



Sveriges Riksbank modernizes Collateral Management with Intellect QCMS

Mashreq Bank wins Celent Model Bank award for integrated GTB

RBI extends Intellect for Treasury and all citizen payments platform

Intellect SEEC launches the revolutionary Life Claims in the Cloud

[intellectdesign.com](http://intellectdesign.com)

# DIGITAL PRODUCT POWERHOUSE

**for Consumer Banking, Central Banking,  
Risk & Treasury Management,  
Transaction Banking and Insurance**

**Annual Report 2014 - 15**

Sydney • Tokyo • Hong Kong • Singapore • Mumbai • Dubai • London • New York • Toronto



# DIGITAL IS A PIVOTAL VALUE DRIVER IN EVERYTHING WE DO

Experience Digital 360

OPERATIONAL  
EXCELLENCE



CUSTOMER  
EXPERIENCE

Digital encompasses the everything of all types of banking. Its holistic adoption covers Digital OUTSIDE, the experience driver and Digital INSIDE, the operational excellence enabler. Only iDigital Technology from Intellect delivers total Digital 360.

We power complexity reduction in your business through Design Thinking. We take brutal measure of how digitally ready your vision is. And how best to leverage your legacy investments. It takes a specialist to change the bank while you run the bank.

Realise your enterprise digital ambitions at FT 8012, the world's first financial technology design center. Schedule a session today to design for digital. Better banking begins here.

Digital ☒ ON

**RUN THE BANK. CHANGE THE BANK. DESIGN THE DIGITAL BANK.** Intellect designs and deploys financial technology to drive unprecedented value in banking. With a presence in 30 countries, Intellect high performance financial technology solutions are running in over 200 financial institutions around the world.

#### Design for Digital

- Global Consumer Banking
- Central Banking
- Global Transaction Banking
- Risk & Treasury Management
- Insurance



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Intellect Design Arena is the ecosystem that nurtures and unlocks value in innovation. We will always be an evergreen start-up with the agility and hunger that fuels transformation and changes life for the better. **Design is at our very core.** As products and lines of business evolve from concept through industrial strength maturity, we leverage design to attack complexity and unleash human potential.

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# INTELLECT DELIVERS TOTAL DIGITAL 360

Huge market demand. A unique proposition in a superior product. We're in a very good place!

# NUMBERS THAT MATTER

Rs. **609** crores

Total Revenue

Rs. **193** crores

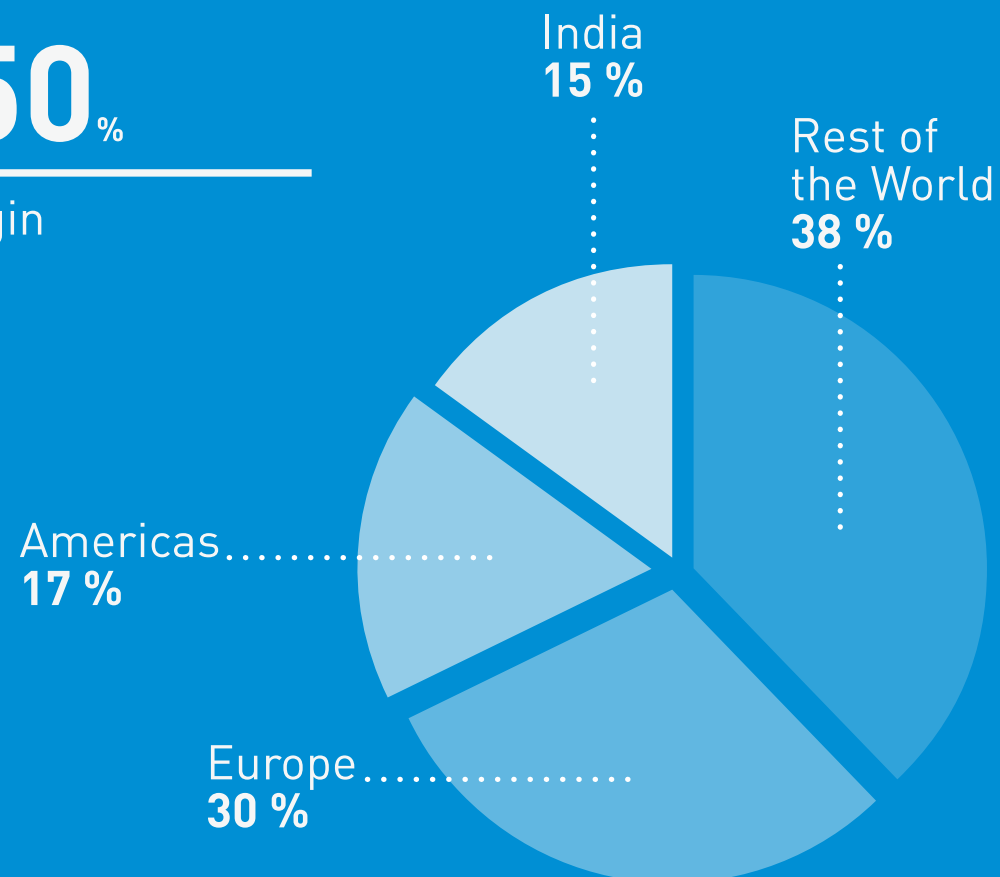
Significant Sales & Marketing Investment

**67** %

Revenue from Implementation & Customisation

**50** %

Gross Margin



Revenue contribution from geographies

**33** %

Revenue from Licence & AMC

**47** %

Revenue from Americas & Europe



**IT'S TELLING THAT AS FINANCIAL INSTITUTIONS SEEK TO USE TECHNOLOGY FOR GREATER AGILITY THEY HAVE, IN FACT OVER TIME, ADDED LAYERS OF COMPLEXITY TO THEIR SYSTEMS. THE INCREDIBLE COMPLEXITY CREATES IMMENSE OPPORTUNITY FOR US TO DRIVE TRANSFORMATIONAL CHANGE IN CUSTOMER EXPERIENCE AND OPERATIONAL EXCELLENCE.**

## Our Opportunity Canvas

GLOBAL CONSUMER BANKING  
CENTRAL BANKING  
GLOBAL TRANSACTION BANKING  
RISK & TREASURY MANAGEMENT  
INSURANCE



**THE DIGITAL  
OPPORTUNITY  
IS BIG AND REAL.**  
**INTELLECT IS POSITIONED  
AT THE FOREFRONT  
OF THE DIGITAL  
TRANSFORMATION  
BANKS AND INSURANCE  
COMPANIES SEEK —  
SEAMLESS EXPERIENCE  
THROUGH  
AGILE SOLUTIONS AND  
LEAN OPERATIONS**

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Dear Shareholder

This letter is a celebration of the successful design engineering of the largest number of products for the global financial services industry, out of India. Since its inception, as Polaris, your company has helped its customers (financial institutions) address their complex challenges and meet their strategic objectives, leveraging cutting edge technologies. Our solutions have been consistently innovative and robust, meeting the exacting standards of global leaders in banking and insurance.

Beginning of the IP journey

Industry recognition of our prowess reflected in phenomenal growth between 1996 and 2000 and the company grew at a CAGR of 116%. At this stage we took the momentous decision to acquire the solutions developed for Citi (one of the largest banks in the world). This resulted in the 2002 acquisition of their wholly owned subsidiary Orbitech Limited. With this strategic move we added core competencies in global transaction banking and capital markets to the existing Polaris strengths in retail banking and insurance. The complete banking suite called Orbi consisted of the 57 IPs required to run a full services global bank.

Enterprise reinvention and the commitment to stay ahead

Technology companies must necessarily reinvent themselves every ten years, and this was our first reinvention that propelled us to leadership position in the specialist financial technology industry. Committed to ensuring the technology advantage, your company set up one of the largest research & development departments in the IT industry where Orbi was transformed into the latest Java and open systems, leading to the creation of the initial Intellect suite of products. Since 2004, a team of over 600 passionate and creative R&D engineers were deployed in building and extending this product suite which now drives total Digital 360.

Trust is the absolute tribute to our design capability

In our early days, when Lloyds Bank, London, placed their confidence in Intellect technology, it was a moment of great pride for Polaris. We followed through with successful execution and today, 7 of the top 15 banks use Intellect products.

More recently, a milestone moment in our journey occurred when the Reserve Bank of India (RBI) chose Polaris as a partner in their core technology transformation. We won the privilege of working with the RBI against a global array of vendors. Our product agility, robustness and functionality shone through when this large transformation happened on time and without hiccups. It is a matter of personal pride that we have been able to play a role in building and implementing the high performance central banking system that serves India.

Restructuring to realise business potential

At this point of time, your company's Board of Directors appointed strategic advisory firm BCG to evaluate and suggest strategic, management and financial direction with a view to maximise business potential. By 2013, we restructured into four Product divisions and one Services division. By early 2014, the Board felt comfortable with the new design of the organisation, and took a decision to hive off Intellect as a separate company on Mar 18, 2014.

On Dec 18, 2014 when Intellect Design Arena Limited was listed on the National Stock Exchange in Mumbai, we launched a \$100 million start up with a proven track record in high performance financial technology products across consumer banking, central banking, risk & treasury management, transaction banking and insurance.

This was the story of strong design and research orientation backed by a strong customer-centric delivery focus that placed Intellect on the world map. I would like to now give you a view of the Digital opportunity in the industry, and how Intellect is prepared to seize the high ground.

The digital opportunity is big and real

During my address at the 21st Annual General Meeting on July 23, 2014, I spoke about the market landscape in the context of 'Digital Everything'. The year since has reinforced how pervasive 'digital' has become in the vocabulary of our customer (financial institutions around the world), and what an imperative it is for them.

Financial institutions are grappling with the challenges of increasing revenue on one hand, and cost reduction on the other, and 'digital' provides new and previously unimaginable solutions through technology. I am pleased to inform you that Intellect is positioned at the forefront of the digital transformation banks and insurances companies seek, as they moved from disjointed digital activities to holistic digital outcomes.

