

**Limited Review Report on the Unaudited Standalone and Consolidated Financial Results of Intellect Design Arena Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
Board of Directors of  
Intellect Design Arena Limited

1. We have reviewed the accompanying statement of quarterly standalone and consolidated financial results of Intellect Design Arena Limited ("the Company") comprising its subsidiaries (together, "the Group"), its associates and a joint venture for the quarter ended September 30, 2018 and year to date from April 1, 2018 to September 30, 2018 (hereinafter referred to as the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 (herein referred to as the "Regulation").
2. The Statement is the responsibility of the Company's management and have been approved by the Board of Directors of the Company, and have been prepared on the basis of the standalone and consolidated financial results for the quarter ended September 30, 2018 and year to date from April 1, 2018 to September 30, 2018.
3. Our responsibility is to express a conclusion on these standalone and consolidated financial results based on our review of the standalone and consolidated financial results for the quarter ended September 30, 2018 and year to date from April 1, 2018 to September 30, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India; and the relevant requirements of the Regulation and the Circular.
4. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
5. Based on our review conducted as above and based on the consideration of the reports of other auditors on the unaudited separate quarterly financial results and other financial information of subsidiaries, associates and joint ventures as detailed in Paragraph 6, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone and consolidated financial results prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. In respect of the consolidated financial results of the Group included in the Statement, we did not review the financial statements and other financial information, in respect of 20 subsidiaries, whose Ind AS financial statements include total assets of Rs. 59,322.23 lakhs as at September 30, 2018 and total revenues of Rs. 20,395.08 lakhs and Rs. 32,639.17 lakhs respectively for the quarter and for the period ended September 30, 2018 respectively. These Ind AS financial statements and other financial information have been reviewed 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 results also include the Group's share of net loss of Rs. 167.55 lakhs and Rs. 154.14 lakhs for the quarter and for the period ended September 30, 2018 respectively, as considered in the consolidated Ind AS financial



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

Chartered Accountants

statements, in respect of 2 associates and a joint venture, whose financial statements and other financial information have been reviewed by other auditors and whose reports have been furnished to us by the management. Our conclusion, in so far as it relates to the affairs of such subsidiaries, associates and joint venture is based solely on the report of other auditors. Our conclusion is not modified in respect of this matter.

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

Chartered Accountants

**ICAI Firm Registration Number: 101049W/E300004**



per **Bharath N S**  
Partner

Membership No.: 210934



Place: Chennai

Date: October 25, 2018

# INTELLECT DESIGN ARENA LIMITED

CIN : L72900TN2011PLC080183

Regd Office : Carex Centre, 244 (Old no. 713) Anna Salai, Chennai 600 006, Ph:+91-44-3987 4000, Fax:+91-44-3987 4123

UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS OF INTELLECT DESIGN ARENA LIMITED FOR THE PERIOD ENDED SEPTEMBER 30, 2018

(Rs in Lakhs)

