations and public forums, etc. He is mentor to executive leadership of large global companies.

**Mr. Ambrish Pandey Jain, Independent Director**

Mr. Ambrish Pandey Jain was the Chief Operating Officer, of Vodafone Idea Limited (Post merger) and held the position of Deputy Managing Director prior to merger. During his stint as Chief Operating Officer, he has handled all customer operations nationally, involved in merger, integration, restructuring, cost optimization, transformation and synergy realization. He was on the Board for various Subsidiary Companies of Vodafone Idea Limited. He is responsible for PAN India circle operation and service delivery. He has been part of Escorts Limited, Escotel Mobile Communications Limited and Aircel Digilink India Limited. He has held significant assignments in Idea Cellular Limited, RPG Cellular. He was being awarded Outstanding leader award in 2011 and leader of leaders Award in 2014.

**Key Board qualifications, expertise and attributes**

The Company's Board comprises 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 Company's Board is in compliance with the highest standards of corporate governance.

The table below summarises 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 stakeholders 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 significant enterprises, resulting in a practical understanding of organisations, 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 models |
| Mergers and acquisitions | A history of leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyse 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 |

Table No. 5.6

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 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** |
| **Mr. Arun Jain** | √ | √ | √ | √ | √ | √ | √ |
| **Mr. Anil Kumar Verma** | √ | √ | √ | √ | √ | √ | √ |
| **Mr. Arun Shekhar Aran** | √ | √ | √ | √ | √ | - | √ |
| **Mr. Andrew Ralph England** | √ | √ | √ | √ | √ | - | √ |
| **Ms. Vijaya Sampath** | √ | √ | √ | √ | - | √ | √ |
| **Mr. Abhay Anant Gupte** | √ | √ | √ | √ | √ | √ | √ |
| **Mr. Ambrish Pandey Jain** | √ | √ | √ | √ | √ | √ | √ |

Table No. 5.7

**Independent Directors Meeting**

In accordance with Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year under review, meeting of Independent Directors was held on March 22, 2023 without the presence of Non-Independent Directors, to review the performance of non-independent directors and the board of directors as a whole, review the performance of chairman and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

In the opinion of the Board, independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

**3. Audit Committee**

Audit Committee was constituted by the Board in the meeting held on October 15, 2014. Further, the committee was reconstituted by the Board in the meetings held on February 03, 2017, May 02, 2019, July 24, 2019, August 05, 2020 and October 28, 2022. The Audit committee consists of 4 Independent Directors and 1 Whole Time Director. The Company Secretary acts as the Secretary to the Committee. Mr. Arun Shekhar Aran, Independent Director and Chairman of the Committee was present at the 11th AGM of the Company to answer the queries of the shareholders.

Members of the Audit Committee are as follows:

| Name | Designation | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Arun Shekhar Aran | Chairman | 5 | 5 |
| Ms. Vijaya Sampath | Member | 5 | 5 |
| Mr. Anil Kumar Verma | Member | 5 | 4 |
| Mr. Abhay Anant Gupte | Member | 5 | 5 |
| Mr. Ambrish Pandey Jain | Member | 2 | 2 |

Table No. 5.8

The Audit Committee had met five times during the year 2022-23.

**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:**

1. 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.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. Matters required with reference to 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
    b. Changes, if any, in accounting policies and practices, and reasons for the same
    c. Major accounting entries involving estimates based on the exercise of judgment by management
    d. Significant adjustments made in the financial statements arising out of audit findings
    e. Compliance with listing and other legal requirements relating to financial statements
    f. Disclosure of any related party transactions
    g. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the Quarterly and Annual financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/ application of fund through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised 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;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow-up there on;
15. 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’s 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.

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 utilised 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) Regulations, 2015.

**4. Nomination, Remuneration & Compensation Committee:**

Nomination, Remuneration & Compensation Committee was constituted by the board in the meeting held on October 15, 2014. Further, the committee was reconstituted by the Board in the meetings held on February 03, 2017, May 02, 2019, July 24, 2019 , August 05, 2020 and October 28, 2022. The Nomination, Remuneration & Compensation Committee consists of 4 Independent Directors and one Managing Director.

The Quorum for Nomination, Remuneration and Compensation Committee shall be one-third of the total strength or two members whichever is greater including at least one independent director in attendance.

Mr. Abhay Anant Gupte, Independent Director and Chairman of the Nomination Remuneration & Compensation Commitee was present at the 11th AGM of the Company to answer the queries of the shareholders.

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.
6. Recommend to the board, all remuneration, in whatever form,
7. payable to senior management.

The Nomination, Remuneration & Compensation Committee met four times during the year 2022-23

Members of the Nomination, Remuneration & Compensation Committee are as follows:

| Name | Designation | No. of meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Abhay Anant Gupte | Chairman | 4 | 4 |
| Ms. Vijaya Sampath | Member | 4 | 4 |
| Mr. Arun Jain | Member | 4 | 4 |
| Mr. Arun Shekhar Aran | Member | 4 | 4 |
| Mr. Ambrish Pandey Jain | Member | 2 | 2 |

Table No. 5.9

**Remuneration policy**

The remuneration policy of the Company has been so structured in a way as to match the market trends of the IT industry. The Board, in consultation with the Nomination, 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 to the growth of the Company.

**Terms of References:**

a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its go.

**Shares held, and Stock Options granted/exercised, and Cash Compensation paid to directors in fiscal year 2023**

**(in Rs. Millions except share and stock option data)**

| Name of the Director | Fixed Salary | | | | Bonus / incentives | Commission Payable | Sitting fees paid | Total | No. of equity shares held | Stock Options held | Stock Options exercised |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Basic Salary | Perquisites / Allowances | Retiral benefits | Total fixed salary | | | | | | | |
| **Chairman and Managing Director** | | | | | | | | | | | |
| Mr. Arun Jain | - | - | - | - | - | - | - | - | 75,56,321 | - | - |
| **Whole time director** | | | | | | | | | | | |
| Mr. Anil Kumar Verma* | 15.36 | - | 1 | 16.36 | 4.62** | - | - | 20.98 | 2,37,433 | 84,450 | - |
| **Non-Executive and Independent Directors** | | | | | | | | | | | |
| Mr. Arun Shekhar Aran | - | - | - | - | - | 1.67 | 1.20 | 2.87 | 5,84,413 | - | - |
| Ms. Vijaya Sampath | - | - | - | - | - | 1.67 | 1.00 | 2.67 | 1,400 | - | - |
| Mr. Andrew Ralph England*** | - | - | - | - | - | 20.10 | 0.65 | 20.75 | 20,000 | 2,05,000 | 20,000 |
| Mr. Abhay Anant Gupte | - | - | - | - | - | 1.67 | 1.15 | 2.82 | - | - | - |
| Mr. Ambrish Pandey Jain | | | | | | - | 0.75 | 0.75 | 9408 | - | - |

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 4.62 million 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 5 (Five) years with effect from 01st February, 2021. The Service Contract can be terminated earlier by either party by giving to the other party 3 (three) month's 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 2022-23.

***Consultancy fees paid to Mr. Andrew Ralph England for the services provided as a capacity of Consultant for the Intellect Design Arena Limited., United Kingdom.

Table No. 5.10

Notes:- None of the Non-Executive Directors / Independent Directors have any pecuniary relationship or transactions with the Company for the year ended March 31, 2023.

**Stock Options**

The Company has 6 Stock Option Schemes – ASOP 2003, ASOP 2004, ASOP 2011, ISOP 2015, ISOP 2016 and Intellect Incentive Plan 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, ISOP 2016 schemes and Intellect Incentive Plan Scheme 2018 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, NSE/LIST/21614 dt. 30/08/2019 and BSE Limited 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, DCS/IPO/JR/ESOP-IP/288/2019-20 dt. 24/09/2019 respectively.

**Details of stock options granted during the financial year 2022-23 under ASOP 2003, 2004, 2011, ISOP 2015, ISOP 2016 and Intellect Incentive Plan Scheme 2018 are detailed as below:**

| Sl. No. | Date of Grant | Option Price (Rs.) | ASOP 2003 | | ASOP 2004 | | ASOP 2011 | | ISOP 2015 | | | | ISOP 2016 | | | | Intellect Incentive Plan scheme 2018 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | RSU | | Option | | RSU | | Option | | ISOP 2018 | | RSU 2018 | |
| | | | 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 | 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 | 18/05/2022 | 5 | -- | -- | -- | -- | -- | -- | 75 | 3,88,000 | -- | -- | -- | -- | -- | -- | -- | -- | 1 | 20,000 |
| 2 | 29/08/2022 | 5 | -- | -- | -- | -- | -- | -- | 45 | 2,86,385 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 3 | 29/12/2022 | 5 | -- | -- | -- | -- | -- | -- | 23 | 3,25,500 | -- | -- | -- | -- | -- | -- | -- | -- | 11 | 47,500 |
| **TOTAL** | | | -- | -- | -- | -- | -- | -- | **143** | **9,99,885** | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |

Table No. 5.11

**Remark**

*Different Option Price is due to allotment under different Swarnam Schemes (Swarnam 101- ISOP 2016, ISOP 2015, Intellect Incentive Plan Scheme 2018).

The Employee Stock Option Plans (ASOP 2003, ASOP 2004, ASOP 2011, ISOP 2015, ISOP 2016 and IIPS 2018) are in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 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-relations/ 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 October 15, 2014. Further, the Committee was reconstituted by the Board in the meetings held on February 03, 2017, July 24, 2019, August 05, 2020 and October 30, 2020. The Stakeholders' Relationship Committee consists of Whole-time and two Independent Directors. Mr. Abhay Anant Gupte, Independent Director is the Chairman of the Committee and was present at the 11th AGM of the Company to answer the queries of the shareholders. Mr. V. V. Naresh, Company Secretary is the Compliance Officer of the Company.

The Committee focuses on Shareholders' grievances and strengthening of investor relations. This Committee specifically looks into the redressal of Shareholders' complaints relating to 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 had met one time during the year 2022-23.