Enterprise design around two principles to seize the digital opportunity

Principle #1

The parent body houses four distinct business teams, each strongly aligned to a specific customer segment in the market. These Intellect businesses have full leadership teams and fight identified competition in chosen markets around the world.

Principle #2

To substantially reduce the cost of building new and innovative products in a sustained manner, the Intellect investment in building iDigital technology enables new product build at significantly lower costs than competition.

Ring fencing the possible risks typically associated with a product company

The Intellect enterprise design addresses the three classic risks associated with a product company.

1. **Lumpy growth.** Intellect growth will be supported by four full fledged business as against one single product.
2. **Saturation of growth.** With a full spectrum product armoury across four lines of business, Intellect will battle with global leaders in specific product niches, catering to current day customer priorities.
3. **Industrialisation of innovation.** Intellect products are fundamentally the business of innovation aligned around customers. The networked structure of Intellect Design Arena provides a space for innovators to lead in their own spaces of excellence.

The very purpose of our being encourages tremendous value creation into the future

We are a design enterprise focussed on engineering products with high performance technology, which attacks the complexity that limits human potential. As products and lines of business evolve from concept through industrial strength maturity, Intellect Design Arena is the ecosystem that nurtures and unlocks value in innovation. Intellect Design Arena houses four businesses.

**Intellect Global Transaction Banking (iGTB)** business led by Manish Maakan, Chief Executive Officer, caters to the high growth payments and cash management market, driven by fee based income. The digital economy is driving most global banks to make substantial investments in this space in coming years.

**Intellect Global Consumer Banking (iGCB)** business led by Jaideep Billa, Chief Executive Officer, caters to Digital Core banking solutions in the space of core banking, lending, credit cards and wealth management. He also leads the specialist central banking practice which now sees Intellect running country

financials for progressive central banks across India, Seychelles, Ethiopia and Sweden.

**Intellect Risk and Treasury Management (iRTM)** business led by Venkatesh Srinivasan, Chief Executive Officer, caters to the highly regulated areas of treasury, active risk management, and integrated funds custody. One of the largest treasury operations in the world runs on Intellect.

**Intellect SEEC** insurance business led by Pranav Pasricha, Chief Executive Officer, caters to Digital Distribution for Life companies to tackle their growth challenge. It also offers Digital Underwriting products to help P&C carriers improve margins, and Advanced Risk Analytics and Digital Claims for Life Carriers. The Insurance business is focused in the US and UK.

Digital is a pivotal value driver in each line of business with clear benefits for customers, and focused opportunities for Intellect.

A product design powerhouse in the making

Intellect clocked Rs.609 crores in revenues this year with a gross margin of 50% over four quarters. We have over Rs.200 crores cash reserves and zero debt. With 47% of our revenues accruing from advanced markets, we have a healthy business contribution mix from across geographies and lines of business.

I would like to re-state the tremendous potential of your company. With our full spectrum banking and insurance suite of products designed for the digital age, and a referencable base of 200 customers across the world, we are off to a running start. We are a product design powerhouse in the making. The next chapter of the Intellect journey has begun, and you are participating in the creation of valuable product businesses that compete with the best globally.

Arun Jain  
Chairman & Managing Director



**Jaideep Billa**  
CEO, iGCB  
(Based in Singapore)



**Manish Maakan**  
CEO, iGTB  
(Based in London)



**Pranav Pasricha**  
CEO, Intellect SEEC  
(Based in New Jersey)



**Venkatesh Srinivasan**  
CEO, iRTM  
(Based in Mumbai)



# THE SECRET SAUCE

COMMITMENT TO A CAUSE, BELIEF IN A VISION





**OVER 300  
ENGINEERS**  
COMMITTED  
THEIR  
PROFESSIONAL  
EXPERTISE AND  
LIFE TO BUILDING  
INTELLECT SINCE  
2004





# DIGITAL CHAOS

DIGITAL 360 DRIVES SEAMLESS EXPERIENCE & SMARTER OPERATIONS

In the last 18 months or so, the decibel levels around the word 'digital' have been deafening. From the days of computer history and the use of 'digital' as a counterpoint to 'analog', digital today has assumed a whole new significance. Companies involved in digital are perceived as dynamic. Banks and insurance companies are investing furiously in digital. Governments want digital strategies. Conventional business, transactions, governance, and even fundamental economic models are adapting to new customer demands in a more technology-driven time, where nothing is considered too big a constraint to overcome.

Digital is about delivering the same experience at all touch points. In governance, digital unifies all governance models. In operations, digital is lean and agile. Digital has many definitions, but the common recurrent thread in our context is one of leveraging high performance financial technology better than ever before, in a manner that ensures superior customer experience, higher order operational efficiency and better governance in accordance with evolving regulatory frameworks.

## Driving complexity reduction through Design Thinking, leveraging digital

### True Digital is Digital 360. Inside and Out.

Digital 360 is holistic outcome-driven digital, as against the disjointed digital activities commonly practised today. It impacts the customer facing Digital OUT and all connections of customer journeys to fragmented processes covered by Digital IN.

Digital OUT is not merely about mobile. It's about the transition from customer push to customer addiction for the services of a financial institution. Committing to the same experience at all touch points (branch, advisor, online, mobile and call centers). It's about authentication, entitlements and security, delivered in a customer-friendly manner. It's about 'one technology' delivering all applications.

Digital IN is not merely about process digitisation. It's about making all internal processes subordinate to customer journeys. It's about keeping customer in the center and then connecting business services, such as rates, fees, accounting, exceptions, and so on, around him. It's about designing the complete digital work place by connecting policies, rules, processes with business services as desired by the customer in the centre. It's about responsiveness to exceptions and reconciliation. It's about regulatory and risk management with embedded KYC, AML, Basel III, and other, reporting.

Experience Digital 360

OPERATIONAL  
EXCELLENCE



CUSTOMER  
EXPERIENCE

# SUPERIOR DIGITAL ARCHITECTURE. TOTAL CUSTOMER 360



DIGITAL CORE



DIGITAL BRANCH



RBX  
(OMNICHANNEL)



WEALTH &  
PRIVATE BANKING



LOAN  
ORIGINATION



LENDING



DEBT  
MANAGEMENT



COLLATERAL &  
LIMITS MANAGEMENT



eWALLET &  
CARDS



CENTRAL BANKING



**Jaideep Billa,**  
Chief Executive Officer  
Global Universal Banking

INSTALLATIONS

132

COUNTRIES

36

CUSTOMERS

102

'PROVEN DOMAIN EXPERTISE AND  
CORE BANKING SOLUTION WILL  
HELP US IN ACHIEVING OUR  
GROWTH AGENDA' - DEVELOPMENT  
BANK OF PHILIPPINES

NEW WINS

21

'TECHNOLOGY  
PROVIDER OF  
THE YEAR'  
AWARD AT  
THE CENTRAL  
BANKING  
AWARDS 2015

INTELLECT FABX RECOGNIZED  
AS LEADING VENDOR &  
ALL-ROUNDER BY MY PRIVATE  
BANKING

'ASIAN BANKER AWARD' FOR  
SINGLE COUNTRY  
IMPLEMENTATION OF DIGITAL  
CORE IN MIDDLE EAST & AFRICA

Digital 360 strategy for a comprehensive  
roadmap for banks' digital renovation

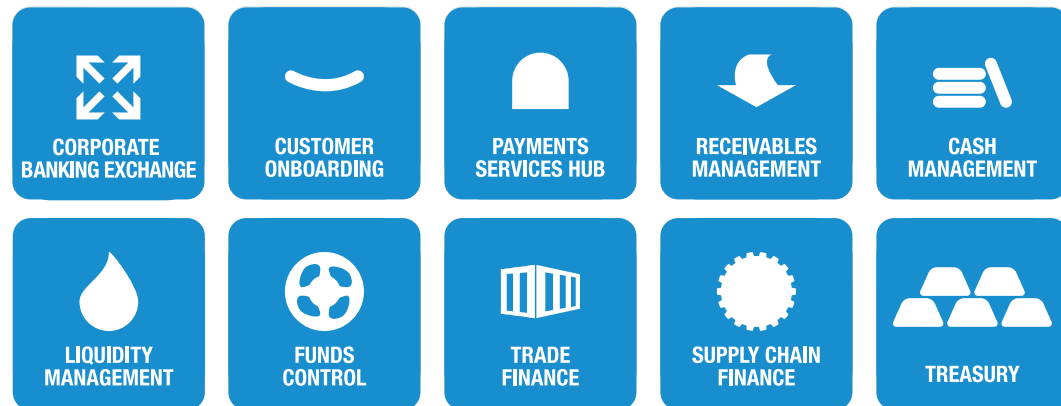
Committed to make banks 'lean' &  
encourage centralized risk management

Comprehensive Omnichannel Solution -  
internet, mobile, branch - for deep  
customer engagement

Marquee customers include State Bank of India, Development Bank of Philippines, Riksbank  
(Sweden), Consolidated Bank of Kenya, National Bank of Abu Dhabi, Vietnam Bank of  
Social Policies, United Arab Bank, Citibank, HDFC, Catholic Syrian Bank, Cargills Bank,  
Region Development Bank (Sri Lanka), Reserve Bank of India & Central Bank of Seychelles



# THE WORLD'S FIRST COMPLETE GLOBAL TRANSACTION BANKING PLATFORM



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

NEW WINS  
7

COUNTRIES  
85

A LEADING CANADIAN FINANCIAL INSTITUTION WITH \$450 BILLION IN ASSETS HAS RECENTLY PURCHASED THE iGTB PAYMENTS SERVICES HUB TO ACHIEVE A DIGITAL TRANSFORMATION OF ITS BUSINESS BANKING OPERATIONS, GLOBALLY