PARTICULARS	Standalone						Consolidated					
	Quarter ended September 30, 2018	Quarter ended June 30, 2018 (Refer Note 2)	Quarter ended September 30, 2017 (Refer Note 2)	Half year ended September 30, 2018	Half year ended September 30, 2017 (Refer Note 2)	Year ended March 31, 2018 (Refer Note 2)	Quarter ended September 30, 2018	Quarter ended June 30, 2018	Quarter ended September 30, 2017	Half year ended September 30, 2018	Half year ended September 30, 2017	Year ended March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Income</b>												
Revenue from Operations	253,04.12	194,67.37	154,16.15	447,71.49	279,10.68	675,16.92	380,37.09	298,85.24	268,47.46	679,22.33	509,64.26	1,087,29.07
Other Income (Refer Note 6)	10,60.51	41,37.40	7,15.06	51,97.91	9,55.96	31,56.85	15,55.72	42,59.23	6,75.71	58,14.95	9,74.36	26,67.82
<b>Total Income</b>	<b>263,64.63</b>	<b>236,04.77</b>	<b>161,31.21</b>	<b>499,69.40</b>	<b>288,66.64</b>	<b>706,73.77</b>	<b>395,92.81</b>	<b>341,44.47</b>	<b>275,23.17</b>	<b>737,37.28</b>	<b>519,38.62</b>	<b>1,113,96.89</b>
<b>Expenditure</b>												
Employee benefit expenses	156,98.79	131,71.67	114,27.67	288,70.46	209,64.35	473,24.81	251,77.77	226,68.52	193,28.33	478,46.29	355,74.85	767,11.78
Depreciation/Amortisation	8,49.77	7,95.73	5,61.59	16,45.50	11,19.98	25,14.33	10,72.89	8,42.87	5,92.96	19,15.76	11,81.76	26,53.49
Finance Cost	3,41.02	3,07.86	3,93.23	6,48.88	8,04.37	13,73.13	3,41.02	3,07.86	3,94.03	6,48.88	8,12.42	13,82.62
Other expenses	44,21.78	37,03.56	32,21.42	81,25.34	77,14.30	159,40.97	90,32.86	59,96.31	56,82.26	150,29.17	119,37.63	247,79.11
<b>Total Expenses</b>	<b>213,11.36</b>	<b>179,78.82</b>	<b>156,03.91</b>	<b>392,90.18</b>	<b>306,03.00</b>	<b>671,53.24</b>	<b>356,24.54</b>	<b>298,15.56</b>	<b>259,97.58</b>	<b>654,40.10</b>	<b>495,06.66</b>	<b>1,055,27.00</b>
<b>Profit / (Loss) before share of profit / (loss) of associates, joint venture and tax</b>	<b>50,53.27</b>	<b>56,25.95</b>	<b>5,27.30</b>	<b>106,79.22</b>	<b>(17,36.36)</b>	<b>35,20.53</b>	<b>39,68.27</b>	<b>43,28.91</b>	<b>15,25.59</b>	<b>82,97.18</b>	<b>24,31.96</b>	<b>58,69.89</b>
Share of profit/(loss) of associates and joint venture (net of tax)	-	-	-	-	-	-	(1,67.55)	13.41	(3,49.13)	(1,54.14)	(3,11.82)	5,04.05
<b>Profit / (Loss) before tax</b>	<b>50,53.27</b>	<b>56,25.95</b>	<b>5,27.30</b>	<b>106,79.22</b>	<b>(17,36.36)</b>	<b>35,20.53</b>	<b>38,00.72</b>	<b>43,42.32</b>	<b>11,76.46</b>	<b>81,43.04</b>	<b>21,20.14</b>	<b>63,73.94</b>
Tax expenses:												
Current Tax	-	-	1.00	-	1.00	-	5,76.68	1,68.96	1,83.84	7,45.64	5,47.08	4,83.69
Deferred Tax	-	(2,20.43)	-	(2,20.43)	-	2,20.43	-	(2,20.43)	-	(2,20.43)	-	2,19.29
<b>Profit / (Loss) after tax</b>	<b>50,53.27</b>	<b>58,46.38</b>	<b>5,26.30</b>	<b>108,99.65</b>	<b>(17,37.36)</b>	<b>33,00.10</b>	<b>32,24.04</b>	<b>43,93.79</b>	<b>9,92.62</b>	<b>76,17.83</b>	<b>15,73.06</b>	<b>56,70.96</b>
<b>Profit / (Loss) for the year / period attributable to</b>												
Owners of the Company	50,53.27	58,46.38	5,26.30	108,99.65	(17,37.36)	33,00.10	31,46.61	43,52.44	7,95.30	74,99.05	8,69.10	46,72.62
Non controlling interest	-	-	-	-	-	-	77.43	41.35	1,97.32	1,18.78	7,03.96	9,98.34
<b>Other Comprehensive Income (net of tax)</b>												
<b>Items that will be reclassified subsequently to profit or loss</b>												
Net movement on cash flow hedges	(23,76.06)	(22,24.45)	(4,63.37)	(46,00.51)	(9,58.10)	(18,14.18)	(23,76.06)	(22,24.45)	(4,63.37)	(46,00.51)	(9,58.10)	(18,14.18)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	10,36.75	(5,73.33)	1,60.13	9,79.42	6,80.05	13,33.54
<b>Items that will not be reclassified subsequently to profit or loss</b>												
Re-measurement gains/ (losses) on defined benefit plans	7.90	68.76	(42.84)	76.66	10.52	(19.90)	7.97	69.10	(40.63)	77.07	8.58	(11.99)
<b>Other Comprehensive Income for the year / period (net of tax)</b>	<b>(23,68.16)</b>	<b>(21,55.69)</b>	<b>(5,06.21)</b>	<b>(45,23.85)</b>	<b>(9,47.58)</b>	<b>(18,34.08)</b>	<b>(13,31.34)</b>	<b>(22,12.68)</b>	<b>(3,43.87)</b>	<b>(35,44.02)</b>	<b>(2,69.47)</b>	<b>(4,92.63)</b>
<b>Total Comprehensive Income for the year / period</b>	<b>26,85.11</b>	<b>36,90.69</b>	<b>20.09</b>	<b>63,75.80</b>	<b>(26,84.94)</b>	<b>14,66.02</b>	<b>18,92.70</b>	<b>21,81.11</b>	<b>6,48.75</b>	<b>40,79.81</b>	<b>13,03.59</b>	<b>51,78.33</b>
<b>Total Comprehensive Income for the year / period attributable to</b>												
Owners of the Company	26,85.11	36,90.69	20.09	63,75.80	(26,84.94)	14,66.02	18,15.27	21,39.76	4,51.43	39,55.03	5,99.63	41,79.99
Non controlling interest	-	-	-	-	-	-	77.43	41.35	1,97.32	1,18.78	7,03.96	9,98.34
<b>Paid-up Equity share Capital</b>												
Equity shares of Rs 5 each	65,58.15	62,92.90	62,53.67	65,58.15	62,53.67	62,76.45	65,58.15	62,92.90	62,53.67	65,58.15	62,53.67	62,76.45
Other Equity	-	-	-	794,65.20	591,28.83	639,59.60	-	-	-	866,02.91	697,10.60	739,15.37
<b>Earning Per Share (EPS) of Rs.5 each</b>												
Basic	3.97	4.65	0.48	8.61	(1.58)	2.81	2.47	3.46	0.72	5.93	0.79	3.97
Diluted	3.83	4.48	0.47	8.34	(1.58)	2.73	2.39	3.34	0.71	5.74	0.78	3.87