Members of the Stakeholders' Relationship Committee are as follows:

| Name | Designation | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Abhay Anant Gupte | Chairman | 1 | 1 |
| Mr. Anil Kumar Verma | Member | 1 | 1 |
| Mr. Arun Shekhar Aran | Member | 1 | 1 |

Table No. 5.12

Number of shareholders' complaints received during the financial year: **Zero**
Number of complaints not solved to the satisfaction of shareholders: **NIL**
Number of pending complaints: **NIL**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is processing the investor complaints in a web-based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

During the year, under ASOP 2011 Scheme, company has allotted 25,140 equity shares of Rs.5/- each to 4 Associates, under ISOP 2015 Scheme, company has allotted 2,38,842 equity shares of Rs.5/- each to 289 Associates, under ISOP 2016 Scheme company has allotted 55,150 equity shares of Rs.5/- each to 37 Associates and under Intellect Incentive Plan Scheme 2018, company has allotted 8,49,829 equity shares of Rs.5/- each to 417 Associates pursuant to exercise of options granted as detailed hereunder: -

| Sl. No. | Date of Allotment | ASOP 2003 | | ASOP 2004 | | ASOP 2011 | | ISOP 2015 | | ISOP 2016 | | IIPS 2018 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 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 |
| 1. | 21-04-2022 | - | - | - | - | 2 | 2640 | 12 | 10,700 | 4 | 4,400 | 8 | 12,071 |
| 2. | 18-05-2022 | - | - | - | - | 1 | 17,000 | 12 | 14,505 | 3 | 1,850 | 13 | 31,118 |
| 3. | 22-06-2022 | - | - | - | - | - | - | 18 | 34,875 | 6 | 3,000 | 77 | 3,01,617 |
| 4. | 26-07-2022 | - | - | - | - | - | - | 11 | 14,625 | 2 | 5,500 | 24 | 72,725 |
| 5. | 25-08-2022 | - | - | - | - | - | - | 26 | 20,175 | 2 | 1,200 | 98 | 1,80,003 |
| 6. | 17-09-2022 | - | - | - | - | - | - | 100 | 62,957 | 3 | 4,000 | 29 | 75,300 |
| 7. | 25-10-2022 | - | - | - | - | - | - | 24 | 20,375 | 1 | 450 | 18 | 23,300 |
| 8. | 28-11-2022 | - | - | - | - | 1 | 5,500 | 34 | 16,800 | 4 | 2,250 | 73 | 34,876 |
| 9. | 14-12-2022 | - | - | - | - | - | - | 10 | 3,425 | - | - | 14 | 15,200 |
| 10. | 23-01-2023 | - | - | - | - | - | - | 7 | 12,500 | 2 | 11,700 | 18 | 68,806 |
| 11. | 20-02-2023 | - | - | - | - | - | - | 20 | 17,430 | 8 | 20,400 | 24 | 14,763 |
| 12. | 17-03-2023 | - | - | - | - | - | - | 15 | 10,475 | 2 | 400 | 21 | 20,050 |
| | **TOTAL** | - | - | - | - | **4** | **25,140** | **289** | **2,38,842** | **37** | **55,150** | **417** | **8,49,829** |

Table No. 5.13

As a result of the above allotments, the paid-up equity share capital of the Company has increased from Rs. 672,768,070 comprising of 134,553,614 equity shares of Rs. 5/- each as on 31st March, 2022 to Rs. 678,612,875 comprising of 13,57,22,575 equity shares of Rs. 5/- each as on March 31, 2023.

**6. Risk Management Committee:**

Risk Management Committee was constituted by the Board in the meeting held on October 15, 2014. Further the committee was reconstituted by the Board in its meeting held on May 03, 2017, January 30, 2018, June 21, 2018, May 02, 2019, July 24, 2019, October 30, 2020 and July 28, 2021. 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. The members of the Committee are as under:

| Name | Designation | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Andrew Ralph England | Chairman | 3 | 3 |
| Mr. Arun Jain | Member | 3 | 3 |
| Mr. Arun Shekhar Aran | Member | 3 | 3 |
| Mr. Milind Ravindranath Kari | Member | 3 | 3 |
| Mr. Venkateswarlu Saranu | Member | 3 | 2 |

Table No. 5.14

The Risk Management Committee had met three times during the year 2022-23

**Terms of Reference:**

- Formulate, monitor and review risk management policy and plan inter alia covering foreign exchange risks, cyber security risks and IP risks.
- 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 the 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 October 15, 2014. Further, the committee was reconstituted by the Board on February 03, 2017, July 24, 2019 and August 05, 2020. The committee consists of the following members:

| Name | Designation | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Anil Kumar Verma | Chairman | 2 | 2 |
| Mr. Arun Jain | Member | 2 | 2 |
| Mr. Abhay Anant Gupte | Member | 2 | 2 |

Table No. 5.15

The Corporate Social Responsibility Committee had met 2 times during the year 2022-23.

**Role / Functions of the Committee:**

- 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 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.
- 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, and 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.
- Disaster management, including relief, rehabilitation and reconstruction activities.

**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 October 15, 2014. Further, the committee was reconstituted by the Board in the meeting held on October 20, 2016, June 21, 2018 and October 28, 2022. The members of the Committee are:

| Name | Designation |
|---|---|
| Mr. Venkateswarlu Saranu | Chief Financial Officer |
| Mr. V.V. Naresh | Senior Vice President - Company Secretary & Compliance Officer |
| Mr. K Satish Kumar (inducted w.e.f October 28, 2022) | Chief Legal Officer |

Table No. 5.16

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 10 times during the year 2022-23 on 29-06-2022, 08-08-2022, 29-08-2022, 10-10-2022, 17-10-2022, 21-12-2022, 04-01-2023, 06-01-2023, 23-01-2023 and 06-03-2023.

The brief details on the business transacted are as follows.

| Sl. No. | Details | No. of Cases | No. of Shares |
|---|---|---|---|
| 1 | Transfer of Shares | 0 | 0 |
| 2 | Consolidation of Unclaimed Shares | 0 | 0 |
| 3 | Change of names | 2 | 100 |
| 4 | Rematerialisation requests | 0 | 0 |
| 5 | Transmission of shares | 6 | 729 |
| 6 | Split of Shares | 0 | 0 |
| 7 | Duplicate Share Certificate | 0 | 0 |
| 8 | Transposition of Shares | 5 | 494 |
| 9 | Dematerialisation requests | 36 | 7,575 |
| | **Total** | **49** | **8,898** |

Table No. 5.17

**b. Cyber Security Committee**

The Cyber Security Committee (sub- committee of Risk Management Committee) was constituted by the Board in the meeting held on 02nd May, 2019. Further, the committee was reconstituted by the Board on 04th November, 2019, 05th August, 2020 and 02nd February, 2021.

The members of the Committee are:

| Name | Designation |
|---|---|
| Aruna Krishnamurthy Rao | Chairman |
| T.V Sinha | Member |
| Krishna Rajaraman | Member |
| Sudha Gopalakrishnan | Member |
| Sriram Vaidheeswaran | Member |
| Guneet Anand | Member |
| Deepak Dastrala | Member |

Table No. 5.18

**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 onboarding programme for the Independent Directors. The Business Heads, CFO and whole time director, make presentations on business models 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.

**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 |
|---|---|---|---|
| 31st March, 2020 | 21st August, 2020 at 11:00 AM | By way of Video Conferencing / other Audio Visual Means (VC/OAVM) | a) Modifications to the terms and conditions of Intellect Stock Option Plan Scheme 2015 ("ISOP 2015)<br>b) Modifications to the terms and conditions of Intellect Stock Option Plan Scheme 2016 ("ISOP 2016) |
| 31st March, 2021 | 04th August, 2021 at 11:00 AM | By way of Video Conferencing / other Audio Visual Means (VC/OAVM) | a) Re-appoint Mr. Anil Kumar Verma (DIN:01957168), Whole Time Director of the Company for a term of 5 years |
| 31st March, 2022 | 29th July, 2022 at 11:00 A.M. | By way of Video Conferencing / other Audio Visual Means (VC/OAVM) | a) Appointment of Mr. Ambrish Pandey Jain (DIN:07068438), as an Independent Director of the Company for a term of 5 years; |

Table No. 5.19

**Extraordinary General Meeting and Postal Ballot of the Company held during the year 2022-23:**

No Extraordinary General Meeting and Postal Ballot were held during the year 2022-23.

**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 Millions)

| Type of Service | Amount |
|---|---|
| Statutory Audit Fee | 10.15 |
| Other Services | 2.42 |
| For reimbursement of expenses | 0.65 |

Table No. 5.20

**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 rupees one thousand crore or ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company, whichever is lower.

Details of related party transactions are shown in Note No.31 under Notes to accounts to the standalone Balance Sheet and Profit & Loss Account.

The policy of Related party transaction can be viewed through https://www.intellectdesign.com/investor/general/related-party-transactions-policy.pdf

**b. Statutory Compliance, Penalties & Strictures**

Details of non-compliance by the Company, penalties and 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: **Nil**

**c. Compliance with mandatory requirements and adoption of non-mandatory requirements of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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

**(i) Nomination and Remuneration & Compensation Committee**

The Company has constituted a Nomination and Remuneration & Compensation Committee consisting of Independent 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.

The policy of Nomination, Remuneration & Compensation Committee can accessed through https://www.intellectdesign.com/investor/general/remuneration-policy.pdf

**(ii) Whistle Blower Policy/ Vigil Mechanism**

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 safeguard against victimisation of employees who avail the Whistle-blower mechanism, and also provides for direct access for the Whistle Blower to the Audit Committee. We affirm that during the Financial Year 2022-23, no employee has been denied access to the Audit Committee. The policy of whistle blower can be accessed through

https://www.intellectdesign.com/investor/general/whistle-blower-policy-2019.pdf

**(iii) Ombudsman**

Ombudsman is your Company's 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-the office. 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 organisation.

**(iv) Risk Management framework**

The Company continues to use the Risk Management framework adopted by the Board of Directors on October 15, 2014. 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's discussion and analysis report.

**(v) Insider Trading Policy**

As per the SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015, a Policy on

Prohibition of Insider Trading 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 policy on code of conduct of the Company can be accessed through https://www.intellectdesign.com/investor/general/insider-trading-policy.pdf

The details of trading window closure during the year 2022-23:

| Sl. No. | Closed from | Opened from |
|---|---|---|
| 1 | 01/01/2023 | 06/02/2023 |
| 2 | 01/10/2022 | 31/10/2022 |
| 3 | 01/07/2022 | 01/08/2022 |
| 4 | 01/04/2022 | 09/05/2022 |

Table No. 5.21

**(vi) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)**

Funds utilized to meet general business requirements addressing working capital needs as well as expansion of business activities**.**

**(vii) 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 2022-23:

a) No. of complaints filed during the year: 01

b) No. of complaints disposed during the year: NIL

c) No. of complaints pending as at end of the financial year: 01

The Company has received a compliant during the financial year 2022-2023 which was disposed post March 31, 2023

**(viii) Certificate from Practising Company Secretary confirming Directors are not debarred / Disqualified**

A Certificate from a Company Secretary in Practice has been obtained confirming that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority and the said Certificate is attached elsewhere in the Annual Report.

**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, half yearly and annual results on our https://www.intellectdesign.com/investor-relations/ 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-relations/ and report the same to Stock Exchanges viz., www.nseindia.com, www.bseindia.com 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) Demarcation of posts of Chairperson and Managing Director**

Mr. Arun Jain is the Executive Chairman and Managing Director of the Company. 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 auditor of the Company makes a presentation 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. The policy can be accessed through https://www.intellectdesign.com/investor/general/Policy-on-Succession-Planning-for-the-Board-and-Senior-Management.pdf

**e. Directors and Key Managerial Personnel:**

Mr. Arun Jain, was re-appointed as Managing Director at the 09th Annual general meeting held on August 21, 2020.