CONSULTING WINS  
6

A TOP UK BANK CHOSE TO IMPLEMENT OUR PAYMENTS RISK SOLUTION ACROSS EUROPE AFTER GOING LIVE IN THE UK AND NORTH AMERICA, CHOOSING TO RETAIN iGTB AS A STRATEGIC BANKING VENDOR AND EXTEND ITS PARTNERSHIP WITH US

CUSTOMERS IN THE MIDDLE EAST  
13

A TIER 1 US BANK HAS CHOSEN iGTB TO IMPLEMENT A HUB TECHNOLOGY EXCEPTION MANAGEMENT SOLUTION FOR THEIR AML & COMPLIANCE SANCTIONS SCREENING OPERATIONS

CUSTOMERS IN AMERICAS & EUROPE  
14

A LEADING REGIONAL MIDDLE EASTERN BANK IMPLEMENTED iGTB'S COMPLETE DIGITAL GLOBAL TRANSACTION BANKING PLATFORM, AN EFFORT FOR WHICH THE BANK EARNED IMPORTANT INDUSTRY RECOGNITION WINNING THE MODEL BANK AWARD FOR INTEGRATED CASH MANAGEMENT SOLUTION

Addressing specific, sophisticated needs in payments and liquidity, risk control, and trade finance

Digital 360 the overarching strategic pillar. Digital Inside and Digital Outside to drive revenue generation, revenue protection, risk avoidance, risk and cost reduction

Create digital-ready customer journey experiences with Canvas Technology. Enable accelerated configuration of services, retaining complete control over user experience and change management

Agile application building with zero coding, with 5th generation Hub Technology – a powerful operation consolidation platform. Facilitating seamless interactions among various stakeholders



RISK & TREASURY  
MANAGEMENT

# INTEGRATED RISK & TREASURY MANAGEMENT PLATFORM RUNNING ONE OF THE LARGEST TREASURY OPERATIONS IN THE WORLD



ONE TREASURY



BASEL III LRM  
WITH ZF RISK  
VISUALISATION



BROKERAGE



MUTUAL FUND  
EXCHANGE



INTEGRATED FUND  
ACCOUNTING  
AND CUSTODY



**Venkatesh Srinivasan**  
Chief Executive Officer  
Intellect Risk & Treasury Management

CUSTOMERS

46

INTELLECT TREASURY WINS  
LONDON'S BANKERS TECHNOLOGY  
AWARD FOR IMPLEMENTATION IN A  
GLOBAL BANK'S TREASURY RISK  
OFFICE

iRTM LIQUIDITY RISK MANAGEMENT (LRM) SOLUTION  
FEATURED IN CHARTIS LIQUIDITY RISK MANAGEMENT  
SYSTEMS 2014 REPORT

COUNTRIES

18

INTELLECT INCLUDED AMONGST  
GLOBAL VENDORS OFFERING  
BASEL III AND LIQUIDITY  
MANAGEMENT SOLUTIONS  
- CELENT

INTELLECT RISK HUB  
INCLUDED AMONG LEADING  
VENDORS. SUPPORTS CREDIT,  
MARKET AND LIQUIDITY RISK.  
FORRESTER RESEARCH, KEY  
BUILDING BLOCKS FOR  
FINANCIAL RISK  
MANAGEMENT IN BANKING,  
JANUARY 2014

*Growing need in emerging markets where iRTM combines  
components and modules from core product suite to align and match  
legacy systems, creating the specific blend of  
functionality clients require*

*iRTM creates new out-of-the-box solutions that supply basic products for  
local market demand and also for local flavours, such as Islamic Treasury*

*iRTM solutions positively impact national economies. One  
Treasury achieved 95% Automation & STP in one of  
the largest central banks of a leading growing economy*

*Diverse solution delivery capabilities include:*

- eFX to a Large Indian Private Sector Bank
- Funds Custody for a Large Custody company in GCC region
- RBI-compliant One Treasury solution for a large micro finance bank
- MF Utility for the Association of Mutual Funds in India (AMFI)



# WE INNOVATE TO SIMPLIFY INSURANCE

NEW WINS  
9



PIPELINE  
MANAGEMENT



NEEDS ANALYSIS



PROFILE  
MANAGEMENT



QUOTE &  
ILLUSTRATION




e-APP

CUSTOMERS  
27

INTELLECT LIFE UNDERWRITING  
RECOGNIZED AMONG GLOBAL BEST  
UNDERWRITING SYSTEMS BY  
CELENT - 2014 APAC NEW BUSINESS  
AND UNDERWRITING SYSTEMS



CUSTOMER  
SERVICING



PRODUCT  
CONFIGURATOR



UNDERWRITING  
WORKSTATION




RISK  
ANALYTICS




INTELLECT  
CLAIMS

INTELLECT CLAIMS (LIFE &  
DISABILITY) FEATURED AMONG  
GLOBAL INSURANCE CLAIMS  
BPM SOLUTION PROVIDERS BY  
AITE GROUP

RECOGNIZED AS "INNOVATION  
PARTNER "BY LEADING CANADIAN  
BANK AND INSURER



LIFE CLAIMS IN  
THE CLOUD



BUSINESS  
COMPONENTS

INTELLECT CLAIMS @ TATA AIA  
CITED AMONGST MAJOR CORE  
DEALS IN THE INDIAN INSURANCE  
MARKET BY CELENT



**Pranav Pasricha**  
Chief Executive Officer  
Intellect SEEC

US  
CANADA  
UK  
INDIA  
AUSTRALIA

Two major strides:

- Maturing products to accelerate digital transformations
- Re-structuring talent internally to support growth plans

Good traction in existing accounts; over 96.5% repeat business

Exclusive partnership with OutsideIQ to deliver the most advanced Risk Discovery Tool in the insurance industry

Strengthened partnership with IBM by providing cloud offering – Life Claims in the Cloud for mid to smaller carriers

# DESIGN DNA

THE SINGLE MOST POWERFUL COMPETITIVE DIFFERENTIATOR  
FOR FINANCIAL INSTITUTIONS



World's first design center for financial institutions opened in 2013. 8012 FT Design Center, Chennai.

8012 FT Design Center, Mumbai opened in 2014 for digital design sessions in banking and insurance.



Edison Center sees collaborative engineering come alive with teams working in Benzene units.



Deming Center heralds the unshackling of limiting beliefs. Institutionalising customer centric design to leverage digital to the fullest.

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 and high performance products that directly address customer pain points.

**Design is the single most powerful competitive differentiator for financial institutions.** The Design of 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.

Our design principles are centred in a four-stage process that begins with defining the problem by asking the right questions. The purpose here is to understand stated and unstated needs, and overcome the 'don't know that the problem owner doesn't know' barrier. Stage 2 involves observing patterns with an emphasis on

accidents and exceptions. Stage 3 is all about the rigour of knowing and connecting the dots between customer experience and operations design. Stage 4 focuses on deep diagnostics to unearth blind spots.

Intellect provides the complete suite of technologies that enable a holistic Digital 360 adoption.

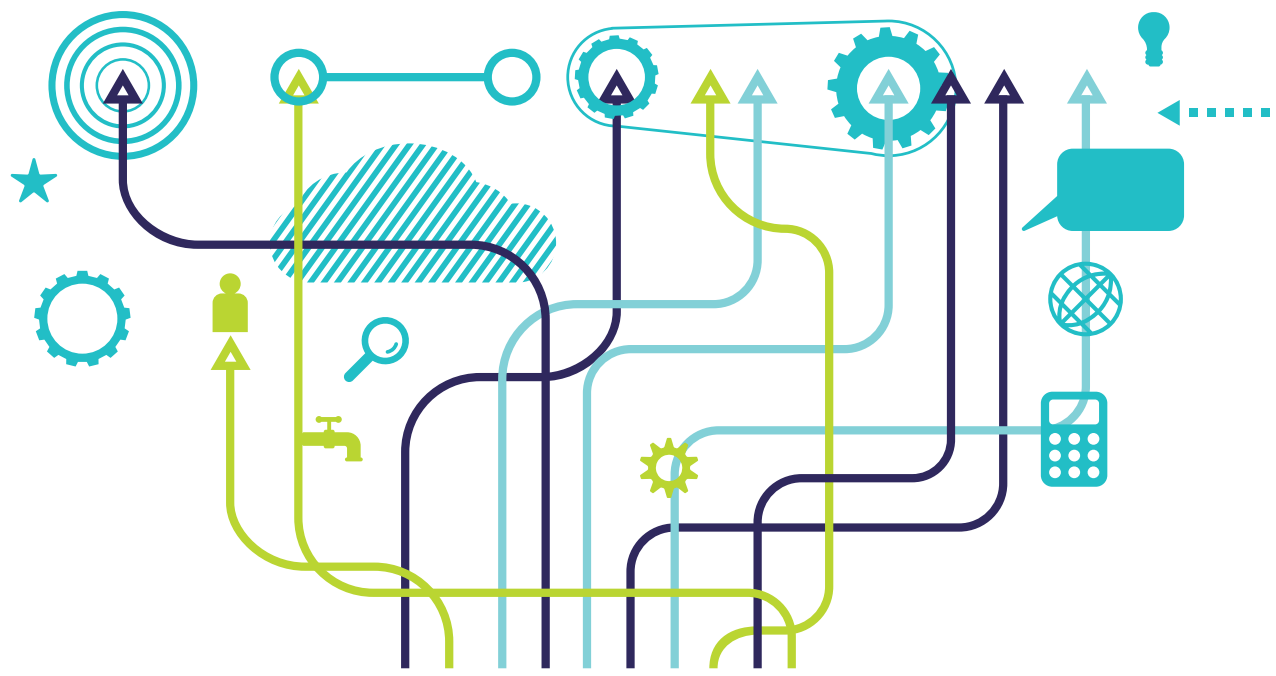
**At 8012 FT Digital Design Centers customers can experience their digital vision in real time.**

And work with specialists on the customer experience and operational excellence drivers, sharing pain points, getting under the hood to better appreciate gaps in current systems, identify change opportunities and establish priorities for progressive modernisation.