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Statement of Asset and Liabilities		(Rs In Lakhs)			
		Standalone		Consolidated	
Particulars	As at		As at		
	September 30, 2018	March 31, 2018	September 30, 2018	March 31, 2018	
	Unaudited	Audited (Refer Note 2)	Unaudited	Audited (Refer Note 2)	
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, Plant and Equipment	140,84.60	146,50.47	184,01.22	185,43.53	
Capital work-in-progress	4,29.86	4,29.06	4,29.86	4,29.06	
Goodwill on consolidation	-	-	37,78.67	34,84.91	
Other Intangible assets	60,35.27	53,70.11	91,45.50	53,70.11	
Intangible assets under development	137,14.15	104,01.24	205,54.47	191,96.52	
Investment in subsidiary, associate and a joint venture	91,07.62	91,07.62	48,61.59	47,15.74	
Deferred tax assets (net)	38,30.33	11,24.60	42,77.09	15,57.04	
<b>Financial Assets</b>					
(i) Investments	1,57.44	1,48.55	1,56.99	1,48.10	
(ii) Loans and deposits	7,79.83	7,27.63	11,95.80	11,05.99	
(iii) Non current bank balances	12,76.49	9,13.83	12,76.49	9,13.83	
(iv) Derivative Instruments	-	3.66	-	3.66	
Income tax assets (net)	51,19.47	69,61.83	58,67.46	77,61.36	
Other non-current assets	36,16.75	23,66.72	44,26.47	31,27.88	
<b>Current assets</b>					
Investment in subsidiary	15,44.53	15,44.53	-	-	
<b>Financial Assets</b>					
(i) Investments	15,10.13	20,64.61	15,10.13	20,64.61	
(ii) Trade receivables	344,40.01	259,98.16	287,23.61	241,17.34	
(iii) Cash and cash equivalents	17,99.38	13,80.17	73,37.03	61,47.37	
(iv) Bank balances other than (iii) above	11,39.83	78,75.39	11,39.83	78,75.39	
(v) Loans and deposits	4,46.45	5,17.04	4,58.70	5,33.37	
(vi) Derivative Instruments	-	1.82	-	1.82	
(vii) Other financial assets	228,40.89	115,26.68	333,83.82	238,12.10	
Other current assets	76,96.62	46,37.51	86,65.95	52,05.50	
<b>Total Assets</b>	<b>1,295,69.65</b>	<b>1,077,51.23</b>	<b>1,552,90.68</b>	<b>1,361,15.23</b>	
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Equity Share capital	65,58.15	62,76.45	65,58.15	62,76.45	
Other Equity	794,65.20	639,59.60	866,02.91	739,15.37	
Share application money pending allotment	1,04.88	-	1,04.88	-	
Non-controlling Interests	-	-	10,78.53	9,98.34	
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
<b>Financial Liabilities</b>					
(i) Borrowings	84,25.52	90,49.54	84,25.52	90,49.54	
(ii) Derivative Instruments	28,36.62	-	28,36.62	-	
Deferred Tax Liabilities (Net)	-	-	9.35	8.42	
<b>Current liabilities</b>					
<b>Financial Liabilities</b>					
(i) Borrowings	25,88.56	38,19.78	25,88.56	38,19.78	
(ii) Trade payables	-	-	-	-	
A) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	
B) total outstanding dues of creditors other than micro enterprises and small enterprises	100,50.16	73,56.28	148,67.88	116,59.12	
(iii) Other financial liabilities	73,21.65	88,10.82	107,52.23	128,92.84	
(iv) Derivative Instruments	17,58.42	-	17,58.42	-	
Other current liabilities	82,53.83	62,73.52	159,43.77	142,82.11	
Provisions	22,06.66	22,05.24	37,63.86	32,13.26	
<b>Total Equity and Liabilities</b>	<b>1,295,69.65</b>	<b>1,077,51.23</b>	<b>1,552,90.68</b>	<b>1,361,15.23</b>	