Mr. Anil Kumar Verma was re-appointed as a whole time director at the Annual General Meeting held on August 04, 2021.

Mr. Arun Shekhar Aran was re-appointed as an Independent Director in the Annual General Meeting held on August 21, 2019.

Mr. Andrew Ralph England was regularized as a Non-Executive Director in the Annual General Meeting held on August 21, 2019.

Ms. Vijaya Sampath was regularized as an Independent Director in the Annual General Meeting held on August 21, 2019.

Mr. Abhay Anant Gupte was regularized as an Independent Director in the Annual General Meeting held on August 21, 2020.

Mr. Ambrish Pandey Jain was regularized as an Independent Director in the Annual General Meeting held on July 29, 2022.

Mr. Venkateswarlu Saranu was appointed as Chief Financial Officer with effect from July 01, 2018.

Mr. V. V. Naresh was appointed as Company Secretary & Compliance Officer with effect from October 15, 2014.

**f. Loans and Advances**

The Company has not given any loans and advances to firms/company in which directors are interested.

**13. 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 through;

**Media release:** All our media releases are posted on the Company's website: www.intellectdesign.com.

**Quarterly results:** Our quarterly results are published in widely circulated national newspapers such as Business Line and Tamil edition of "The Hindu and Dinamani".

**Annual Report:** Annual Report containing audited standalone accounts and consolidated financial statements, together with the 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.

**(b) The Management's 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 a part of the Directors' Report.

**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 Practising Company Secretary certifying the compliance of Regulation 27 was adhered/adopted has also been provided elsewhere in this report.

*This space has been intentionally left blank*

| **General Shareholder information** | |
|---|---|
| Date of incorporation | April 18, 2011 |
| Company Registration Number | L72900TN2011PLC080183 |
| Registered Office | No.244, Anna Salai, Chennai – 600 006. |
| Date of Annual General Meeting | July 28, 2023 |
| Time of Annual General Meeting | 11:00 A.M |
| Venue of Annual General Meeting | Meeting is being conducted through VC / OAVM pursuant to MCA Circulars dated April 8, 2020, April 13, 2020; May 05, 2020, January 13, 2021, December 14, 2021 and December 28, 2022 as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM |
| Financial year | March 31 |
| **Financial Reporting: 01/04/2023 to 31/03/2024** | |
| First quarter ending June 30, 2023 | Before 14th August 2023 |
| Second quarter ending September 30, 2023 | Before 14th November 2023 |
| Third quarter ending December 31, 2023 | Before 14th February 2024 |
| For the year ending March 31, 2024 | Before 30th May 2024 |
| Book Closure | July 22, 2023 to July 28, 2023 (both days inclusive) |
| Dividend for 2022-23 | The final dividend, if approved, shall be paid / credited within 30 days from the date of declaration |
| **Listing of shares with Stock Exchanges / Intellect shares traded in** | |
| NSE Scrip Code | INTELLECT |
| BSE Scrip Code | 538835 |
| ISIN Code | INE306R01017 |

- The Company hereby confirms that the Listing fee for the year 2022-23, 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.
- The Company's shares are traded in the National Stock Exchange of India Limited - Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (East), Mumbai 400 051 & BSE Limited - 25th Floor, P. J. Towers, Dalal Street, Mumbai 400 001 since December 18, 2014.

| | |
|---|---|
| Registrar and Share Transfer Agent | **Cameo Corporate Services Limited**<br>"Subramanian Building" No. 1, Club House Road, Chennai- 600 002<br>Ph:- 044- 4002 0700, Fax: 044 2846 0129<br>Email: cameo@cameoindia.com |

**Publication of Quarterly Results**
Details of Quarterly financial results published during financial year 2022-23

| Language | Newspaper | Date |
|---|---|---|
| English<br>Tamil | Business Line<br>The Hindu<br>Dinamani | May 07, 2022 |
| | | August 09, 2022 |
| | | October 29, 2022 |
| | | February 04, 2023 |

| | |
|---|---|
| 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 | https://www.intellectdesign.com/investor/general/material-subsidiaries-2019.pdf<br>https://www.intellectdesign.com/investor/general/related-party-transactions-policy.pdf |
| Web-link where details of familiarization programmes imparted to independent Directors is disclosed | https://www.intellectdesign.com/investor/notice/Details_of_Familiarisation_Programme_FY_22-23.pdf |
| Website address of stock exchange(s) in which reports / financial results are posted | |
| National Stock Exchange of India Limited | www.nseindia.com |
| BSE Limited | www.bseindia.com |
| Whether the official news Releases are displayed by the Company | Yes |

Table No. 5.22

**14. Shareholders' complaints and requests**

During the financial year 2022-23, 0 requests / Complaints had been received.

**15. Stock market data about the shares of the Company for the period April 2022 to March 2023 at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).**

Share market data and the graphical representation of closing market prices movement of the Company's shares quoted on the National Stock Exchange of India Limited (NSE) and BSE Limited, (BSE) Mumbai for the period commencing from April 2022 to March 2023.

Intellect Design Arena Limited share price (High / Low) during the financial year 2022-23:

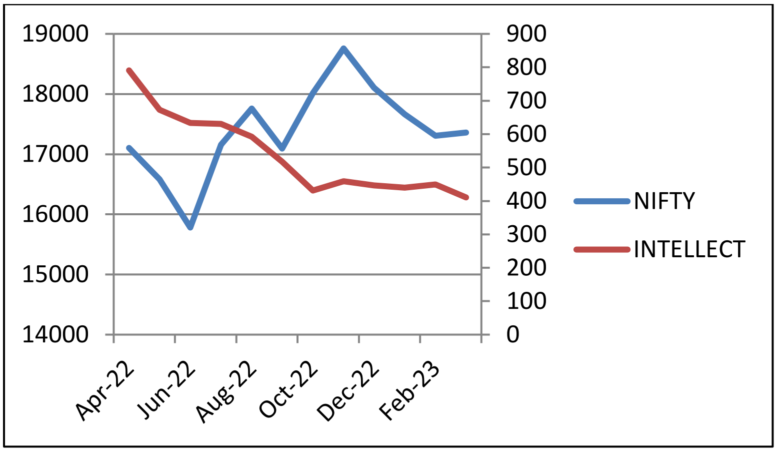
| Stock Exchange | Yearly high price | Date | Yearly low price | Date |
|---|---|---|---|---|
| NSE | 986.65 | 07/04/2022 | 388.65 | 16/03/2023 |
| BSE | 986 | 07/04/2022 | 388 | 16/03/2023 |

Table No. 5.23

**NIFTY vs INTELLECT @ NSE**

| MONTH | Apr 22 | May 22 | June 22 | July 22 | Aug 22 | Sep 22 | Oct 22 | Nov 22 | Dec 22 | Jan 23 | Feb 23 | March 23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NIFTY | 17102.55 | 16584.55 | 15780.25 | 17158.25 | 17759.3 | 17094.35 | 18012.2 | 18758.35 | 18105.3 | 17662.15 | 17303.95 | 17359.75 |
| INTELLECT | 790.8 | 673 | 633.35 | 630.4 | 591.9 | 517.4 | 431.6 | 459.45 | 446.2 | 439.8 | 449.9 | 410.6 |

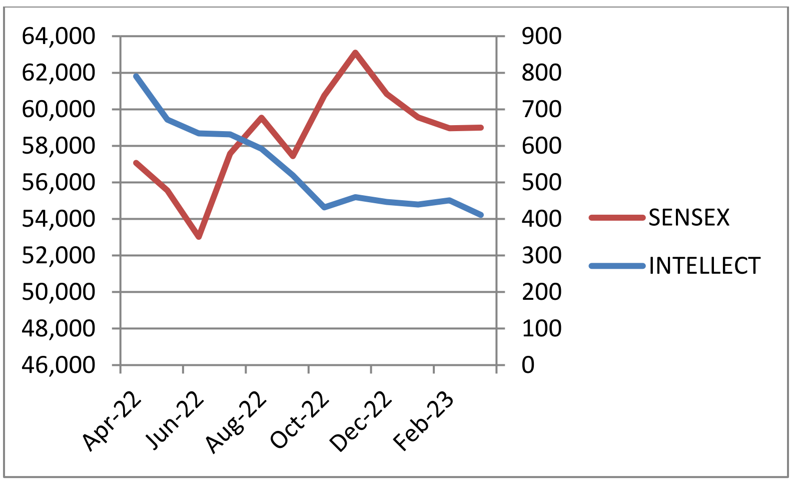
Table No. 5.24




**SENSEX vs INTELLECT @ BSE**

| MONTH | Apr 22 | May 22 | June 22 | July 22 | Aug 22 | Sep 22 | Oct 22 | Nov 22 | Dec 22 | Jan 23 | Feb 23 | Mar 23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INTELLECT | 790.4 | 671.95 | 634.15 | 630.95 | 592.2 | 518.85 | 431.9 | 459.25 | 446.3 | 439.7 | 450.35 | 410.95 |
| SENSEX | 57,060.87 | 55,566.41 | 53,018.94 | 57,570.25 | 59,537.07 | 57,426.92 | 60,746.59 | 63,099.65 | 60,840.74 | 59,549.90 | 58,962.12 | 58,991.52 |