Design for Predictability





# IMPLEMENTATION CERTAINTY

CONSISTENT DELIVERY 3 DAYS AHEAD OF SCHEDULE AND IN FULL

Financial institutions are understandably wary of implementation failures – the biggest challenge they grapple with! The industry is replete with instances of ambitious modernisation programmes that grossly overrun time and budget schedules, causing considerable reputational and financial damage to the customer and a significant setback to their strategic goals

**Design Thinking is hardwired into the Intellect DNA and this reflects in absolute implementation certainty.** Our aggressive delivery excellence programme is called D-3 OTIF – which translates to delivery 3 days before time, in full. The framework is built on the pillars of Design and Diagnostics and contains distilled progressive thinking on Agile Engineering, Theory of Constraints and Six Sigma.

**Consistent delivery 3 days ahead of schedule and in full is the ultimate test of customer-centric design.** We use engineering centres specially designed on agile principles, where six-people teams work as unit cell structures, ensuring high productivity delivery excellence along 8 dimensions.

Four dimensions relate to 'In Full', which drives the behaviour of implementation (requirements, technology solution, engineering, support). The 'On Time' dimensions focus on planning, monitoring & control, stakeholder management and on how we participate as a partner with the customer for higher throughput.

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

Financial institutions vary in their adoption of technology and their path on the technology journey lifecycle. Intellect works on diverse customer requirements with aggressive outcome-focused engagement, delivery and pricing models aligned to their strategic roadmap, execution infrastructure and investment landscape, providing reassuring implementation certainty. On Time. In Full.



# RELY ON INTELLECT

WINNING THE TRUST OF OVER 200 LEADING  
FINANCIAL INSTITUTIONS ACROSS 30 COUNTRIES

Leading Canadian bank  
chose Intellect Digital  
Payment platform over  
global competition

Sveriges Riksbank,  
the Swedish Central  
Bank, chose Intellect  
Central Banking Core

Mashreq Bank  
implemented complete  
Digital Global Transaction  
Banking Platform

Intellect Mutual Funds  
exchange launched for  
Association of Mutual  
Funds of India (AMFI)

Top American bank  
chose Intellect for  
Transaction Risk  
Management

**AMERICAS**  
Argentina  
Bermuda  
Brazil  
Canada  
Chile  
Colombia  
Dominican Republic  
Jamaica  
Mexico  
Peru  
Trinidad & Tobago  
USA  
Venezuela

**EUROPE**  
Austria  
Belgium  
Bulgaria  
Cyprus  
Czech Republic  
Denmark  
Finland  
France  
Germany  
Gibraltar  
Hungary  
Ireland  
Italy  
Netherlands  
Norway  
Poland  
Portugal  
Romania  
Slovakia  
Spain  
Sweden  
Switzerland  
UK

**IMEA**  
Algeria  
Angola  
Azerbaijan  
Bahrain  
Cameroon  
Congo  
Egypt  
Gabon  
India  
Israel  
Ivory Coast  
Jordan  
Kazakhstan  
Kenya  
Kuwait  
Lebanon  
Mauritius  
Morocco

**ASIA**  
Australia  
Cambodia  
China  
Hongkong  
Indonesia  
Japan  
Korea  
Malaysia  
New Zealand  
Philippines  
Russia  
Singapore  
Taiwan  
Thailand  
Vietnam

Nigeria  
Oman  
Pakistan  
Qatar  
Saudi Arabia  
Senegal  
South Africa  
South Sudan  
Sudan  
Sri Lanka  
Syria  
Tanzania  
Tunisia  
Turkey  
UAE  
Yemen

A leading Middle Eastern bank  
implemented CBX & RBX,  
enhanced Retail & Corporate  
customer base

Reserve Bank of India  
extended the Intellect  
platform for Treasury and  
all Citizen Payments



# ACCLAIMED BY EXPERTS

COMPETING WITH THE BEST IN THE BUSINESS – WORLDWIDE



XCelent award for advanced technology and breadth of functionality for CBX and Hubs

Central Banking Technology Provider of the Year  
(centralbanking.com)

## Third party endorsement from industry specialists

Intellect platforms and products are routinely cited in leadership quadrants and ratings based on advanced technology, rich functionality and breadth of vision. This recognition is invariably based on analyst conversation with our customers as well as other financial institutions using other solutions. Across Consumer Banking, Central Banking, Risk & Treasury Management, Transaction Banking, and Insurance, Intellect is increasingly acknowledged to be the specialist in high performance financial technology for the digital age.

## Global Consumer Banking

- Intellect Retail Banking eXchange (RBX) was featured amongst leading global retail online banking vendors in a 2014 CEB TowerGroup analysts' report titled, "Online Banking Solutions Technology Analysis"
- Intellect FABX recognized as Leading Vendor & All-Rounder by My Private Banking

## Risk & Treasury Management

- iRTM Liquidity Risk Management (LRM) solution featured in Chartis Liquidity Risk Management Systems 2014 report.
- Intellect Risk Hub included among leading Vendors. Supports Credit, Market and Liquidity Risk. Forrester Research, "Key Building Blocks For Financial Risk Management In Banking", January 2014

## Global Transaction Banking

- Intellect CBX included amongst key Internet and Cross-Channel Banking Solution Providers that work globally in Forrester Research's April 2015 report, "Market Overview: Omnichannel Banking Solutions"
- Intellect Onboarding Hub recognized among leading onboarding suites in CEB TowerGroup analysts' 2014 "Automated Onboarding in Commercial Banking" report.

- Winner of XCelent 'Advanced Technology' and 'Breadth of Functionality' awards for Receivables Management and Corporate Banking Exchange. The awards position Intellect as a Partner for digital transformation of banks & financial institutions

## Insurance

- Intellect Claims (Life & Disability) featured among Global Insurance Claims BPM Solution Providers by Aite Group
- Intellect Claims featured amongst Global Top Life Insurance Claims Vendors in Celent Report
- Intellect Life Underwriting featured among the Global Top Vendors in Celent Report :EMEA New Business and Underwriting System providers
- Intellect Life Illustration featured among the Global Top Vendors in Celent Report: EMEA Illustrations Systems 2014
- Intellect Life Underwriting recognized among Global best Underwriting systems by Celent - 2014 APAC New Business and Underwriting Systems
- Intellect Claims @ Tata AIA cited amongst major Core Deals in the Indian Insurance Market by Celent

## INTELLECT EXECUTIVE COUNCIL



**Arun Jain**  
Chairman & Managing Director



**Venkatesh Srinivasan**  
Chief Executive Officer  
Intellect Risk & Treasury Management



**Alfred J. Carpetto**  
Business Head, Americas



**S Swaminathan**  
Chief Financial Officer



**Govind Singhal**  
Group Enablement Officer



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



**Pranav Pasricha**  
Chief Executive Officer  
Intellect SEEC



**Mark S. Wilson**  
Business Head, Europe



**Padmini Sharathkumar**  
Chief Marketing Officer



**Vinodh Chelambathodi**  
Chief Human Resources Officer



**Jaideep Billa**  
Chief Executive Officer  
Intellect Global Consumer Banking



**K Srinivasan**  
Business Head, IMEA



**Reid Warren**  
Business Head, Asia Pacific



**Rajesh Saxena**  
Chief Strategy Officer



**Rajesh Kuppuswamy**  
Chief Design Officer

## BOARD OF DIRECTORS



**Arun Jain**  
Chairman & Managing Director



**Anil Kumar Verma**  
Executive Director



**Dr. Ashok Jhunjhunwala**  
Independent Director



**V Balaraman**  
Independent Director



**Aruna Krishnamurthy Rao**  
Independent Director



#### REGISTERED OFFICE

INTELLECT DESIGN ARENA LIMITED  
No. 244, Anna Salai,  
Chennai – 600006, India.  
Phone: 91-44-3987 4000

#### NxT Lvl

INTELLECT DESIGN ARENA LIMITED  
Plot No. 3 / G-3, Survey No. 111/1(Part ),  
168 /1 (Part) & 130 / 1 (Part ), SIPCOT IT Park, Siruseri,  
Chengleput Taluk, Kancheepuram District,  
Chennai - 603103, INDIA  
Phone: 91-44-33418000

#### INTELLECT DESIGN ARENA LIMITED

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Phone: 91-44-39198000

#### INTELLECT DESIGN ARENA LIMITED

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901, 902, 1001, 1002, 8th, 9th & 10th Floors,  
CTS No. 213 / A / 2 & 214, Jay Coach,  
Western Express Highway, Goregaon East,  
Mumbai - 400063, INDIA.  
Phone: 91-22-67801500

#### INTELLECT DESIGN ARENA LIMITED

Unit 174 & 184, SDF VI, SEEPZ,  
Andheri East, Mumbai - 400 096, INDIA.  
Phone: 91-22-39815300 / 28292646

#### INTELLECT DESIGN ARENA LIMITED

SEEC Towers, Plot No. 6, APIC Layout,  
Adj. BSNL Office, Hitechcity, Madhapur,  
Hyderabad - 500081, INDIA.  
Phone: 91-40-44631000

#### POLARIS CONSULTING & SERVICES LIMITED

Poonja Building, 4-148/1, V-Floor,  
M.G. Road, Lalbagh, Kodailbail,  
Mangalore - 575 003, INDIA.  
Phone: 91-824-2450212 / 2450213

#### EUROPE

##### Switzerland

INTELLECT DESIGN ARENA S.A  
Avenue de la Gare 49,  
Case Postale 2067, CH 2001,  
Neuchatel, SWITZERLAND.  
Phone: 0041-32-7221990

##### France\*

30bis, Rue du vieux abreuvoir, 78100,  
Saint-Germain-En-Laye, France  
Phone: 33-1-4694 6196

##### Germany\*

Lyoner Str. 15, 60528, Frankfurt am Main, Germany  
Phone: 49-69-698616-0

##### Ireland\*

Units 1 & 2, Rose Bank, Herbert Road,  
Bray, Co Wicklow, Ireland  
Phone: 353-1-204 1024

#### UNITED KINGDOM

INTELLECT DESIGN ARENA LIMITED  
Level 35, 25 Canada Square,  
London. E14 5LQ,  
United Kingdom  
Phone: 00442075160113

##### Netherland\*

Newtonlaan 1153584 BH, Utrecht,  
The Netherlands  
Phone: 31-30-210 6099

#### Spain

INTELLECT DESIGN ARENA LIMITED  
SUCURSAL EN ESPANA  
Fernando El Santo 15-20  
28010, Madrid, SPAIN.  
Phone: 0034-91-5625152

#### IMEA

##### South Africa

INTELLECT DESIGN ARENA EXTERNAL PROFIT COMPANY  
215 Columbine Avenue  
Mondeor, 2901  
SOUTH AFRICA.