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**NOTES:**

1. The standalone and consolidated financial results for the quarter and period ended September 30, 2018 were approved by the Board of Directors at its meeting held on October 25, 2018. The statutory auditors have conducted a limited review of the above standalone and consolidated financial results. These financial results are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
2. The Company had entered into a Scheme of Arrangement ("the Scheme") for merger of two of its subsidiaries, namely Indigo TX Software Private Limited ("ITSPIL") and Laser Soft Infosystems Limited ("LSIL") with the Company. The Scheme was approved by the stock exchanges, shareholders and National Company Law Tribunal (NCLT) and the NCLT order was filed with the Registrar of Companies on July 31, 2018. The appointed date under the Scheme is April 1, 2016 for the purpose of tax and regulatory requirements. Accordingly, the Company has accounted for the scheme of arrangement in accordance with Ind AS 103 - 'Business Combinations' as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter as a common control transaction. Pursuant to the requirement of Appendix C to Ind AS 103, all periods presented in the accompanying financial results have been restated for the merger of ITSPIL and LSIL into the Company.
3. Based on the "Management Approach" as defined under Ind AS 108 Operating Segments, the Company's performance is evaluated and resources are allocated based on an analysis of various performance indicators by a single business segment i.e. 'Software Product License & related services'.
4. Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces the existing revenue recognition requirements. The Company has applied the modified retrospective approach and debited the retained earnings as at April 1, 2018 by Rs.1,196.55 lakhs and Rs.807.97 lakhs of the consolidated and standalone financial statements respectively.
5. After the requisite shareholders' approval in the Annual General Meeting held on August 23, 2018, the Company, during the quarter, issued and allotted 5,208,330 Equity Shares of face value of Rs 5/- on preferential basis at a price of Rs 192/- per Equity Share, including a premium of Rs 187/- per Equity Share (in line with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), aggregating Rs 9,999.99 lakhs.
6. Other income for the quarter ended June 30, 2018 and half year ended September 30, 2018 includes an amount of Rs. 3,769.05 lakhs, which represents gain on sale of land held by the Company.
7. Figures of the earlier period, wherever necessary, have been regrouped to conform with those of the current periods.

Place : Chennai  
Date : October 25, 2018

For Intellect Design Arena Limited



Arun Jain  
Chairman and Managing Director



Venkateswaru Saranu  
Chief Financial Officer



## Intellect Q2 FY 19 revenue registers 42% YoY growth

### License revenue recorded 86% YoY growth in H1 FY 19

- **Q2 FY 19 revenue at INR 380.37 Cr and License revenue stood at INR 116 Cr registering 96% YoY growth**
- **Three large multimillion dollar deal wins in Asia and Australia and One large deal win in South East Asia**

**Chennai (India), October 25, 2018:** Intellect Design Arena Ltd, a specialist in applying true Digital Technologies and a global leader in Financial Technology across Banking and Insurance, announced its second quarter results for FY 2018-19 today.

#### I. Calibrated Growth Yielding Predictability

##### Q2 FY 19 Financial Highlights:

##### Revenue

- Total Revenues for Q2 FY 19 grew by 42% Y-o-Y and stood at INR 380.37 Cr as against INR 268.47 Cr in the same quarter last year
- In \$ terms, Q2 FY 19 Revenue grew by 30% Y-o-Y, stood at US \$ 54.28 Mn as against US \$ 41.75 Mn in the same quarter last year

##### License Revenue

- Q2 FY 19 License Revenue registered 96% growth Y-o-Y stood at INR 115.56 Cr as against INR 58.90 Cr in the same quarter last year. AMC revenue stood at INR 53.99Cr in Q2 FY 19.
- In \$ terms, Q2 FY 19 License revenue registered 80% growth YoY and stood at \$16.49 Mn as against \$9.16 Mn in the same quarter last year
- License and AMC revenue in Q2 FY 19 stood at INR 169.55 Cr as compared to INR 105.70 Cr in Q2 FY 2018 registering 60% YoY growth
- H1 FY 19 License revenue registered 86% growth and stood at INR 162.28 Cr as against INR 87.04 Cr in the H1 FY 18

##### Gross Margin, EBITDA and PAT

- Gross Margin stood at Rs. 187.65 Cr in Q2 FY 19 as against Rs. 133.29 Cr in the same quarter last year
- Gross Margin stood at 49.33%
- Sales and Marketing costs have come down from 35% to 30% during the quarter
- R&D costs have dropped to 6 % and Product capitalisation costs dropped less than 8% of the revenues and remained constant
- EBITDA registered 75% Growth and stood at INR 38.26 Cr for Q2 FY 19as against INR 21.82 Cr in the same quarter last year
- PAT stood at INR 31.47 Cr in Q2 FY 19 registering 296% growth as against INR 7.95 Cr in Q2FY18