Table No. 5.25



## 16. Shareholding pattern of the Company as on 31st March, 2023

Statement showing shareholding pattern of the Promoter and Promoter Group

| Category | Category & Name of the Shareholder | promoter OR promoter Group entity (except promoter) | PAN | No of Shareholders | No. of fully paid up equity shares held | Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held (VII = IV + V + VI) | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII) | Number of Voting Rights held in each class of securities | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (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 Total Voting rights | | | | | | | |
| | | | | | | | | | | Class X | Class Y | Total | | | | No.(a) | As a % of total Shares held (b) | No.(a) | As a % of total Shares held (b) | |
| | (I) | | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) | | | | (X) | (XI) | (XII) | | (XIII) | | (XIV) |
| (1) | Indian | | | | | | | | | | | | | | | | | | | |
| (a) | Individuals/Hindu undivided Family | | | 2 | 9665429 | 0 | 0 | 9665429 | 7.12 | 9665429 | 0 | 9665429 | 7.12 | 0 | 7.12 | 0 | 0 | 0 | 0 | 9665429 |
| | ARUN JAIN | Promoter | AAHPJ6020E | | 7556321 | | | 7556321 | 5.57 | 7556321 | | 7556321 | 5.57 | | 5.57 | 0 | 0 | 0 | 0 | 7556321 |
| | ARUN JAIN HUF | Promoter | AAGHA7341L | | 2109108 | | | 2109108 | 1.55 | 2109108 | 0 | 2109108 | 1.55 | | 1.55 | 0 | 0 | 0 | 0 | 2109108 |
| (b) | Central Government/State Government(s) | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Financial Institutions/Banks | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Any Other | | | | | | | | | | | | | | | | | | | |
| | Bodies Corporate | | | 1 | 31861000 | 0 | 0 | 31861000 | 23.48 | 31861000 | 0 | 31861000 | 23.48 | 0 | 23.48 | 0 | 0 | 0 | 0 | 31861000 |
| | POLARIS BANYAN HOLDING PRIVATE LIMITED | Promoter | AAJCA4622N | | 31861000 | 0 | 0 | 31861000 | 23.48 | 31861000 | 0 | 31861000 | 23.48 | 0 | 23.48 | 0 | 0 | | 0 | 31861000 |
| | **Sub-Total (A)(1)** | | | 3 | 41526429 | 0 | 0 | 41526429 | 0 | 41526429 | 0 | 41526429 | 0 | 0 | 30.6 | 0 | 0 | 0 | 0 | 41526429 |
| (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 |
| (f) | Chairman and Directors | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| | **Sub-Total (A)(2)** | | | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| | **Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)** | | | 3 | 41526429 | 0 | 0 | 41526429 | 30.6 | 41526429 | 0 | 41526429 | 30.6 | 0 | 30.6 | 0 | 0 | 0 | 0 | 41526429 |

Table No. 5.26

**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 | 23.48 |
| 2. | AMANSA HOLDINGS PRIVATE LIMITED | 1,20,56,763 | 8.88 |
| 3. | ARUN JAIN | 75,56,321 | 5.57 |
| 4. | MANJU JAIN | 35,64,891 | 2.63 |
| 5. | GOTHIC CORPORATION | 25,94,327 | 1.91 |
| 6. | YOGESH ANDLAY | 25,56,047 | 1.88 |
| 7. | MUKUL MAHAVIR AGRAWAL | 22,77,000 | 1.68 |
| 8. | ATYANT CAPITAL INDIA FUND I | 23,01,636 | 1.70 |
| 9. | ARUN JAIN (HUF) | 21,09,108 | 1.55 |
| | **Total** | **6,68,77,093** | **49.27** |

Table No. 5.27

**Shareholding of Directors / office bearers as on March 31, 2023**

| Sl. No | Name of the Director / Officer bearer | No. of shares | % of Share Capital |
|---|---|---|---|
| 1. | Arun Jain, Chairman & Managing Director | 75,56,321 | 5.57 |
| 2. | Anil Kumar Verma, Whole Time Director | 2,37,433 | 0.18 |
| 3. | Arun Shekhar Aran, Independent Director | 5,84,413 | 0.43 |
| 4. | Andrew Ralph England, Non-Executive Director | 20,000 | 0.01 |
| 5. | Vijaya Sampath, Independent Director | 1,400 | 0.00 |
| 6. | Abhay Anant Gupte, Independent Director | - | - |
| 7. | Ambrish Pandey Jain, Independent Director | 9,408 | 0.00 |
| 8. | V. V. Naresh, Company Secretary | 12,500 | 0.01 |
| 9. | Venkateswarlu Saranu, Chief Financial Officer | - | - |

Table No. 5.28

**Distribution Schedule of Shareholding as on March 31, 2023**

| Sl. No | Category | Total | | Physical | | Demat | |
|---|---|---|---|---|---|---|---|
| | | No. of Share Holders | Shares | No. of Share Holders | Shares | No. of Share Holders | Shares |
| 1 | 1- 5000 | 115221 | 18285947 | 835 | 140612 | 114386 | 18145335 |
| 2 | 5001 - 10000 | 470 | 3423861 | - | - | 470 | 3423861 |
| 3 | 10001 - 20000 | 275 | 4010156 | - | - | 275 | 4010156 |
| 4 | 20001 - 30000 | 103 | 2538602 | - | - | 103 | 2538602 |
| 5 | 30001 - 40000 | 45 | 1544683 | - | - | 45 | 1544683 |
| 6 | 40001 - 50000 | 42 | 1874150 | - | - | 42 | 1874150 |
| 7 | 50001 – 100000 | 70 | 5104068 | - | - | 70 | 5104068 |
| 8 | 100001 & Above | 99 | 98941108 | - | - | 99 | 98941108 |
| | **Total** | **116325** | **135722575** | **835** | **140612** | **115490** | **135581963** |

Table No. 5.29

**Comparative distribution schedule as on March 31, 2023**

| Shares | Physical | | Demat | | Total | |
|---|---|---|---|---|---|---|
| | Nos. | % | Nos. | % | Nos. | % |
| 31.03.2023 | 1,40,612 | 0.10 | 13,55,81,963 | 99.90 | 13,57,22,575 | 100.00 |
| **Shareholders** | **Nos.** | **%** | **Nos.** | **%** | **Nos.** | **%** |
| 31.03.2023 | 835 | 0.72 | 1,15,490 | 99.28 | 1,16,325 | 100.00 |

Table No. 5.30

**17. 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. Cameo Corporate Services Limited, 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

**Dematerialisation 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, Cameo Corporate Services Limited. 99.90% of the Company's shares are held in electronic / demat form as on 31st March, 2023.

| Particulars | Number of Shares | Percentage to Total Number of Shares Issued | Number of Shareholders | Percentage to Total Number of Shareholders |
|---|---|---|---|---|
| Held in dematerialised mode in NSDL | 11,95,71,708 | 88.10% | 48,394 | 41.60% |
| Held in dematerialised mode in CDSL | 1,60,10,255 | 11.80% | 67,096 | 57.68% |
| Total Demat Segment | 13,55,81,963 | 99.90% | 1,15,490 | 99.28% |
| Physical Segment | 1,40,612 | 0.10% | 835 | 0.72% |

Table No. 5.31

**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 minimise 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**

The Company has in place a structured digital database in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

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 your Company.

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 |
| **511** | **82,800** | **4** | **507** | **82200** |

Table No. 5.32

(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** |
| **7** | **1,675** | **NIL** | **7** | **1,675** |

Table No. 5.33

**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/contact-us/

Your Company also has 4 (Four) subsidiaries located in India namely:-

(I) Intellect Commerce Limited
(II) SEEC Technologies Asia Private Limited
(III) Intellect Payments Limited
(IV) Intellect India Limited

**Addresses for correspondence**

The Company Secretary & Compliance Officer
INTELLECT DESIGN ARENA LIMITED
Regd. Office:
244, Anna Salai, Chennai - 600 006
Phone: 044-6615 5100
Corporate Headquarters :-
Plot No. 3/G-3, SIPCOT
IT Park, Siruseri, Chennai - 600 130.
Phone: 044-6700 8000
E-mail: shareholder.query@intellectdesign.com
company.secretary@intellectdesign.com
naresh.vv@intellectdesign.com

**List of all Credit Ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:** During the year CRISIL Ratings Ltd has upgraded the ratings on the bank facilities from "CRISIL A/Stable /CRISIL A1" to "CRISIL A+/Stable /CRISIL A1.

The details are provided below:

| | |
|---|---|
| Total bank loan facilities rated | Rs. 550 Crore |
| Long term rating | CRISIL A+/Stable (Upgraded from "CRISIL A/Stable") |
| Short term rating | CRISIL A1 (Reaffirmed) |

Table No. 5.34

Place: Chennai
Date: May 11, 2023

For **Intellect Design Arena Limited**

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

**CEO & CFO UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) 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, 2023 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 11, 2023

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

**Venkateswarlu Saranu**
Chief Financial Officer
Membership No.: 049050

*This space has been intentionally left blank*

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

**[Pursuant to Regulation 34(3) and Clause E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To **the Members of Intellect Design Arena Limited,**

I have examined the compliance of conditions as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to Corporate Governance by Intellect Design Arena Limited, for the year ended March 31, 2023.

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

In my opinion and to the best of my information and according to the explanation given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We have also relied on scanned / soft copies of various documents / records which were provided by the Company.

For **V. VASUMATHY & ASSOCIATES,**

**Sd/-**

**VASUMATHY VASUDEVAN**
Practising Company Secretary
FCS No. 5424 / COP No. 9451

Place: Chennai
Date: June 01, 2023
UDIN: F005424E000444071
Peer Review Certificate No.: 680 / 2020

*This space has been intentionally left blank*

To
The Members
Intellect Design Arena Limited
Chennai

**Sub: Declaration by the Managing Director under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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, 2023.

Place: Chennai
Date: May 11, 2023

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

*This space has been intentionally left blank*

## CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

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

To **the Members of Intellect Design Arena Limited,**

I have examined the relevant registers, records, forms, returns, declarations and disclosures received from the Directors of Intellect Design Arena Limited, having CIN: L72900TN2011PLC080183 and having registered office at No. 244, Anna Salai, Chennai – 600 006 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V - Para C 10 (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications, including Directors Identification Number (DIN) status at the portal www.mca.gov.in of Ministry of Corporate Affairs, as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below, for the Financial Year ended March 31, 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| SI. No. | Name of the Director | Director Identification Number (DIN) | Date of Appointment in the Company |
|---|---|---|---|
| 1. | Mr. Arun Jain | 00580919 | 30.08.2014 |
| 2. | Mr. Anil Kumar Verma | 01957168 | 30.09.2014 |
| 3. | Mr. Andrew Ralph England | 08211307 | 25.10.2018 |
| 4. | Mr. Arun Shekhar Aran | 00015335 | 03.05.2016 |
| 5. | Ms. Vijaya Sampath | 00641110 | 25.10.2018 |
| 6. | Mr. Abhay Anant Gupte | 00389288 | 15.06.2020 |
| 7. | Mr. Ambrish Pandey Jain | 07068438 | 05.05.2022* |

Table No. 5.35

*Appointed as an Additional Director in Independent Category on May 5, 2022 and appointed as an Independent Director by the Members at the Annual General Meeting held on July 29, 2022.

Ensuring the eligibility for appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is only to express an opinion 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.

We have also relied on scanned / soft copies of various documents / records which were provided by the Company.