#### OPERATING OFFICE ADDRESS

INTELLECT DESIGN ARENA  
CNR Gemsbok & 12th Avenue  
Bryanston, South Africa  
Phone: 27-11-612 3000

#### Bangladesh\*

35, Kemal Atatürk Avenue, 7th Flr,  
Abedin Tower, Banani C/A, Dhaka – 1213, Bangladesh  
Phone: 880-966-691 0800

#### UAE

INTELLECT DESIGN ARENA FZ LLC  
Dubai Internet City, Building 14,  
Office 119-120, Dubai, UAE.  
Phone: 00971-4-3694611

#### TURKEY

INTELLECT DESIGN ARENA FZ LLC  
Door No. 111 A1-B Block  
Uphill Court Sitesi, Atasehir  
Istanbul, Turkey

#### ASIA PACIFIC

##### Singapore

INTELLECT DESIGN ARENA PTE LTD  
No.1, North Bridge Road, #19-04, High Street Center,  
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Phone: +65 67490119  
Fax No: +65 6333 1431

##### Sales Office

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##### Sales Office

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Phone: +84-4-3941 3076  
Fax: +84-4-3941 2991

##### Thailand

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Level 33 Interchange21, 399 Sukhumvit Road, North  
Klongtoey, Wattana, Bangkok  
10110 Thailand  
Phone: +66-2-660-3619  
Fax: +66-2-660-3881

##### Indonesia

PT. INTELLECT DESIGN ARENA  
Menara BCA 50th Fl, Jl MH. Thamrin No.1,  
Jakarta 10310 Indonesia  
Phone: +62 21 2358 4400  
Fax No: +622123584401

#### Philippines

INTELLECT DESIGN ARENA PHILIPPINES, INC  
Suite 407, Prestige Tower Building, Emerald Avenue,  
Ortigas Centre, Pasig City – 1605, Philippines  
Phone: 63-2-622 4470

#### China\*

Level 26, Shanghai City Time Square Office Tower,  
No. 93, Huaihai Zhong Road, Luwan District,  
Shanghai – 200021, China  
Phone: 86-21-5117 6391

#### Malaysia\*

Suite 6, Level 21, Block 3B, Plaza Sentral, Jalan Stesen  
Sentral 5, 50470, Kuala Lumpur, Malaysia  
Phone: 60-3-2260 6888

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32, Shiba-Koen building, 8th Flr, Shiba-Koen,  
Minato-ku, Tokyo – 105 0011, Japan  
Phone: 81-3-5405 9410

#### Hong Kong\*

19/F, Beverly House, Nos. 93-107 Lockhart Road,  
Wanchai, Hong Kong  
Phone: 852-6578 5747

#### Japan

INTELLECT DESIGN ARENA PTE LTD  
32 Shiba Koen building 8th Floor, Shiba Koen,  
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Fax No: +65 6333 1431

#### AUSTRALIA

##### New Zealand\*

Level 15, HP Tower, 171 Featherston Street,  
Lambton, Wellington – 6011, New Zealand  
Phone: 64-4-8948 5279

##### Sydney\*

31, Market Street, Sydney,  
NSW 2000, Australia  
Phone: 61-2-9267 1955

#### NORTH AMERICA

##### Pittsburgh

INTELLECT DESIGN ARENA INC  
2730 Sidney Street  
Suite 200  
Pittsburgh, PA 15203  
Phone: 1-412-2970046

##### New Jersey

INTELLECT DESIGN ARENA INC  
30 Montgomery Street  
Suite 700  
Jersey City, New Jersey 07302  
Phone: 1-732-5084443

##### INTELLECT DESIGN ARENA INC

20 Corporate Place South  
Piscataway, New Jersey 08854  
Phone: 1-732-5908100

##### Toronto

INTELLECT DESIGN ARENA INC  
130 King Street West  
Suite 1800  
Toronto, ON M5X 1E3  
Phone: 1-416-8653365

##### Chile

INTELLECT DESIGN ARENA CHILE LIMITADA  
Avd. Andres Bello 2711, Piso 18  
Las Condes, Santiago De Chile  
Phone: 56-2-3695681

\* Intellect represented through Polaris office

# **INTELLECT DESIGN ARENA LIMITED**

(formerly known as Fin Tech Grid Limited)

Annual Report for the year ended March 31, 2015



## FINANCIAL REPORT

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### Bankers

Citibank N.A

HSBC Ltd.

HDFC Bank Ltd.

Barclays Bank

ICICI Bank Ltd.

Bank of America, N.A. New Jersey

### Auditors

**M/s. S.R.Batliboi & Associates LLP**

6<sup>th</sup> & 7<sup>th</sup> Floor, A Block

(Module 601, 701 – 702), Tidel Park, No.4, Rajiv

Gandhi Salai, Taramani,

Chennai – 600 113. India.

## **DIRECTORS' REPORT**

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## DIRECTORS' REPORT

To the members,

We are pleased to present the 4th Annual Report on our business and operations for the year ended 31st March 2015, of Intellect Design Arena Limited ("Company") (formerly known as Fin Tech Grid Limited). This is our first year of business operations.

### 1. Results of operations

(Rs. in Lakhs, except EPS data)

Description	Standalone		Consolidated	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Income (Including Other Income)	47,514.17	-	63,627.76	-
Expenses (Including exceptional items)	53,187.03	-	69,882.27	-
Profit/(Loss) before Interest, Depreciation & Tax (PBITDA)	(5,672.86)	-	(6,254.51)	-
Finance Charges	-	-	80.78	-
Depreciation & amortization	1,705.68	-	1,901.27	-
Net Profit/(Loss) Before Tax	(7,378.54)	-	(8,236.56)	-
Provision for tax including Deferred Tax	(260.99)	-	175.84	-
Net Profit/(Loss) after tax	(7,117.55)	-	(8,412.40)	-
Add / (Less): Share of Profit / (Loss) on Associate Companies	-	-	114.26	-
Add / (Less): Minority Interest - Share of Profit / (Loss)	-	-	(1.19)	-
Net Profit / (Loss)	(7,117.55)	-	(8,299.33)	-
<b>EPS</b>				
Basic Rs.	(7.12)	-	(8.30)	-
Diluted Rs.	(7.12)	-	(8.30)	-

Table No. 1.1

The Company commenced its business operations during the year consequent to the Demerger of Product business undertaking of Polaris Consulting & Services Ltd (formerly called as Polaris Financial Technology Ltd) into the resulting Company, Intellect Design Arena Limited in line with the Court Order dt 15/09/2014 from the Hon'ble High Court of Judicature, Madras with effective date from 1st April 2014 (appointed date).

Since the Company had no operations during the earlier year, no comparative information has been disclosed with regard to the financial results for the year ended 31<sup>st</sup> March 2015.

### 2. Scheme of Arrangement – cum-Demerger between Intellect Design Arena Limited (formerly known as Fin Tech Grid Limited) and Polaris Consulting & Services Limited (formerly known as Polaris Financial Technology Limited):

The Scheme of Arrangement Cum Demerger ("the Scheme") between the Company and Polaris Consulting & Services Limited ("Demerged Company") was approved by the Board of Directors of the company at the meeting held on 18th March 2014 and the Hon'ble High Court of Judicature, Madras approved the scheme vide its order dt.15/09/2014 which was received by the Company on 24th September 2014 for transfer of the Product Business Undertaking of the Demerged Company into the company and the Scheme came into effect from 25th September 2014. Subsequent thereto, the transfer of the Product Business Undertaking of the Demerged Company with effect from the appointed date, 1st April 2014 has been completed.

This transition phase was an extremely demanding phase wherein we need to effect transfer of Associates (Employees), transfer of Customer contracts, transfer of Vendor contracts, transfer of Assets & Liabilities, create separate set of books of accounts, get them audited & publish

results besides complying with various processes and procedures including regulatory compliances. We thank the Management team and Associates who have invested substantial time & efforts to make this transition extremely seamless to all stakeholders and complete on time. We are very happy and energised with this accomplishment.

As per the scheme, the company provided to the Eligible Shareholders (as defined therein), an option to elect to receive non-convertible debentures, in lieu of equity shares in the company, which were to be redeemed at a price of Rs.42/-

8 Shareholders have elected to receive non-convertible debentures as aforesaid and subsequently they have withdrawn the same.

### 3. Business Performance

The consolidated revenue of the Company for the year ended March 31, 2015 stood at Rs.63627.76 Lakhs. The consolidated Net Profit/(Loss) for the fiscal year ended March 31, 2015 stood at Rs.(8299.33) Lakhs. The Consolidated Reserves and Surplus as of 31st March 2015 stood at Rs.56,910.57 Lakhs.

The business operations started during the current year consequent to the above Demerger, hence there are no previous year figures for the P&L account.

The following subsidiary and associate companies of the Demerged Company have been demerged during the year to the Company under the Scheme and these companies have been transferred with effect from April 1, 2014 (Appointed Date).