### Collections

- Collections for Q2 FY 19 stood at INR 290.20Cr
- The Net Days of Sales Outstanding (DSO) after taking customer advances into account stands at 131 days in Q2 FY 19 as against 124 days in Q2 FY 18

### Digital led wins

- Q2 FY 19 recorded 11 Digital led wins including 4 large Digital Transformation deal wins
  - Large multimillion dollar deal with a leading bank in Asia with a strong foothold in Singapore, Malaysia, Indonesia, Thailand and China to implement the world's first Integrated Contextual Trade Finance and Supply Chain Finance (SCF) Platform from iGTB
  - Expanding geo-footprint in Australia through the iGTB deal win with the largest bank in Australia, implementing Contextual Liquidity Management solution
  - iGCB has won a signature deal win in Australia for Intellect Digital Core (17.1). This is the second deal win for iGCB in advanced market.
  - Breakthrough deal win in South East Asia for Intellect Digital Core (IDC 17.1), Real time & Contextual Core Banking Solution

## II. Board Announcement

### **Board has approved inducting Andrew Ralph England as Additional Director on the Board and will be a Non-Executive 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 a host of experience 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.

### **Board has approved inducting Vijaya Sampath as Additional Director on the Board and will be a Independent Director**

Vijaya Sampath has been a lawyer for over 35 years. She is an Independent Director on the Board of listed and unlisted companies in the housing finance, renewable energy, branded luggage, power and auto component sectors. Two of these companies (non-listed) are Japanese joint ventures with Larsen & Toubro. She is also the Ombudsperson for the Bharti group with oversight of the code of conduct.

Since 2000, she was a Partner in J Sagar Associates, a full service National Law firm. From January 2004 until her retirement in March 2012, she was the Global Group General Counsel and Company Secretary for the USD 15 billion Bharti Airtel group. From 2012 until 2017, she was a senior partner in the corporate law practice of Lakshmikumaran & Sridharan, attorneys. She is a Fellow Member of the Institute of Company Secretaries of India. She is also the Chairperson of the corporate law committee in FICCI and works with industry on regulation and policy relating to company law.

### III. Management Statement

**Arun Jain, Chairman and Managing Director, Intellect Design Arena Limited** said, “We had a phenomenal quarter with 42% YoY growth in revenue and H1 FY 19 license registering 86% YoY growth. This was driven by the strong contribution from large transformation deal wins from Asia and Australia. Our continued momentum as the leader in **Contextual and AI based Digital products** places us well on the path to be the partner of choice for the large digital transformation initiatives of leading banks. The results reinforce the economic value add for our clients who attach importance to our innovative digital technologies, appreciate the expertise and our commitment and actions for the responsible stewardship of their digital transformation initiatives.”

**Venkateswarlu Saranu, Chief Financial Officer, Intellect Design Arena Limited** said, “We have had a very strong performance in Q2 FY 19 accelerating our revenue run rate to INR 1500 Cr. Total software license exceeding 100 Cr in a single quarter is a significant milestone. Our EBITDA during the quarter had a growth of 75% YoY highlighting the way we are managing the business in a calibrated manner”

### IV. Digital Deals

With our path-breaking Digital 360 approach, Intellect has been able to address all aspects of our customers' digital requirements. Q2 FY 19 recorded 11 Digital led wins including 4 large digital transformation deal wins.

#### Large Digital Transformation deal wins

- **Large multimillion dollar deal with leading bank in Asia to implement Contextual Trade Finance and Supply Chain Finance (SCF) Platform from iGTB:** iGTB has been chosen by the leading bank in Asia with a strong foothold in Singapore, Malaysia, Indonesia, Thailand and China to implement world's first Integrated Contextual Trade Finance and Supply Chain Finance (SCF) Platform. This partnership will help the bank to deliver on their commitment of building lasting relationship with their customers through products and exceptional digital customer experience.
- **Expanding geo-footprint in Australia through iGTB deal win with largest bank in Australia:** iGTB has been chosen by the largest business bank in Australia, for the digital transformation of its liquidity management platform. iGTB's Contextual Liquidity Management solution will enable the corporate treasurer to reduce interest costs, manage and predict cash flow and optimize surplus cash in the system activities effectively and efficiently by providing smart algorithmic tools that automate many of these tasks as driven by the corporation's liquidity policy.
- **iGCB has won a signature deal win in Australia for Intellect Digital Core (17.1):** iGCB has been chosen by the largest business bank in Australia for implementing Intellect Digital Core 17.1, Real time & Contextual Core Banking Solution. It is a second deal win for iGCB in the advanced market.
- **Breakthrough deal win in South East Asia for Intellect Digital Core (IDC 17.1):** One of the largest holding company based in Cambodia, has chosen Intellect Digital Core 17.1, Real time & Contextual Core Banking solution to facilitate & modernise its technology architecture and power its digital transformation requirements. It has also chosen Intellect's Digital Face, deposits, loans, payments, GL and trade finance solutions.