For **V. VASUMATHY & ASSOCIATES,**

**Sd/-**
**VASUMATHY VASUDEVAN**
Practising Company Secretary
FCS No. 5424 / COP No. 9451

Place: Chennai
Date: June 01, 2023
UDIN: F005424E000444071
Peer Review Certificate No.: 680 / 2020

*This page has been intentionally left blank*

# MANAGEMENT’S DISCUSSION AND ANALYSIS

## 1. Overview

### I. INTRODUCTION

Intellect is the world's largest cloud-native, API-led microservices-based multi-product Financial Technology platform for Global leaders in Banking, Insurance, and Capital Markets. We offer a full spectrum of banking and insurance technology products through three lines of business - Global Consumer Banking, Global Transaction Banking and IntellectAI. We partner with institutions in these domains and help them in their Business and Operations transformation agenda. We have a deep understanding of these domains, working with global leaders for over three decades. Over this period of time we have significantly invested in developing differentiated Intellectual Property assets - architecturally superior Technologies, Products and Platforms with unparalleled depth and span of functional richness that helps banks and financial institutions accelerate their growth and transformation agenda. We have flexible Business models that suit the multiple investment and risk appetites of our customers. Our algorithmic delivery methodology is robust to ensure defect free, on time deliveries while being agile and sensitive to the dynamics of our customer's priorities. Over the years, we have won the trust of global brands across geographies and they trust they reposed in our ensure that they become our net promoters. Global analysts too have recognized the technology superiority that we bring to this space and have repeatedly awarded us for our products, platforms and architecture. Our instilled DNA in Design Thinking gives us the edge to create differentiated products and platforms.

Intellect has over 270 customers spanning 57 countries and with a diverse workforce of solution architects, domain and technology experts in major global financial hubs around the world.

### II. OUR CUSTOMERS AND THEIR PRIORITIES

Our customers are Banks catering to the entire segment: be it Retail or Corporate customers, Central Banks, Wealth Managers, Private Bankers, Card issuers, Capital Market participants such as Brokers, Custodians, Asset Managers, Insurance Carriers, Government enterprises and Retail chains. We offer them Products and Platforms to drive their transformation agenda and in the process help them modernize their Technology, drive customer centricity, support their growth aspirations, deliver efficiencies and in the process enhance their profitability as well.

As consumers of banking and financial services, all of us have personally witnessed the pervasive impact of technology in this space. Technology has become the single biggest lever of competitive edge in this domain. While so, the diversity of our Customers – coming from different geographies, at different stages of technology journey, operating under different regimes of regulation / data protection, facing different textures of competition and finally catering to different customer sets– introduces multiple variants of priorities. Applying Design thinking to this problem statement, we observed the following patterns in the Industry:

1. Intense competition from incumbents and new challengers - Fintech's, digital entities, ecosystem players have steeply increased the need for innovation, speed and agility. Institutions wish to design, configure and customize offerings and take them to market quickly, fine tuning them as market needs evolve. COMPOSABILITY thus, is a key ask
2. To be responsive to Customer needs, Banks and FIs seek to know more - about the customers, competition, market trends and developments and the like- so that their decisions and actions are best tailored. Thus, CONTEXTUALITY becomes the second key ask. Needless to add, Decision grade data is the key to providing Contextuality
3. The advent of the digital era - had already brought in two facets of Digitization - EXPERIENCE and EFFICIENCY. Experience became a given ask at every touch point and channel. To deliver an end to end experience, seamless/ straight thru processing at the back end was required, taking care of related workflows, business rules, entitlements and exception handling. Thus EXPERIENCE and EFFICIENCY became two sides of the same coin - Digital In and Digital Out, as we put it
4. The mission critical nature of the applications - running real time across time zones, geographies, currencies and supporting peak volumes with a committed response time - demanded the ability to scale up to support business growth delivering high performance - HYPERSCALE , HIGH PERFORMANCE
5. With Platforms, Marketplaces and Ecosystems taking center stage, interoperability, seamless data exchange, and integration with other applications within and elsewhere - became a must. This requirement was further accelerated by the Embedded Banking phenomenon, where a Banking interaction could be triggered from just about any engagement or User journey. This created the demand for Open, Cloud native architectures with Microservices that could function as independent applications by themselves and Application Programming Interfaces (APIs) that would help them communicate with each other. As Banks and FIs turned to technology to answer their business asks, they also had to catch up on their technology, depending on their current stage. This meant the allocation of available dollars between maintaining current 'Lights on' platforms and the Upgrade programme. Often, the rich information cache in their current systems and the switching costs made their transformation programmes near impossible. So, these institutions sought a way to keep the 'best of both worlds'

### III. HOW HAVE THE FIVE WAVES OF TECHNOLOGY REVOLUTIONISED THE FINANCIAL SECTOR?

Technological developments have resulted in significant transformation in the financial sector over the past few decades. Five distinct technological "waves" can be used to categorize this transformation. Financial technology products and services have grown more complex over time, with each wave building on the one before it. These developments have made it simpler to access financial markets, speed up transactions, and improve consumer experiences. There have also been challenges such as data privacy concerns and cybersecurity risks.

1. In the first wave, manual processes were replaced with mainframes and computers. This made it possible for banks to manage higher volumes of transactions effectively.
2. The second wave led to automation of Branches and introduction of individual systems such as Payments. This wave evolved to the adoption of databases and client/ server technologies that paved way for powerful desktop based Analytics.
3. In the third wave, Banks leveraged the internet to launch connected services, web applications eventually graduating to Mobile Apps with the launch of the smartphone - simplifying Banking, anytime, anywhere.
4. The fourth wave witnessed the advent of the Cloud that catalysed the growth of Cloud hosted applications laying the foundation for Platforms and Marketplaces, that could bring together multiple complementing applications and service providers and deliver greater value to customers.
5. The current wave - BankTech Wave 5 blends open architectures such as Microservices that could act as 'independent applications', APIs - Application Program interfaces - that help these services to 'communicate' with each other with the scalability of Cloud platforms and the power of Data - Artificial Intelligence/ Machine Learning that lends contextuality to the Applications.

### IV. HOW DOES INTELLECT ADDRESS THESE REQUIREMENTS - OUR TECHNOLOGY INVESTMENTS

Intellect has been consistently ahead of the curve, investing in platforms and technologies that would meet the above asks. Intellect's products had a unified architecture that was MACH compliant - API-led, microservices-based and cloud-ready, with an option to adopt the headless engine and build the Experience layer on it. This enabled offering Packaged Business capabilities (PBCs) for each Bank vertical, which addressed the demands of Open architecture and Composability. Banks, Insurance companies and FIs could compose/assemble their own Product bundles, best suited for their customers and Markets rather than work with a Monolithic product.

Pre-published APIs ensured interoperability with other Applications within the organization or in the Ecosystem.

iTurmeric, Intellect's MACH composable platform simplified Design of User Experience, Integration with the Ecosystem and Process orchestration, qualifying as a best-of-breed Cloud/ Digital acceleration platform, where legacy applications can co-exist while transitioning to the target end state.
Intellect's Data platforms – Fabric Data Services (FDS) and Intelligent Document Extraction (IDX) take care of the Data lifecycle – sourcing from multiple structured and unstructured sources including hard copies, cleaning them, validating them, enriching them and offering them for decisions.

Intellect's Contextual Banking Operating system (CBOS) accelerates adoption with limitless configurability with ready PBCs and APIs/ connectors to back end product processors and channels, with the flexibility for Banks and FIs to design the Experience layer to their preferences – while offering the robustness for hyper-scale, high performance.

To cap all of these and to answer the demands of BankTech Wave5, Intellect launched eMACH.ai in FY23.

**WHAT IS eMACH.ai?**

eMACH.ai, the most innovative open finance platform that offers banks and financial institutions the ability to compose their own unique "My Signature Solution.". It converges and synthesizes all of the IP assets described above – 285 Microservices, 200+ Events, and 1200+ APIs, offering a plethora of possibilities to match the imagination of Financial Ecosystem Designers and their customers alike.

This powerful combination of MACH architecture and AI helps in

1. Enabling Composability of Applications by assembling Microservices, connecting them through APIs and integrating with other Applications/ Ecosystems using iTurmeric - Intellect's MACH composable low code platform. This facilitates faster/ agile design of Products and faster time to market
2. Leveraging Embedded AI for delivering greater operational efficiencies, with more straight through processed transactions, reduced cycle times and greater data accuracy
3. Harnessing the power of Data to provide contextuality that could power hyperpersonalization and sharper decisions guided by decision grade information.
4. Progressive migration from earlier generations of Technology without losing the insightful data residing therein
5. These technologies and platforms equip our Products across Lines of Business with Composability and Contextuality apart from delivering high-quality Experience and Efficiency - now a given in the Digital journey. Through pre-published APIs, Packaged Business capabilities (PBCs) and Microservices and by collaborating with our Marketplace partners, we offer our Customers - who are contemplating a Business or an Operations transformation - the flexibility to choose from a repertoire of Products, Platforms, Technologies and Accelerators, all of which have won multiple accolades across the Globe, with an assured robust and agile delivery commitment from us.

**V. HOW ARE WE ORGANISED AND WHAT PRODUCTS & PLATFORMS DO WE OFFER?**

Intellect is organised along the lines of the verticals that it serves. There are two Banking verticals - iGCB (Intellect Global Consumer Banking) and iGTB (Intellect Global Transaction Banking) - addressing the requirements of the respective Banking verticals. Recently, iRTM (Intellect Risk, Treasury and Markets business) unit merged with iGCB. IntellectAI comprises Insurance and Wealth business. The insurance business was previously Intellect SEEC.

The key products and platforms offered by these Business Units are:

***iGCB - Intellect Global Consumer Banking:***

- IDC - Intellect Digital Core suite built on eMACH.ai & hosted on the cloud is a Core and Retail Banking platform for contextual, real-time Banking - integrating Retail Banking, Lending, Digital Banking and Channels with intuitive dashboards and analytics. Live in the UK and in Growth markets, this is sought after by New Bank Licensees, Digital Challenger Banks and Banks that seek to transform their Core platforms.
- iKredit360 - With the boundaries of ecosystems blurring, there is a huge opportunity for banks, eCommerce players, and NBFIs to think beyond traditional lending products and deliver an integrated experience across the credit ecosystem. iKredit360 is a comprehensive and composable technology platform, driven by eMACH.ai, that enables institutions to curate unique credit experiences to merchants, channels partners and end consumers. With its ability to converge multiple elements such as internal and external systems, AI driven decision support, financial products such as Loans and Cards, credit lifecycle management, Collaterals and Dispute Management and fintechs, iKredit360 empowers financial institutions to expand and extend their credit experiences to become the primary engagement point for their customers. The platform has live installations in both Advanced and Growth markets, registering wins in non-traditional segments such as BNPL (Buy Now Pay Later) and Point of Sale credit origination
- Intellect Quantum Core, a Market leading Central Banking suite, is the contextual and composable open finance platform for meeting the unique requirements of Central Banks. Functions such as Currency Management, Treasury, Debt Management, Government Accounts, Payments, Citizens' portal, General Ledger, FX Management are the highlights of this technology offering. A de facto category leader, Quantum drives the largest and most complex Central Banks across Growth Markets and Europe and is invited for every Central Banking transformation conversation
- Intellect Capital Cube, is a combination of Treasury and Asset Liability Management with high end capabilities for Risk Management, Liquidity Management, Treasury, Trading Analytics , Capital adequacy and Customer servicing. The 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. The Product also finds Markets in other Financial Institutions such as Central Banks, Insurance Cos and development finance institutions

***iGTB - Intellect Global Transaction Banking:***

- CTX - Corporate Treasury Exchange - driven by eMACH.ai supports Corporate Liquidity management with intelligent functionalities for Cash concentration, Sweeping, Investments and consolidation across geographies, currencies and categories. A Market leader supporting a-fourth of Global cross-border MNC sweeps, the Product has presence with the Market leaders in all key Geographies and supports Virtual Accounts Management and Escrows as well.
- Paycash CX, powered by eMACH.ai, 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, supporting Limits management and Remittance repositories as well. The Product has significant presence in North America and Asia.
- Digital Transaction Banking suite (DTB), driven by eMACH.ai, enables Banks to deliver a seamless experience across the Corporate Financial supply chain, enabling them maximise fee income, improve cross-sell and address the effectiveness of the Bank's distribution channels. A category leader in Growth Markets.
- iColumbus.ai, the Next-gen Trade and Supply Chain digitalisation with AI, ML, NLP and Computer Vision, is built on the world's largest platform eMACH.ai leveraging native artificial intelligence to harness the power of paperless trade, the openness of a digital marketplace, advanced contextual data analytics, and superior limits management and risk distribution. All available through superb omni-channel UX, for sustainable trade and supply chain finance.