#### Subsidiary Companies:

1. Laser Soft Infosystems Limited
2. Indigo Tx Software Private Limited
3. SFL Properties Private Limited
4. Polaris Enterprise Solutions Limited
5. Intellect Design Arena Co. Ltd, Vietnam
6. Intellect Design Arena FZ LLC, Dubai
7. Intellect Design Arena Pte Ltd, Singapore
8. Intellect Design Arena Limited, UK
9. Intellect Design Arena SA, Switzerland

#### Joint Venture (51% Subsidiary) Company :

1. Sonali Polaris FT Limited, Bangladesh

#### Associate Companies :

1. Adrenalin ESystems Limited
2. NMSWorks Software Private Limited

### 4. Subsidiaries

#### Details of Subsidiary Companies, Joint Ventures and Associate Companies and their financial position.

Your Company has 16 (9 direct, 1 JV and 6 step down) subsidiary companies and 2 Associate Companies for the financial year ended on March 31, 2015. The information as required under the first proviso to sub-section (3) of Section 129 is given in Form AOC-1 in Annexure 1.

### 5. Cash & Cash Equivalents

Your Company's liquidity remains healthy with a cash reserve of Rs.285.19 crores (Net cash estimated around Rs.220 crores after giving effect to demerger impact and settlements) to meet the investment needs during its initial phase. The working capital with reference to DSO (Days of Sales Outstanding) was maintained around 145 days (including billed as well unbilled) during the year.

### 6. Share Capital

The paid up Share Capital of the Company was increased to Rs.49.97 Crs through issue of shares to Shareholders of the Demerged (Polaris) Company and also reduced by Rs.5 lacs by cancellation of the then existing Shares to give effect to the Scheme of Demerger.

Further, share allotments were made against exercise of Options under the ASOP Schemes inherited as part of de-merger and including that part, the paid up capital stands at Rs.500,992,370 comprising of 100,198,474 number of equity shares of Rs.5/- each as on March 31, 2015

The information as required under the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, and also the information required under the Guidance note of ICAI, in relation to ESOPs are set out in the Annexure 2 to the Directors' Report.

## 7. Research and Development

Intellect Design Arena Limited (IDAL), true to its name, embodies a vision of effective design. The world's first financial technology design center, FT 8012, at Chennai and the recent launch of its Mumbai version stand as testaments of the design ambition. It is anticipated that effective design not only permeates all IDAL products but also permeates all facets of work life at IDAL. To facilitate this, the Chairman and Managing Director, Mr. Arun Jain, and the Chief Design Officer (CDO), Mr. Rajesh Kuppuswamy, have been conducting design thinking workshops and exercises to prepare appropriate minds and evangelize the advantages and the possibilities of design for the past few years. These workshops have been positive influences on the minds of IDAL associates, as evidenced through work conversations and initiatives discussed below.

In order to place IDAL at the forefront of technology and competitive services, focused research activities have been initiated, keeping the overlap of Business, Technology and Operations as the basis of design therefor. The Intellect iDigital (iDigi) platform and the Chief Design Officer's Office (CDOO) are associated with several examples of successful applications of design. One such example from iDigi is the Canvas Technology (CT) platform, which provides for rapid assembly of omni-channel solutions through a virtual and visual workspace called a canvas. The CT platforms/constituent frameworks are designed for minimal coding requirements on part of users to keep pace with the rapid evolution of digital channels in the banking/financial services industry. The use of CT provides a customer with a seamless user experience across multiple channels, integration capabilities and a configuration driven application environment. Functionalities are realized through self-contained applications (apps), and the canvas provides for easy assembly of apps thereon in accordance with a layout to suit business/user requirements. CT also has built-in capabilities to increase efficiency of role-based access and the means to published flexible layouts of apps onto an app store.

Another iDigi design success is HUB technology, which provides a complete platform for building banking applications to cater to extreme processing scenarios ranging from intensive manual data entry to Straight-Through Processing (STP) of large transactions. The design of HUB technology accommodates integration of business systems and services through a single, standardized interface and zero coding on part of a user thereof through appropriate User Interfaces (UIs). Scalability and high performance have been realized through infrastructure optimization.

Research and Development (R&D) activities at IDAL are also individually categorized as Business based, Technology based and Operations based. The classification does not serve to limit the innovations to categories; the categories overlap with one another to a significant extent. To meet the business needs of the future digital banking customer, a device-agnostic, omni-channel, intuitive user experience is envisioned. This is realizable through next-generation branch-banking products offering functionalities for branch role players such as tellers, relationship managers and customer service officers. To help serve customers better, the world's first financial technology robot, Robin, was developed and prototyped in-house in 2014 under the aegis of the CDOO. Refinement of Robin would enable its deployment as a banking assistant for performing common branch operations such as passbook updates, ATM card issuance, account opening, account balance enquiry, bill payments and account transfers. It is to be noted that the capabilities of Robin are not limited to the aforementioned operations. These solutions are also backed by a biometric authentication engine for financial technology products also developed in-house at IDAL.

Robin has also enhanced the brand value of IDAL by way of the corresponding design patent application being allowed in the US. The US Patent and Trademark Office (USPTO) recognition follows the previous year's grant of the Robin design patent application in India.

On the technology front, the Infrastructure Planning team of the CDOO has prototyped a hardware sizing calculator, which automates the analyses involved in coming up with exact hardware specifications and deployment architectures recommended for specific Intellect product implementations. The CDOO sizing calculator also provides indicative pricing for the recommendations. The CDOO has also undertaken R&D on behalf of an application self-healing toolkit, which performs health checks on Intellect applications; parameters of the health checks include but are not limited to resource utilization, real-time performance and deadlocks. As part of the self-healing, corrective actions are taken to counter abnormal behavior of an application based on the health checks.

Operational flexibility, reusability and integration are best represented through Intellect's Message Hub (MH). Reusable integration cartridges have been developed as part of MH to aid communication between Intellect products and external third-party banking and financial technology products such as Flexcube, Temenos (T24), MiSys, Finacle, Silverlake, B@NCS, Systematics and Phoenix. Configuration Management (CM) represents custodianship of Intellect product codebases. Efficient ways of managing source code in a multi-developer environment and build automated deployment processes for Intellect products have been researched as part of CM. Also, common functionalities of Intellect products across implementations have been identified and segregated.

A generic migration toolkit to help ease migration of Intellect products from a lower version to a higher version and R&D on possible security breaches/violations on Intellect products are initiatives in the immediate CDOO radar.



The CDOO is also responsible for the FT8012 design talk series, which provide a platform for external success stories to share thoughts and views on design. The talk series have been well received by IDAL associates who flock to the venue and, soon, are responsible for a full-house. Nine installments of the talks have been completed so far.

## 8. Corporate Governance

Your Company has been complying with the provisions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. A separate report on Corporate Governance along with Auditors' certificate on compliance of the Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement and Management Discussion & Analysis forming part of this report are provided elsewhere in this Annual Report.

The Register of Members and Share Transfer books of the company will be closed with effect from 17th July, 2015 to 28th July 2015 (both days inclusive).

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

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

## 10. Particulars of Employees and Related disclosures

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annexure forming part of the Annual Report.

Disclosures pertaining to remuneration and other details as required under 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 provided in the Annexure forming part of the Annual Report.

Having regard to the provisions of Section 136(1) read with its relevant provision of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee and free of cost.

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

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

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the Annual Accounts on a "going concern basis".

- The Board of Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The Board of Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

### (a) Board Meetings:

The Board of Directors of the Company met 11 times during the year 2014-15. 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 Companies Act, 2013.

### (b) Changes in Directors & Key Managerial Personnel

Mr.Arun Jain, was appointed as Managing Director in the meeting held on 30.08.2014 and as Chairman with effect from 24th September 2014.

Mr.Anil Kumar Verma was appointed as additional director with effect from 30th September 2014 and appointed as Executive Director effective from 1st February 2015.

Ms.Aruna Krishnamurthy Rao was appointed as Independent Director in the members' meeting held on 9th October 2014.

During the year, Mr.S.Swaminathan and Mr.V.V.Naresh were appointed as Chief Financial Officer and Company Secretary & Compliance Officer respectively with effect from 15th October 2014.

### (c) Re-Appointment

As per Article 34 (I) of the Articles of Association of the Company, one third of the Directors are liable to retire by rotation at the Annual General Meeting of the Company.

As per the present composition of the Board, no director is liable to retire by rotation at this Annual General Meeting.

### (d) Independent Directors

The following Independent Directors who were appointed in the 3rd Annual General Meeting held on 17th September 2014 and in the EGM held on 9th October 2014 for a period of three (3) years, will continue to be on the Board till the conclusion of 6th Annual General Meeting to be held in the calendar year 2017.

- Dr. Ashok Jhunjunwala
- Mr.V.Balaraman
- Ms.Aruna Krishnamurthy Rao

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Act, that they meet the criteria of independence as laid down in Section 149(6) of the Act.

**(e) Details of remuneration to Directors:** The information relating to remuneration of directors as required under Section 197(12) of the Act, is given in Annexure 4.

### (f) Board Committees

The Company has the following Committees of the Board:

- Audit Committee
- Nomination and Remuneration & Compensation Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

**Sub-committees:****1. Share transfer Committee**

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

**(g) Remuneration policy**

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

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

**(h) Board Evaluation**

As required under the provisions of Section 134(3)(p) and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, and the manner in which such performance evaluation was carried out is as under:

The performance evaluation framework is in place and has been circulated to all the directors to seek their response on the evaluation of the entire Board and independent directors. The Nomination and Remuneration & Compensation Committee shall carry out evaluation of Director's performance.

The criteria of evaluation is exercise of responsibilities in a bona fide manner in the interest of the Company, striving to attend meetings of the Board of Directors/ Committees of which he is a member/ general meetings, participation constructively and actively in the meetings of the Board /committees of the Board etc.