### Significant deal wins

- A privately held Chilean Retail Chain, with more than 70 years of history in Chile has chosen Intellect Cards, to help them issue a branded card for their firm; Intellect is providing the software and associated services as a strategic long term partner. The choice of Intellect is in line with firm's strategy to concentrate on the core business, and digitally transform its operations and help them formulate their customer centric approach.
- One of the leading banks for Industry and Trade, which provides personal and corporate banking products and services from Vietnam chose Intellect Anti Money Laundering (AML Solution) from the Intellect Digital Core Banking Suite.
- A specialty insurance organization that offers a unique 'high-tech', 'high-touch' business model that powerfully combines a unique field-based underwriting and claims model with leading edge agency automation technology, has chosen Intellect Risk Analyst. It is also the 5th largest "Write Your Own" carrier in the National Flood Insurance Program. The Solution is to configure and run a full Proof of Concept on Risk Analyst for Licensee's underwriting business.
- An American diversified global insurer and the fourth-largest property and casualty insurer in the United States, has chosen Intellect Risk Analyst. The Solution is to configure and run a full proof of Concept on Risk Analyst for Renewal Quality and Prospect Discovery.
- One of the leading retail chain of stores with national coverage in Chile, has chosen Intellect Cards System for supporting a range of origination, ARX and seamless integration with 3rd party systems. Intellect will help them double the value of the company in a sustainable and profitable way within a short span of time.

### V. Reliable Implementations

Intellect went live in 21 financial institutions across the world during this quarter. Some of the significant implementations in Q2 FY 19 include:

- A licensed merchant bank based in Nigeria which caters to wholesale banking , investment banking & asset management services goes live with Intellect – Intellect Digital Core, Lending, Digital Face, AML, OneTREASURY and Contextual Banking Experience (CBX), for the implementation. The end-to-end banking solution provided by Intellect will enable the bank to enhance customer satisfaction, streamline operations & deliver a holistic Digital Banking experience to their public & private sector clients.
- The third largest bank by market capitalisation in Australia & New Zealand, which also operates in 34 other nations goes live with Intellect Liquidity for making the data transparent, giving the customers access to the past data and better visibility.
- A leading global bank, with the largest customer base in Japan, and a global network of financial and business centers, goes live in 4 countries for Liquidity Pooling module. This will allow the bank to offer Pooling/IO services to their corporate customers.
- The largest Saudi Arabian bank and the world's leading Islamic bank goes live with Intellect Digital Transaction Banking (DTB). iGTB will help the bank to launch its CBX platform for their corporates, deliver the bulk functionalities and processing. The functionality will enable corporates to pay & process multiple bill payments in a single step.

- A joint venture between a bank and a leading financial services group with a global reach, goes live with Intellect ONEMARKET for the iPMS opportunity. Intellect will facilitate them with a robust, scalable and comprehensive 360-degree digital platform that supports Straight-Through Processing, direct market access and high speed execution across a variety of asset classes and market segments.
- A major Indian commercial bank in the private sector headquartered in Kerala, having more than thousand branches and ATMs spread across different States in India has gone live with Payments, SCF and CBX.
- One of the largest Indonesian bank, with a market capitalisation of US\$24.5 billion, goes live with Intellect Liquidity to help bank corporates gain a clear and immediate understanding of their liquidity position and guide them in setting up the appropriate pooling and sweeping structures. –
- One of the largest consumer division of financial services, which provides credit cards, mortgages, personal loans, commercial loans, and lines of credit goes live with Intellect AMWS, to improve the operational efficiency by reducing TAT to dispose off an alert for an existing AMWS system.
- One of the big five banks in Canada headquartered in Toronto, Ontario with three strategic business units: Retail and Business Banking, Wealth Management, and Capital Markets goes live with Intellect Payments through the iGTB platform. The payment modernization provided by Intellect will help the bank with a payment system that is fast, flexible, secure and which promotes innovation and strengthens the bank's position in Canada's competitive market thereby increasing the customer base through new deals and acquisitions.
- One of the world's largest banking and financial services organisations, with total assets of US\$2.374 trillion goes live with iGTB, the transaction banking division of Intellect Design Arena. Intellect will help the bank take a concrete shape its GST Regulatory Amendments.
- One of the largest financial institutions in the Middle East, with a major economic engine in Jordan and throughout the Middle East and North Africa region, providing banking services & capital, and facilitating development & trade throughout the region, goes live with Intellect Digital Transaction Banking, to get corporate banking facility and Intellect will be helping them throughout starting from Payment, Cash Management, Payable & Receivable and iLink.
- An enormous British retail and commercial bank with branches across England and Wales, which has traditionally been considered as one of the "Big Four" clearing banks, goes live with Intellect Payments, for enhanced performance and stable application. iGTB will help them with production incident fixes and performance optimization.