***IntellectAI:***

- Magic Submission, fueled by eMACH.ai, is a sophisticated, purpose-built, AI solution that extracts only necessary information from any document normalises the information to the carrier's target models, validates the information, enriches the document with relevant insights through triangulation from thousands of external sources and provides a simple 'human in the loop' exception handling user experience. ML feedback loops ensure continuous learning. The tool is best in class and uses scientific techniques to make 'human-like' judgement calls in real-time for business scenarios.
- Intellect Xponent and Risk Analyst build on the capabilities of Magic Submission and empower the Underwriters and Risk Managers with decision grade insights, predictive analytics and AI driven algorithms to deliver faster and more reliable quotes
- iESG - a global ESG solution designed for financial institutions. The AI-powered intelligent data sourcing solution, built on the world's largest platform eMACH.ai, is designed for financial institutions seeking to embed ESG intelligence into their business processes and in evaluation of investment opportunities based on Industry standard ESG guidelines
- WealthForce.AI, powered by eMACH.ai, enables exponential growth with our embedded AI and data-driven, intelligent Relationship Manager platform, designed to supercharge revenue, customer experience and engagement. It is a BIAN-aligned, revolutionary offering designed to enhance the productivity of relationship managers, while ensuring hyper-personalization in each customer's wealth journey.
- Intellect's WealthQube, driven by eMACH.ai, is targeted at Wealth Managers, Private Bankers, Advisory firms and Independent Financial Advisors. Organized around Offices, desks and tools, the product addresses the priorities of the Relationship Managers 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. The Product has established a footprint with key clients in Growth Markets.
- Intellect's Capital Alpha and Capital Sigma - support the Market operations of Brokerage and Custody, complementing the Wealth Management function with the ability to handle multi currency, multi Exchange settlements, integrating the Front, mid and back offices. These products have won approvals from Stock Exchanges in several countries in Growth markets

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.

**OTHER PLATFORMS:**

Government eMarketplace (GeM) Platform - Intellect operates the Government eMarketplace portal (GeM) as a Managed Service provider along with our consortium partners. This platform witnessed a GMV of more than Rs. 200,000 crores, reflecting a 100% growth when compared with FY22 and will continue to have a robust growth in subsequent years, as more State Governments, Departments and Public Sector Enterprises get onboarded and transact on the portal.

**VI. WHO ARE OUR COMPETITORS?**

Given the spread of our product portfolio as well as geographic reach, we do not have a single or a few competitors across the board. Competition varies with product / Line of Business and Geography. In Consumer Banking, our competitors are, Thought Machine, Temenos, nCino, Oracle Flexcube, Infosys Finacle and TCS BaNCS. In Corporate Banking, we have Finastra, Bottomline Technologies, ACI, Reval competing against us, while in Treasury, it's Finastra, Guava and Finacle. In Insurance, we compete with Guidewire, Duck Creek and Carpe Data.

**VII. WHY DO WE WIN?**

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 and simplifying operational processes, increasing throughput, reducing turnaround times and costs.

In each of the waves of technology outlined earlier, we have invested ahead of the curve – be it Service Oriented Architecture in the mid 2000s, Complete Digital technologies to address both the User Experience as well as Internal architecture, Cloud native platforms and technologies , Data and AI/ML technologies – that has prepared us to address the opportunities that each Wave opens up.

Our unified MACH architecture eliminates several risks associated with assembling disparate systems, apart from delivering consistency and integrity of data across applications.

These have helped us qualify in detailed assessments of Technology / Architecture by Tier 1 Banks in Advanced Markets, competing with both established, traditional players as well as new age startups. In addition, the functional depth of our Product suites/ Platforms as well as the flexibility we offer our Customers in designing commercial engagements put us ahead of competition

**VIII. WHAT IS OUR BUSINESS MODEL?**

We operate in three Business models

1. Traditional Product Sale Model: In this model, we License the Product to the customer for use on-premise. The customer also pays us for maintenance of the Product during the period of License. We also earn revenues in implementation of the Product and for any customization carried out for the customer. We also work with some customers in supporting the Product and the business over the period of License with on-site presence of personnel / remote support. Our License revenue stood at Rs. 3,303 million and Maintenance revenue stood at Rs. 3,818 million in FY23.
2. Customer Centric Partnership Model: We collaborate with the customers as their Strategic Technology partners and work with them on their Technology/ Business roadmap. As this blueprint is translated to action, we take on implementation / support roles for their Business or Operations transformation agenda. We are paid for our services apart from any Intellectual Property licenses that we may grant them for use in this transformation journey.
3. Cloud deployment/ Subscription based Revenues: For customers who do not wish to take on the investment in Technology Infrastructure and/or the complexity of managing them, we offer our Products and platforms on the Cloud deployment model - either in a unique hosting arrangement or through an independent Cloud Services provider. We receive revenues thru Product licensing, Cloud set up, Hosting, Subscription revenues - either fixed or linked to Customers' Business metrics. Our subscription revenues stood at Rs. 4,610 million in FY23.

Together - License, Maintenance and Subscription revenues - are termed 'License linked revenues' and is an important metric for a Software Product Co. Intellect's License linked revenue in FY23 stood at Rs. 11,731 million compared with Rs. 10,570 million in FY22. Intellect's License linked revenue grew at a compounded annual growth rate (CAGR) of 24% over a 5 years period.

Based on the customer's investment appetite and Business plans, we draw up flexible arrangements to work with them to suit their priorities and resource profile.

**IX. HOW ARE WE CONFIDENT OF THE FUTURE**

Our calibrated journey to market leadership in Financial Technology continues to drive growth in Revenue, Licensed linked revenue and Recurring revenues that increased at a 5 year CAGR of 16%, 24% and 34%, respectively. All four levers - Product to platform journey, selected partnership strategy, large to mega Digital deal winning and enterprise-wide Digital Transformation implementations bring joy and fulfillment to all of us at Intellect.

The power of design thinking is driving better and faster deliveries resulting in maintaining a cash reserve of Rs. 5,477 million and a robust CAGR in Gross margins, EBITDA and PAT by 19%, 49% and 42%, respectively.

FY23 also marked completion of Intellect 2.0 - the second phase of Intellect's journey where we focused on Industrialisation of Products and Platforms, Customer centric growth and Monetization of IP assets. The above results are an outcome of our investments in 2.0 journey. Our leadership team collectively engaged in Lakshya 2023, our visioning exercise for the next 3-5 years of our roadmap. We summarized our thoughts from this detailed exercise as below

1. Our current products and platforms are likely to witness accelerated growth over the next 3-5 years
2. The profitability from these would improve during this time frame leveraging on the investments already made, better referencing and the advantage of our Architecture
3. We will progressively expand our footprint into new geographies as opportunities unfold based on affinities from existing Customer installations
4. We will incubate more platforms as future bets for growth
5. We will build a strong Partner Ecosystem, for which we have laid the foundation in FY23, to expand our footprint as well as collaborate technologically for greater reach
6. We will build on our relationship with our rich Customer base to be their Technology partners in Migrating to Bank Tech Wave 5 from their current states

With the appropriate design of organization, talent, systems & processes, business models, technology & infrastructure, brand building and funding, we are confident that we will further accelerate our growth and profitability in Intellect 3.0

**2. FACTORS IMPACTING OUR RESULTS OF OPERATIONS**

Our Company's consolidated revenue from operations (including other income) for FY23 was Rs. 22,826 million and the consolidated profit after tax for FY23 was Rs. 2,686 million. Our Company's standalone revenue from operations (including other income) for FY23 was Rs. 15,145 million and the standalone profit after tax for FY23 was Rs. 1,340 million. A strong growth in revenue and consistent profitability was achieved on the back of robust deal wins, execution of new digital platforms and increase in business from existing customers, reflecting the Company's ability to consistently acquire new customers and execute more recurring business from existing customers.

**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 Consolidated Statement of profit and loss**

**Revenue**

Our revenue consists of:

a. **Revenue from operations** – Our revenue from operations comprises revenue from our three business verticals viz., Global Consumer Banking, Global Transaction Banking and IntellectAI.

b. **Other income -** Other income consists of interest received on deposits with banks, interest on other financial assets, dividends from investments in mutual funds, profit on sale of investments, provision for diminution in value of investments, miscellaneous income, net profit on sale of assets and net gain on foreign currency transactions and translation (other than those considered as finance cost).

As per the Consolidated Statement of Profit and Loss, our revenue from operations and other income for FY23 stood at Rs. 22,313 million and Rs. 513 million, while it was Rs. 18,782 million and Rs. 405 million, respectively for FY22.

**Expenses**

Our expenses comprise employee benefit expenses, other expenses and finance cost and depreciation and amortisation expenses. Our total expense, as per the Consolidated Statement of profit and loss, for FY23 stood at Rs. 19,208 million and Rs. 15,080 million for FY22.

**Tax expense**

The current tax expense is recognised at an effective tax rate as applicable to the entities in the Group in accordance with the relevant tax regulations in the jurisdictions such entities operate.

**RESULTS OF OPERATIONS FOR FINANCIAL YEAR 2022-23 COMPARED TO FINANCIAL YEAR 2021-22**

**Revenue**

Our total revenue comprises revenue from operations and other income as per the Consolidated Financial Statements, increased by 19% from Rs. 19,187 million in FY22 to Rs. 22,826 million in FY23.

**Revenue from operations**

Our revenue from operations increased by 19% from Rs.18,782 million in FY22 to Rs. 22,313 million in FY23. This increase is primarily due to a higher number of Go lives of Digital transformations executed in FY23 than FY22 and a consistent growth in license linked revenues.