**(i) Vigil Mechanism**

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

**(j) Related Party Transactions**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Transactions have been carried out with Polaris Consulting & Services Limited to give effect to the Approved Scheme of Demerger & consequent effect thereof. There are no other materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

**13. Auditors**

**Financial Auditors:** M/s. S.R.Batlilobi & Associates LLP, Chennai, Chartered Accountants who are the financial auditors of the Company hold office as financial auditors until the conclusion of the 8th Annual General Meeting of the meeting to be held in the calendar year 2019. Their appointment is subject to ratification by the members at the 4th annual general meeting.

**Secretarial Audit:** 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. S Eshwar, Company Secretaries, and his report is annexed as Annexure 6.

**14. Fixed Deposits**

Our Company has not accepted any deposits during the financial year and as such, no amount of principal or interest was outstanding as on March 31, 2015.

**15. Social Connect****Corporate Social Responsibility**

Intellect participates in the CSR initiatives under the umbrella of Ullas Trust. Ullas was started with an aim to integrate the organisation with a larger community and enable them to experience the joy of working with young minds in the country.

The primary motive of Ullas is to recognize academic excellence in students from the economically challenged sections of our society and encourage the "Can do" spirit towards chasing their dreams and aspirations. Ullas focuses its energies on students during the most vulnerable stage in their journey – adolescence! This would translate into students from Class (Grade) 9 to 12. It is at this age that positive influence gets amplified.

The Guiding Principles of Ullas are:

- A young mind learns through his/her observations and by expanding his view. One can broaden his/her vision in this manner.
- A young mind gets inspired by experiencing role models. Its only when one observes benchmarks of success can one even think about it.
- A young mind gets energized and further encouraged by recognition in a larger group.
- Between the ages of 13 and 16, the maximum change in one's thought process occurs and any positive influence gets amplified
- To bring anything to reality one needs to visualize it. When one pens his or her dreams on paper one's own personal commitment to the dreams increases and the chances of achieving the dream increases
- During the journey towards achieving dreams, if one's thoughts are supported and discussed with a mentor, friend and guide, it inspires and accelerates momentum towards one's goals.

There are two key engagements, driven by voluntary participation and contribution by the employees of Intellect.

SUMMIT, the weekend enrichment program, which comprises of 20 life skills intervention modules, to help students hone their self-confidence and overall personality. Summit is active in the cities of Chennai, Hyderabad, Mumbai, Pune and Delhi.

Our TOUCH THE SOIL initiative reaches out to young minds in rural areas of Tamil Nadu, Maharashtra, Delhi and Andhra Pradesh every year, through its 'Diary of Dreams' and 'Planning' workshop.

These initiatives aim to inspire students to dream big and to start translating these dreams into action.

**16) Audit Committee Recommendation**

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

**17) Extract of Annual Return**

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

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

During the financial year 2014-15, an order from Hon'ble High Court of Judicature, Madras dt.15/09/2014 was received on 24/09/2014 approving the Scheme of Arrangement-cum-Demerger for demerger of Products Business Undertaking of the Demerged Company, Polaris Consulting & Services Limited into the company.

## 19) Particulars of Loans, Guarantees and Investments u/S 186

### Investments made in subsidiaries:

Sl. No	Name of the Investee	Currency	Face Value	Amount in FCY / INR	Amount in Rs. lacs
1	Intellect Design Arena Pte Ltd (Singapore)	SGD	1	10,555,000	404.60
2	Intellect Design Arena Limited (Uk)	GBP	1	889,000	617.50
3	Intellect Design Arena SA, (Switzerland)	CHF	10	35,000	112.76
4	Intellect Design Arena Co. Ltd., (Vietnam)	VND	1	900,000,000	22.50
5	Intellect Design Arena FZ-LLC, (Dubai)	AED	1000	1,500	203.70
6	Sonali Polaris FT Limited (Bangladesh)	BDT	10	3,825,000	238.76
7	Polaris Enterprise Solutions Limited (India)	Rs	10	9,000,000	900.00
8	Laser Soft Infosystems Limited (India)	Rs	10	7,828,838	5,201.06
9	Indigo Tx Software Private Limited (India)	Rs	2	1,985,200	1,702.97
10	SFL Properties Private Limited (India)	Rs	10	1,560,000	1,544.53

Table No. 1.2

### Investments in Equity Instruments – Associate Companies:

Sl. No	Name of the Investee	Currency	Face Value	Amount in INR	Amount in Rs. Lacs
1	NMSWorks Software Private Limited	Rs.	10	726,256	415.26
2	Adrenalin E systems Limited	Rs.	5	13,078,080	833.88

Table No. 1.3

### Investments in Preference shares - Associate Companies :

Sl. No	Name of the Investee	Currency	Face Value	Amount in INR	Amount in Rs. Lacs
1	Adrenalin E systems Limited- 7% cumulative	Rs.	5	15,200,000	760.00
2	NMSWorks Software Private Limited-12 % optionally convertible cumulative	Rs.	10	378,614	233.04

Table No. 1.4

## 20) Risk Management Policy

As a pioneer in the IP led business in India, the company is committed to have a world class Risk Management system suited for product business.

As an immediate step, we are increasing the Insurance limits to cover the enhanced risks of the Products Business. This is due to increased demand of liability by the Customers and the opinion of our advisors.

## 21) Corporate Social Responsibility

Details of the policy and implementation of the CSR activities during the year 2014-15 are provided under Annexure 8.

## 22) 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 2014-15:

a) No. of complaints received: NIL

b) No. of complaints disposed NIL

## 23) Listing Fees

The Company confirms that it has paid the annual listing fees for the year 2015-16 to both National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

## 24) Acknowledgement

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

By Order of the Board  
For **Intellect Design Arena Limited**  
(formerly known as Fin Tech Grid Limited)

Place: Chennai  
Date : May 21, 2015

**Arun Jain**  
Chairman and Managing Director



**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

**Part A**

Rs in Lacs

SI 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	Proposed Dividend	% of Holding
1	Intellect Design Arena Pte Ltd., Singapore (+)	April-March	SGD	45.48	404.60	2,183.85	7,906.24	5,346.24	28.46	2,060.59	(101.30)	128.39	(229.69)	1,304.38	100%
2	Intellect Design Arena Limited., United Kingdom (+)	April-March	GBP	92.47	617.50	3,814.10	9,070.48	4,638.89	-	14,236.32	692.83	138.72	554.10	-	100%
3	Intellect Design Arena SA, Switzerland (+)	April-March	CHF	64.26	112.76	2,752.31	2,731.97	(133.10)	-	1,400.56	809.75	127.09	682.66	-	100%
4	Intellect Design Arena, PT Indonesia**	April-March	IDR	0.0048	145.10	(19.15)	152.94	26.98	-	-	(11.55)	-	(11.55)	-	100%
5	FT Grid Pte Ltd, Singapore**	April-March	SGD	45.48	0.04	(1.33)	0.05	1.33	-	-	-	-	-	-	100%
6	Polaris Software Lab Chile Limitada, Chile*	January - December	CLP	0.10	5.02	68.13	357.17	284.02	-	884.73	17.26	5.33	11.93	-	90%
7	Intellect Design Arena Inc., US**	April-March	USD	62.50	3,542.71	(3,201.59)	6,632.77	6,445.08	153.43	4,747.94	(2,540.56)	37.30	(2,577.86)	-	100%
8	Polaris Enterprise Solutions Limited, India (+)	April-March	INR	1.00	900.00	(531.59)	934.47	566.06	-	797.83	(115.06)	-	(115.06)	-	100%
9	Laser Soft Infosystems Limited, India (+)	April-March	INR	1.00	783.13	1,723.85	3,783.65	1,277.12	0.45	3,018.62	(1,016.86)	-	(1,016.86)	-	100%
10	Intellect Design Arena Co. Ltd, Vietnam (+)	April-March	VND	0.003	22.50	(80.15)	177.43	235.08	-	232.57	33.97	0.00	33.97	-	100%
11	SFL Properties Private Ltd, India (+)	April-March	INR	1.00	156.00	498.21	654.35	0.13	-	-	(26.20)	-	(26.20)	-	100%
12	Indigo TX Software Pvt Ltd, India (+)	April-March	INR	1.00	39.70	324.15	528.63	164.77	-	381.23	18.07	-	18.07	-	100%
13	Intellect Design Arena FZ LLC, Dubai (+)	April-March	AED	17.02	203.70	4,564.71	5,315.81	547.40	-	11,164.72	2,335.18	-	2,335.18	-	100%
14	Intellect Design Arena Philippines, Inc.**	January - December	PHP	1.40	276.07	(278.93)	711.22	714.08	-	726.13	48.32	-	48.32	-	100%
15	Sonali Polaris FT Ltd, Bangladesh (+)	April-March	BDT	0.82	468.15	(1,724.40)	444.91	1,701.17	-	353.07	(1,001.87)	-	(1,001.87)	-	51%
16	SEEC Technologies Asia Private Limited, India***	April-March	INR	1.00	349.90	1,635.26	2,149.79	164.63	-	520.00	107.95	37.30	70.65	-	100%

**Table No. 1.5****Notes**

- Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31st March, 2015
- \* Subsidiaries of Intellect Design Arena Limited, UK
- \*\* Subsidiaries of Intellect Design Arena Pte Ltd, Singapore
- \*\*\* Subsidiary of Intellect Design Arena Inc., USA
- Investment includes investments made in step down subsidiaries
- Information provided above is based on the Indian GAAP financials of the Subsidiaries for the financial year ended 31st March, 2015
- (+) Direct subsidiaries of Intellect Design Arena Limited.