## VI. Product Acceptance in Leadership Quadrant

Intellect's cutting-edge digital technologies and products have been recognized by renowned global analysts and research firms.

### **iGTB awarded "The Vendor to Watch" award, from Aite Group in their recent report titled "AIM Evaluation: The Leading Providers of U.S. Cash Management, 2018"**

Aite Group explored some of the key trends within the U.S. cash management market and discusses the ways in which technology is evolving to address new market needs and challenges. iGTB CBX for Cash Management, was one of the top vendors on breadth of product functionality. Aite also listed out that

Intellect offers a great user interface with cloud-native architecture and has embedded analytics and machine learning capabilities.

### **IDC ranks Intellect as the "Winner - Treasury & Trade Transformation" at 2018 IDC Real Results Awards**

Intellect ranked as the winner for the Treasury & Trade transformation at 2018 IDC Real Results Awards for its implementation in a leading American multinational investment bank and financial services corporation headquartered in New York.

### **Forrester rates Intellect as STRONG PERFORMER& among the TOP 5 in 2018 Global Digital Banking Platforms**

Intellect ranked as the Strong Performer for 2018 in Forrester's (By Invite Only) report titled, "The Forrester Wave™: Global Digital Banking Platforms, Q3 2018". Forrester states that Intellect's plans for future functional enhancements are well-defined and they include improvements in lending, supply chain finance, risk management, and treasury.

### **Novarica rates Intellect SEEC's Risk Analyst as specialists in AI & NLP player for insurance-specific solutions**

Intellect SEEC - Risk Analyst featured as a key vendor offering Purpose-Built Deep Learning solutions in Novarica's report titled "Purpose-Built AI Solutions for Insurers". Intellect SEEC is amongst a select set of 4 vendors profiled as an example by Novarica for Purpose-Built Deep Learning solutions. Novarica states that Intellect SEEC's Risk Analyst product applies AI for commercial insurance underwriting spanning commercial auto and property, BOP, general liability, workers' compensation, and other lines. The product aggregates data from a variety of sources, including social media and the Web, to derive insight about clients and businesses. It also creates risk alerts in real time.

### **Gartner ranks Intellect Digital Core among TOP 4 in multiple client tier categories**

Intellect Digital Core ranked among Leading Global Core Banking vendors in multiple categories in Gartner's Critical Capabilities for Global Retail Core Banking report. Gartner assessed 10 Global Core Banking Vendor Solutions and the critical capabilities document outlines major use cases for core banking systems and the differentiating capabilities that can bring greater focus to the early phases of core banking vendor and product selection.

## Financial Results for the Second Quarter Ended - September 30, 2018

**Additional Information on function wise classification of statement of Profit and Loss of the Group (Consolidated Unaudited / Not Reviewed)**