**Other income**

Our other income increased by 27% from Rs. 405 million in FY22 to Rs. 513 million in FY23 primarily due to an increase in interest income from bonds by Rs. 104 million in FY23.

**Expenses comprises the following:**

**Employee benefits expense**

Our employee benefit expenses comprise salaries, wages and bonus, contribution to provident and other funds and post employment/ retirement benefits expenses like gratuity etc. During FY23, the Company incurred Rs. 11,444 million whereas we incurred Rs. 9,214 million in FY22 reflecting an increase in expense of 24%. Such an increase is due to higher number of employees in line with increase in operating activity, investments in Platforms and increase in compensation for Associates of the Company.

**Depreciation and amortisation expenses**

Our depreciation and amortisation expenses increased by 25% from Rs. 976 million in FY22 to Rs. 1,215 million in FY 23, the increase is on account of depreciation and amortisation on additions to tangible and intangibles assets, respectively.

**Finance cost**

Our finance cost decreased by 25% from Rs. 42 million in FY22 to Rs. 32 million in FY23. Finance cost primarily relates to notional interest on leases and advances from customers recognised in accordance with IND AS.

**Other expenses**

Our other expenses increased by 34% from Rs. 4,847 million in FY22 to Rs. 6,517 million in FY23. As operating activity increased and the Company made investments in Platforms, there was an increase in the cost of software packages, consumables and maintenance, technical subcontractors. Increase in business development and marketing activity led to an increase in travelling expenses.

**Profit after tax**

As a result of the foregoing factors, our total consolidated profit after tax has decreased from Rs. 3,504 million in FY22 to Rs. 2,686 million in FY23.

**Dividend**

The Board at its meeting held on May 11, 2023 has proposed a final dividend of Rs. 2.50 per share at face value of Rs 5 for the financial year ended March 31, 2023, subject to the approval of shareholders at the ensuing Annual General Meeting and if approved would result in the cash outgo of Rs. 339 million.

**Cash position**

Historically, our primary liquidity requirements have been to finance our working capital requirements for our operations and for capital expenditure. We have met these requirements through cash flows from operations. The Company continues to maintain liquidity through robust collection management. As on March 31, 2023, we had a cash position of Rs. 5,477 million, as against Rs. 5,589 million in FY22 as summarised below:

| Particulars | Financial Year | |
|---|---|---|
| | 2022-23 | 2021-22 |
| Investments - Refer note 10(a) | 3,112 | 3,638 |
| Non-current bank balances - Refer note 6(b) | 1,394 | 363 |
| Bank balances other than cash and cash equivalents - Refer note 10(d) | 32 | 126 |
| Cash and cash equivalents - Refer note 10(c) | 939 | 1,462 |
| **Total** | **5,477** | **5,589** |

Table No. 6.1

**Lease liabilities**

As on March 31, 2023, the Company has no debt obligations, other than lease obligations and has only availed non-fund based credit facility in the form of various bank guarantees furnished on our behalf.

**Trade payable and other financial liabilities**

Our Company has trade payables that primarily include payables relating to GEM and other back-to-back payables against corresponding customer receivables. Other financial liabilities primarily include provision for annual performance driven pay for FY23.

**Other current liabilities**

Includes primarily customer advances (including advance billing to customers based on contractual terms) that enables the Company to manage its working capital efficiently.

**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 IND AS-24, other than as disclosed in the financial statements.

**Key financial ratio analysis**

Below are some of the key ratios indicating the financial status (based on consolidated financials)

| Key ratios | March 31,2023 | March 31,2022 | Management comments (only material variances) |
|---|---|---|---|
| **Current ratio** | 1.75 | 1.85 | - |
| **Return on net worth** | 14% | 22% | Decrease is due to increase in net worth and investments made in Platforms during the year. |
| **Debtors turnover Ratio** | 5.90 | 7.79 | - |
| **Interest coverage ratio** | 115.01 | 97.74 | Our Company has become debt free and increased its capacity to service interest obligations that comprises notional interest on lease and advance from customer in accordance with IND AS. |
| **Debt equity ratio** | 0.01 | 0.01 | - |
| **Operating profit margin** | 16% | 22% | Decrease is due to investments made in Platforms in FY23 |
| **Net profit margin** | 12% | 19% | Decrease is due to investments made in Platforms and increase in tax expense in FY23. |

Table No. 6.2

**Qualitative disclosure about Intellect risk**

The detailed overview regarding the risk and uncertainties which the Intellect is subject to along with the mitigation strategies is described in detail in the Directors Report under “ Risk Management” Section. Also, the systematic risks arising on account of Technology disruption is covered in detailed manner in Intellect's sustainability report. Also, other material business conduct and sustainability issues pertaining to environmental and social matters that present a risk or opportunity to Intellect's business, rationale for its identification and approach to mitigate those risks along with its financial implications are provided in the Business Responsibility and Sustainability Report.

**Known trends or uncertainties**

Other than as described in the Risk Management section of the Director's report to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

**Seasonality of business**

Our Company's business is not seasonal.

**Significant developments after March 31, 2023 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, 2023 that we believe is expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

**Internal Financial Control and their Adequacy**

The Company has designed and implemented a framework of internal controls and procedures, which enables the Company to identify risks and formulate an appropriate response in a timely manner. The Company has adequate internal controls commensurate with the size and nature of its operations, which have been designed to provide reasonable assurance regarding recording and providing reliable financial and operational information for accounting, consolidation, and management information purposes, in compliance with applicable statutes. Internal processes and procedures defined include controls that safeguard assets from unauthorised use, execute transactions with appropriate authorisation and ensure compliance with corporate policies.

The Chairman & Managing Director (CEO) and the Chief Financial Officer (CFO) have evaluated the effectiveness of the internal controls over financial reporting related to the preparation of financial statements included in this Annual report. The CEO and CFO certification has been provided as of March 31, 2023, in accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). A Certificate included in the 'Report on Corporate Governance' section of this Annual report, discusses the adequacy of our internal controls over financial reporting.

S.R. Batliboi & Associates LLP, the statutory auditors of the Company have audited the financial statements included in this annual report and have issued an attestation report on the Company's internal control over financial reporting (as defined in section 143 of Companies Act, 2013).

*This space has been intentionally left blank*

*This page has been intentionally left blank*

# Notice

**NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING OF INTELLECT DESIGN ARENA LIMITED WILL BE HELD ON FRIDAY, JULY 28, 2023, AT 11:00 A.M. (IST) THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:**

**Ordinary Business**

**Item No. 1 – Adoption of Standalone and Consolidated Financial Statements;**

To receive, consider and adopt:

(i) The Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023 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 March 31, 2023 together with the Reports of the Auditors thereon.

And in this regard pass the following resolutions as an **Ordinary Resolution**:

a) "**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial Year ended March 31, 2023 together with the Reports of the Board of Directors and Auditors thereon laid before this said meeting be and is hereby considered, approved and adopted."

b) "**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial Year ended March 31, 2023 together with the Reports of the Auditors thereon laid before this said meeting be and is hereby considered, approved and adopted."

**Item No. 2 – To declare a final dividend of ₹ 2.50/- per equity share for the financial year ended March 31, 2023 and in this regard, pass the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to Section 123 of the Companies Act, 2013, read with the Companies (Declaration and Payment of Dividend) Rules, 2014, dividend of Rs. 2.50/- per equity share of face value of Rs. 5/- each, as recommended by the Audit Committee and Board of Directors of the Company, be and is hereby approved and declared for the financial year ended March 31, 2023."

**Item No. 3 – 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 (6) and any other applicable provisions of the Companies Act, 2013, Mr. Anil Kumar Verma (DIN: 01957168), who retires by rotation at this Annual General 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."

**SPECIAL BUSINESS:**

**Item No. 4 – Re-appointment of Mrs. Vijaya Sampath (DIN: 00641110) as an Independent Woman Director of the Company for a second term of 5 years;**

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152, and other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules made thereunder and and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Vijaya Sampath (DIN: 00641110), who was appointed as an Independent Woman Director of the Company at the 8th Annual General Meeting of the Company and who holds office upto October 24, 2023, and who is eligible for re-appointment for a second term and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing under Section 160(1) of the Act from a member proposing her candidature for the office of Director, and whose appointment as an Independent Woman Director is recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Woman Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (Five) years commencing from October 25, 2023 till October 24, 2028.

**RESOLVED FURTHER THAT** any Director of the Company and/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 the above resolution."

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

**V. V. Naresh**
**Senior Vice President - Company Secretary & Compliance Officer**
Membership No. : F8248

Place: Chennai
Date: May 11, 2023

# Notes

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020, General Circular no. 02/2021 dated January 13, 2021, General Circular No. 19/2021 December 8, 2021, General Circular No. 21/2021 December 14, 2021, General Circular no. 02/2022 dated May 5, 2022 and General Circular no. 10/2022 dated December 28, 2022 respectively in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR /P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue and provided relaxation on sending hard copy of annual report to shareholders. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM.

2. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards - 2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM is annexed.

3. The Company has fixed Friday, July 21, 2023 as the "Record Date" for determining entitlement of Members to final dividend for the financial year ended March 31, 2023, if approved at the AGM.

4. The final dividend, once approved by the members in the ensuing AGM, will be paid within 30 days from the conclusion of the AGM to the shareholders. In the event the Company is unable to pay dividend to any Members directly in their bank accounts through Electronic Clearing Services or any other means, due to non- registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ Demand Draft to such Members.

5. Pursuant to the Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source (TDS) at the time of making the payment of final dividend to the members at the prescribed rate. However, no tax shall be deducted on the dividend payable to a resident individual shareholders if the total dividend to be received by them during the financial year 2023-24 does not exceed Rs. 5,000/- and also in cases where shareholders provide Form 15G/Form 15H . Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or Specified Person as defined under Section 206AB of the Income Tax Act, the tax will be deducted at a higher rate prescribed under Section 206AA or 206AB of the Income Tax Act, as applicable.

6. Non- resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other documents which may be required to avail the tax treaty benefits.

   We request shareholders to submit the aforesaid documents in this regard with company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited at https://investors.cameoindia.com/ or email at investor@cameoindia.com or agm@cameoindia.com on or before July 21, 2023. Any communications received after this date or through any other mode, will not be considered for deduction of applicable tax.

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,:

   a. For shares held in electronic form: to their Depository Participants (DPs)

   b. For shares held in physical form: to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms.

8. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website at https://www.intellectdesign.com/investor/intimations/Intimation-to-Shareholder-for-furnishing-PAN-KYC-details2023.pdf and on the website of the Company's Registrar and Transfer Agents, Cameo Corporate Services Limited ("Cameo") at https://cameoindia.com/registry-and-share-transfer It may be noted that any service request can be processed only after the member is KYC Compliant.

9. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website

   https://www.intellectdesign.com/investor/intimations/Intimation-to-Shareholder-for-furnishing-PAN-KYC-details2023.pdf. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to Cameo in case the shares are held in physical form.

10. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

11. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this, to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's Registrars and Transfer Agents, Cameo Corporate Services Limited viz, www.cameoindia.com for assistance in this regard.

12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

13. In compliance with the aforesaid MCA Circulars dated January 13, 2021, Notice of the AGM, along with the Annual Report 2022-23, is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.intellectdesign.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com and on the website of NSDL at https://www.evoting.nsdl.com respectively.

14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

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

16. 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.

17. The Register of Members and Share Transfer Books of the Company will remain closed from July 22, 2023 to July 28, 2023 (both days inclusive) for the purpose of the Annual General Meeting.

18. The relevant documents referred to in the Notice are available for inspection by the members at the Registered Office of the Company during business hours on any working day (i.e. except Saturdays, Sundays & Public Holidays) between 10.00 A.M. IST to 5.00 P.M IST up to the date of the Annual General Meeting.

19. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the 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/RTA.

20. Remote e-voting commences on Tuesday, July 25, 2023 at 9:00 A.M. (IST) and will end on Thursday, July 27, 2023 at 5:00 P.M. (IST), and at the end of e-voting period, the facility shall forthwith be blocked. Those Members, who will be present at the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

21. The results for the e-voting shall be declared within 48 hours from the date of AGM held through VC / OAVM. The results, along with Scrutinizer's Report, shall also be placed on the websites of the stock exchanges and the Company.

22. The Detailed instructions on remote e-voting is made part of a separate sheet "Instructions for e-voting" attached to this Notice.

23. 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., July 21, 2023 only shall be entitled to avail the facility of e-voting. A person who is not a member after the cut-off date, should treat this Notice for information purpose only.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING THE AGM THROUGH VC/OAVM MODE ARE AS UNDER:**

**NSDL e-Voting System – For Remote e-voting and e-voting during AGM**

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

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

Step 1: Access to NSDL e-Voting system

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Individual Shareholders holding securities in demat mode with NSDL:

1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at

   https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

**NSDL Mobile App is available on**

App Store Google Play

Individual Shareholders holding securities in demat mode with CDSL

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders (holding securities in demat mode) login through their depository participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

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

    a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

    b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

    c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

    d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

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

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

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

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

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

**General Guidelines for Shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote to the Scrutinizer by e-mail to scrutinizervasumathy@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

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

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Soni Singh at evoting@nsdl.co.in

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

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

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to company.secretary@intellectdesign.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email ID, mobile number at company.secretary@intellectdesign.com or naresh.vv@intellectdesign.com between Monday, July 17, 2023 (9:00 a.m. IST) and Thursday, July 27, 2023 (5:00 p.m. IST). The same will be replied by the company suitably.
6. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/ folio number, PAN and mobile number at naresh.vv@intellectdesign.com or company.secretary@intellectdesign.com from July 17, 2023 (09:00 a.m. IST) to July 27, 2023 (05:00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

**V. V. Naresh**
Senior Vice President - Company Secretary & Compliance Officer
Membership No. : F8248

Place: Chennai

Date: May 11, 2023

**EXPLANATORY STATEMENT PURSUANT T0 SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No. 4: Re-appointment of Mrs. Vijaya Sampath as an Independent Woman Director of the Company for a second term of 5 years;**

Mrs. Vijaya Sampath was appointed as an Independent Woman Director of the Company at the Annual General Meeting held on August 21, 2019 for a term of 5 years with effect from October 25, 2018.

Mrs. Vijaya Sampath's tenure as an Independent Woman Director is expiring on October 24, 2023. The Board of Directors at its meeting held on May 11, 2023, based on the recommendation of the Nomination, Remuneration and Compensation Committee and subject to shareholders' approval, recommended the re-appointment of Mrs. Vijaya Sampath as an Independent Woman Director for a second term of 5 years with effect from October 25, 2023 till October 24, 2028. The Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 proposing appointment of Mrs. Vijaya Sampath as a Director of the Company.

Mrs. Vijaya Sampath has given her consent to act as Director of the Company and further, has given a declaration that she meets the criteria of independence provided under the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as an Independent Director of the Company. She has confirmed that she is neither disqualified in terms of Section 164 of the Act from being appointed as a Director nor debarred from holding office of director by virtue of any SEBI order or any other such authority.

The Board recommends the re-appointment on the basis of her performance evaluation and after considering her skills, expertise and rich experience in the legal field as required by the Board. The Board is of the view that considering the background, experience and contributions made by Mrs. Vijaya Sampath during her tenure, her continued association would be beneficial and in the best interest of the Company and it is desirable to continue to avail her services as an Independent Director.

In the opinion of the Board, Mrs. Vijaya Sampath fulfils the conditions specified in the Act and Listing Regulations for such re-appointment and is independent of the Management. Accordingly, it is proposed to re-appoint Mrs. Vijaya Sampath as an Independent Woman Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) years on the Board of the Company with effect from October 25, 2023 till October 24, 2028.

A copy of the draft letter for re-appointment of Mrs. Vijaya Sampath as an Independent Woman Director setting out the terms & conditions are available on the website of the Company viz., https://www.intellectdesign.com/ and are also available for inspection by the members as per the instructions provided in the Note No. 18 of this Notice. (This would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on all working days except Saturdays and Sundays up to the date of ensuing AGM.)

A brief profile of Mrs. Vijaya Sampath and other information as required under Regulation 36 of SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is provided as Annexure to this Notice.

Save and except, Mrs. Vijaya Sampath, being an appointee, none of the other Directors and Key Managerial Personnel ("KMP") of the Company and their relatives in any way are concerned or interested (financially or otherwise) in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval of the Members.

**DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING IN ACCORDANCE WITH REGULATION 36 (3) OF SEBI (LISTING OBILGATIONS S AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS 2**

The brief resume, age, qualifications, functional expertise and the membership on various Boards and Committee to be appointed/re-appointed at the twelfth annual general meeting of the company are furnished below.

| **Name of Director** | Mr. Anil Kumar Verma | Mrs. Vijaya Sampath |
|---|---|---|
| **Date of birth** | 05.07.1955 | 26.05.1953 |
| **Age** | 67 years | 70 years |
| **Qualifications** | Bachelor of Electrical Engineering from IIT, Delhi and post-graduate in Instructional Design from the University of Wollongong in Australia | Bachelor of Arts from Madras University and Law degree from Mysore university. She is a fellow member of the Institute of Company Secretaries of India(ICSI) |
| **Experience** | 41 years | 41 years |
| **Expertise in functional areas** | Well experienced in the areas of accounting, finance, management, and corporate advisory services. | 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 |
| **No. of Board Meetings attended** | 4 Meetings | 5 Meetings |
| **Terms and condition** | The terms and conditions of re-appointment was approved by the members of the Company in the AGM held on July 28, 2015. Subsequently the terms and conditions of re-appointment was changed effective from November 01, 2022. | 1. The appointment of Mrs. Vijaya Sampath as Independent Woman Director, subject to the approval of shareholders w.e.f. October 25, 2023 till October 24, 2028 for second term of five (5) consecutive years; not liable to retire by rotation.<br><br>2. Sitting fees shall be paid to her for attending the meetings of Board of Directors and Committees |
| **Date of appointment on the Board (Initial Appointment)** | September 30, 2014 | October 25, 2018 |
| **Shareholding as on March 31, 2023** | 2,37,433 Equity Shares | 1,400 Equity Shares |
| **Relationship with other Directors / KMP** | He is the brother-in-law of Mr. Arun Jain, Chairman and Managing Director | Nil |
| **Name of listed entities in which the person holds Directorship** | NIL | 1. Safari Industries (India) Limited, Independent Director<br>2. Craftsman Automation Limited, Independent Director<br>3. Varroc Engineering Limited, Independent Director<br>4. Ingersoll - Rand (India) Limited, Independent Director<br>5. VA Tech Wabag Limited, Independent Director |
| **Listed entities in which the person has resigned in the past three years** | NIL | 1.Eris Lifesciences Limited<br>2. Suzlon Energy Limited<br>3. XPro India Limited |
| **Skills and capabilities required for the role and the manner in which the Independent Director meets the requirement.** | Not Applicable | Refer Explanatory Statement |
| **Chairman / Member of Committee of the Board of Directors of the Company** | **Intellect Design Arena Limited**<br>1. Corporate Social Responsibility Committee – Chairman<br>2. Audit Committee – Member<br>3. Stakeholders' Relationship Committee - Member | **Intellect Design Arena Limited**<br>1. Audit Committee – Member<br>2. Nomination, Remuneration & Compensation Committee – Member<br>**Safari Industries (India) Limited**<br>1. Audit Committee – Member<br>2. Nomination, Remuneration & Compensation Committee – Member<br>3. Corporate Social Responsibility Committee – Member<br>**Craftsman Automation Limited**<br>1. Nomination, Remuneration & Compensation Committee – Chairperson<br>2. Audit Committee – Member<br>3. Corporate Social Responsibility Committee – Member<br>**Ingersoll - Rand ( India) Limited**<br>1. Audit Committee – Member<br>2. Nomination, Remuneration & Compensation Committee – Member |

| | | |
|---|---|---|
| | | **VA Tech Wabag Limited**<br>1. Nomination, Remuneration & Compensation Committee – Chairperson<br>2. Corporate Social Responsibility Committee - Chairperson<br>3. Audit Committee – Member<br>**Varroc Engineering Limited**<br>1. Risk Management Committee - Chairperson<br>2. Audit Committee – Member<br>3. Nomination, Remuneration & Compensation Committee – Member |
| **Directorships held in other companies including equity listed companies and excluding foreign companies as of the date of this Notice** | OCULUS HEALTHCARE PRIVATE LIMITED | • INGERSOLL-RAND (INDIA) LIMITED<br>• SAFARI INDUSTRIES (INDIA) LIMITED<br>• VARROC ENGINEERING LIMITED<br>• CRAFTSMAN AUTOMATION LIMITED<br>• VA TECH WABAG LIMITED<br>• DR AXION INDIA PRIVATE LIMITED<br>• GVS ENVICON TEGNOLOGIES PVT. LTD.<br>• MANKIND PHARMA LIMITED |

**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 postgraduate in instructional design from the University of Wollongong in Australia, Anil has rich and global professional experience of over 41 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.

**Brief Resume of Mrs. Vijaya Sampath**

Mrs. Vijaya Sampath has been a lawyer for over 41 years. She is an Independent Director on the Board of listed and unlisted companies in the manufacturing, branded luggage, pharmaceuticals and auto component sectors. She was associated with Bharti Airtel Limited as group general counsel and company secretary in the past. 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 and been a speaker at various forums on women in professions, governance, ethics, law and practice.

intellect
live your dream

www.intellectdesign.com