Particulars	QUARTER ENDED			HALF YEARENDED		YEAR ENDED
	September 30, 2018 (Q2 FY 19)	June 30, 2018 (Q1 FY19)	September 30, 2017 (Q2 FY 18)	September 30, 2018 (H1 FY 19)	September 30, 2017 (H1 FY 18)	March 31, 2018 (FY18)
<b>INR in Lakhs</b>						
<b>INCOME</b>						
Income from software product license and related services	38,307.90	30,013.41	26,384.09	68,321.31	50,044.66	106,947.92
Forex impact on Hedge Accounting AS 30	(270.80)	(128.18)	463.37	(398.97)	919.60	1,781.15
<b>Revenue from Operations</b>	<b>38,037.10</b>	<b>29,885.24</b>	<b>26,847.46</b>	<b>67,922.33</b>	<b>50,964.26</b>	<b>108,729.07</b>
<b>EXPENDITURE</b>						
Software development expenses	19,271.86	15,942.01	13,518.24	35,213.87	25,773.64	54,898.30
<b>Gross Margin</b>	<b>18,765.24</b>	<b>13,943.22</b>	<b>13,329.22</b>	<b>32,708.47</b>	<b>25,190.62</b>	<b>53,830.77</b>
<b>Gross Margin %</b>	<b>49.33%</b>	<b>46.66%</b>	<b>49.65%</b>	<b>48.16%</b>	<b>49.43%</b>	<b>49.51%</b>
Selling and marketing expenses	8,790.05	7,949.21	6,718.33	16,739.26	13,114.90	28,482.74
General and administrative expenses	2,644.48	2,433.18	2,318.81	5,077.66	4,549.46	9,179.72
Research & Engineering expenses	2,374.56	2,145.43	1,915.47	4,519.99	3,339.74	7,244.46
Provision for Debts and Write offs	1,129.68	195.00	195.00	1,324.68	390.00	1,060.48
<b>Total Expenditure</b>	<b>34,210.64</b>	<b>28,664.83</b>	<b>24,665.85</b>	<b>62,875.46</b>	<b>47,167.74</b>	<b>100,865.70</b>
<b>EBITDA</b>	<b>3,826.46</b>	<b>1,220.41</b>	<b>2,181.61</b>	<b>5,046.87</b>	<b>3,796.52</b>	<b>7,863.37</b>
Depreciation/Amortisation	1,072.89	842.87	592.96	1,915.76	1,181.76	2,653.49
Finance Charges	341.02	307.86	394.03	648.88	812.42	1,382.62
<b>Profits / (Loss) before other income / minority interest</b>	<b>2,412.55</b>	<b>69.68</b>	<b>1,194.62</b>	<b>2,482.23</b>	<b>1,802.34</b>	<b>3,827.25</b>
Other Income including exceptional items	1,555.72	4,259.23	330.98	5,814.95	629.62	2,042.64
Minority Interest/ Share of profit/(loss ) of Associate Companies	(244.99)	(27.93)	(546.46)	(272.92)	(1,015.78)	(494.29)
<b>Profit / (Loss) before tax</b>	<b>3,723.29</b>	<b>4,300.97</b>	<b>979.14</b>	<b>8,024.26</b>	<b>1,416.18</b>	<b>5,375.61</b>
Provision for taxation	576.68	(51.47)	183.84	525.21	547.08	702.98
<b>Profit / (Loss) after tax</b>	<b>3,146.60</b>	<b>4,352.45</b>	<b>795.30</b>	<b>7,499.05</b>	<b>869.10</b>	<b>4,672.63</b>

**Investor Conference Call**

The Board of Directors of Intellect Design Arena Limited met on **25<sup>th</sup> October 2018**, to take on record the financial results of the company for the Q2 FY 19 ended on September 30, 2018.

Intellect Design Arena Ltd. will host an Investors Conference Call on **25<sup>th</sup> October 2018**, where the Senior Management of Intellect will comment on the company’s performance during the Q2 FY 19 and respond to questions from participants. **The conference call will take place at 17:00 Hrs IST on Thursday, 25<sup>th</sup> October 2018.** The dial-in numbers to join the conference call:

**Conference Name** : **Q2 FY 19 Investor earnings call**  
**Date** : **25<sup>th</sup> October 2018**  
**Time** : **05:00 PM to 06:00 PM IST**  
**Conference ID** : **5597579**

**ACCESS NUMBERS**

MUMBAI	:	Primary Access Toll Number	:	02230360500
BANGALORE	:	Primary Access Toll Number	:	08030360500
DELHI	:	Primary Access Toll Number	:	01130360500
CHENNAI	:	Primary Access Toll Number	:	04430360500
INDIA	:	Primary Access Toll free Number	:	186030151515
HONG KONG	:	Primary Access Toll free Number	:	800901413
SINGAPORE	:	Primary Access Toll free Number	:	8001011903
US and Canada	:	Primary Access Toll free Number	:	18663946395
UK	:	Primary Access Toll free Number	:	08081681757
UAE	:	Primary Access Toll free Number	:	8000174396

**About Intellect Design Arena Limited**

Intellect Design Arena Ltd, a specialist in applying true digital technologies, is the world’s first full spectrum Banking and Insurance technology products company, across Global Consumer Banking (iGCB), Central Banking, Global Transaction Banking (iGTB), Risk, Treasury and Markets (iRTM), and Insurance (Intellect SEEC). With over 25 years of deep domain expertise, Intellect is the brand that progressive financial institutions rely on for digital transformation initiatives.

Intellect pioneered Design Thinking for cutting-edge products and solutions for Banking and Insurance, with design being the company’s key differentiator in enabling digital transformation. FinTech 8012, the world’s first design center for Financial Technology, reflects Intellect’s commitment to continuous and impactful innovation to address the growing need for digital transformation. Intellect generates annual revenues of USD 169 million, serving over 240 customers through offices in 40+ countries and with a diverse workforce of 4,000+ solution architects, domain and technology experts in major global financial hubs around the world. For further information on the organization and its solutions, please visit [www.intellectdesign.com](http://www.intellectdesign.com)

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