**Part "B": Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Rs. in lakhs

S. No.	Name of Associates / Joint Ventures	Adrenalin Esystems Limited	NMSWorks Software Private Limited	Sonali PolarisFT Limited
1.	Latest audited Balance Sheet Date	March 31,2015	March 31,2015	March 31, 2015
2.	Shares of Associates / Joint Ventures held by the company on the year end			
	Number of shares	13,078,080	726,256	3,825,000
	Amount of Investment in Associates/Joint Venture	833.88	583.21	223.11
	Extent of Holding %	40.25%	36.54%	51%
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 Companies Act 2013 and comes under definition of Associate Company.	The Company has the control in excess of 20% of total Share Capital of NMSWorks Software Private Limited as per Section 2(6) of Companies Act 2013 and comes under definition of Associate Company.	The Company has the control in excess of 20% of total Share Capital of Sonali PolarisFT Limited as per Section 2(6) of Companies Act 2013 and comes under definition of Associate Company.
4.	Reason why the associate / joint venture is not consolidated	Holds less than 51% of Share Capital, Hence no Control.	Holds less than 51% of Share Capital, Hence no Control.	Holds 51% of Share Capital, Hence the company has Control.
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	754.15	616.88	(1256.25)
6.	Profit/ Loss for the year	201.98	326.71	(1,001.87)
i.	Considered in Consolidation	-	119.38	(1,001.87)
ii.	Not Considered in Consolidation	201.98	207.33	-

**Table No. 1.6**

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

**For S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration number: 101049W

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

**per Bharath N S**  
Partner  
Membership No. 210934

**Arun Jain**  
Chairman & Managing Director

**Ashok Jhunjhunwala**  
Director

Chennai  
May 21, 2015

**S.Swaminathan**  
Chief Financial Officer  
  
Chennai  
May 21, 2015

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

## ANNEXURE 2

## a) Employee Stock Option Plans

Your Company currently administers [4] stock option programs, viz., ASOP 2003, ASOP 2004 and ASOP 2011 which were inherited from the Demerged Company and a new scheme Intellect Stock Option Plan (ISOP 2015) which was approved by the members in the meeting held on 29th January 2015. Summary information of these stock option programs of the Company is provided under Notes to Accounts under Standalone Financial Statements of this Annual Report.

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

Had compensation been determined under the fair value approach described in the Guidance Note on, "Accounting for employee share based payments" issued by ICAI, the Company's net profit and basic and diluted earnings per share would have reduced to the proforma amounts as indicated:

Amount Rs. In lakhs

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Net profit as reported	(8,299.33)	-
Add: Stock-based employee compensation expense (intrinsic value method)	21.96	-
Less: Stock-based employee compensation expense (fair value method)	184.00	-
Proforma net profit	(8,461.37)	-
Basic earnings per share as reported	(8.30)	-
Proforma basic earnings per share	(8.47)	-
Diluted earnings per share as reported	(8.30)	-
Proforma diluted earnings per share	(8.47)	-

Table No. 1.7

Information as required under Rule 12(9) (a) to (i) of the Companies (Share Capital and Debentures) Rules, 2014, is as below:

Particulars	ASOP 2003	ASOP 2004	ASOP 2011	ISOP 2015
Outstanding options at the beginning of the year	NIL	NIL	NIL	NIL
Options Granted	1,092,900	379,100	4,615,550	1,830,000
Options Vested	566,000	1,49,500	1,44,800	NIL
Options Exercised	300,700	170,000	48,750	NIL
Total No. of shares arising as a result of exercise of option	300,700	170,000	48,750	NIL
Options Lapsed	115,000	5,400	2,32,900	80,000
Options Lapsed forfeited	115,000	5,400	2,32,900	80,000
Exercise Price	**	**	**	97.75*
Variation of terms of Options	NIL	NIL	NIL	NIL
Money realized by exercise of options	17,358,648	10,522,750	1,785,630	NIL
Total no. of Options in force	677,200	203,700	4,333,900	17,50,000

Table No. 1.8

Information as required under Rule 12(9) (j) (i) to (iii) of the Companies (Share Capital and Debentures) Rules, 2014, is as below:

Name of the Senior Managerial Personnel	Designation	ESOPs Granted
Anil Kumar Verma	Executive Director	200,000
Jaideep Billa	CEO-Intellect Global Banking	50,000
Govind Singhal	Global Business Enablement Officer	25,000
Rajesh Saxena	Executive Vice President	25,000
V.V.Naresh	Company Secretary & Compliance Officer	18,000
S.Swaminathan	Chief Financial Officer	1,18,500

Table No. 1.9

## \*\* ASOP 2003 :

The options are granted at the market price on the date of the grant. The market price, in accordance with the Securities and Exchange Board of India (Share based employee benefits) Regulations 2014 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered.

## \*\* ASOP 2004 :

The options are granted at the market price on the date of the grant. The market price, in accordance with the Securities and Exchange Board of India (Share based employee benefits) Regulations 2014 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered.

## \*\* ASOP 2011 :

The Exercise Price per share is the Market Price which is the latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted/shares are issued, 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.

## Grant Price Details

Particulars	Swarnam 11	Swarnam 21	Swarnam 31	Swarnam 41
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

## \*ISOP 2015

The members in the Extraordinary General Meeting of the Company held on 29th January 2015 have approved a new Stock Option Scheme Intellect Stock Option Scheme ("ISOP 2015") which contains 60,00,000 Pool size Stock Options for grant of options to the associates, Directors excluding Independent Directors of the Company and the associates of it's subsidiary companies.

The Scheme is classified into 5 categories :

- 1) Swarnam 101
- 2) Swarnam 201
- 3) Swarnam 301
- 4) Swarnam 401
- 5) Swarnam 501

## Grant price Details :

The Grant Price per option shall be at the Market price or discount on Market price as detailed below :

DISCOUNT PER OPTION (% on Market Price)						
Price Band		Swarnam 101	Swarnam 201	Swarnam 301	Swarnam 401	Swarnam 501
A	Market Price up to Rs.49/-	Nil	Nil	Nil	Nil	Nil
B	Market Price between Rs.49 to Rs.140/-	15%	30%	50%	25%	Up to 50%
C	Market Price is > Rs. 140/-	10%	20%	50%	25%	Up to 50%

Table No. 1.10

However, in case of B above, grant price (after discount) shall not be lower than the floor price.



## ANNEXURE 3

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

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

**A) Conservation of energy:**

Though the Company had challenges like facility expansion (NXT LVL, ground floor operation started on 27th March 2014 with 406 seats), fluctuation in fuel price and increase in power tariff, energy conservation methods were implemented across Intellect facilities during FY 2014-15.

**(i) The steps taken / impact on conservation of energy:****Energy conservation methods implemented across Intellect locations**

- Optimizing chiller / split / package AC set point to maintain condition space temperature @ 26 degree centigrade
- Installation of motion sensors in cabin, meeting rooms and rest room to avoid wastage
- Replacing of conventional lighting with energy efficient LED lights to reduce lighting power consumption
- Auto shutting down of systems to reduce UPS power consumption

**Savings achieved**

- Energy saving programmes put in place on power consumption during FY 2014-15
- (ii) The steps taken by the company for utilizing alternate sources of energy:**
- Implemented IEX power purchase, BIO gas generation @ Navalur location in FY 2014-15,
- Projects in progress : - Wind power trading and Installation of solar panels
- (iii) Capital investment on energy conservation equipment:**
- Installation of new lighting transformers to reduce power consumption @ NXT LVL
  - Revamping of conventional AC with energy efficient VRV (Variable Refrigerant Volume) to reduce power consumption @ Chennai One

**(B) (i) Technology absorption:**

- IT Policies & process simplification towards Business & Associate enablement. Mobile assets usage, Wireless access, Remote connectivity options, Cloud enablement and Assets provisioning simplified and made associate friendly through Technology & Process refinement.
- Approval levels & layers consolidated for Privilege Exceptions & infrastructure provisioning.

**(ii) Technology adoption****AD Self Help**

Intellect AD Self Set brings in the culture of Do It Yourself (DIY) - Help Desk in your Hands

Intellect AD Self Set is an innovative web-based Active Directory self service product. It allows System users to Reset Password, Update Profile and unlock account right from your desktop without a single call or IT support. This time-saving, total-freedom software tool is Secure and Reliable.

**From Time-taking to Time-saving**

An Organization can have a HelpDesk or IT Support but we have always been waiting for someone to resolve our issue, this self-help tool saves time as there is no waiting.

It adds immense value to business by reducing costs, improving employee productivity, ensuring superior return on investment, and most importantly as a web based secure and easy interface to the domain user.

**Mobile Authentication:** Allows employee to self-reset their account password or Unlock their account right from their Computer by validating the Unique OTP received to their mobile.

**Security & Compliance:** Secured system that prevents threats externally and also internally

**Password Helper:** A feature for IT Admin to set password creating standards to meet compliance and policy requirements

AD Selfset has reduced 2000 service desk tickets, thereby saving 1000 hrs/month of associates' productive time.

**New Initiative**

All production support associates are provided 1:1 phone extensions. Additional cabling and upgrade to existing EPABX systems was done to enable this and provide better support to our customers.

**New IT infrastructure**

The following new IT infrastructure implementation were completed in last one year

- Piscataway Office in US (120 Seats - Phase 1)
- Goregaon FT 8012 design center (275 - Seats)
- US Product Office - NJ (35 Seats)
- UK Product Office - London (35 Seats)
- Australia New Office set up (25 Seats)

**Network Infrastructure upgrades**

Few major network infrastructure upgrade were taken up last year:

- Network architecture revamp at Pittsburg
- Data Leak prevention (DLP) enhanced with the monitoring of the data leak events

**IT Support enhancements****a. IT Kiosk**

IT Kiosk created across all locations, which enabled the associates to walk-in and fix their Laptop issues and get the replacement for faulty IT components. This has reduced the turn-around time for the resolution of IT issues and increased the performance of IT support to associates.

**b. Knowledge base in Octopus**

The IT issues resolution knowledgebase was created in Octopus. Associates were able to fix their IT issues themselves using this knowledgebase. This has helped in the reduction of the service desk calls. Also, service desk associates were provided the reference of the knowledge base for the resolution of their issues which has increased the usage of knowledge base for the resolution of IT issues.

**MIS**

As a part of Demerger activity, all the internal applications had to be aligned to handle the bifurcation in data and cater to two different set of business rules. Applications related to Revenue recognition, Finance accounting etc., had to be provisioned to handle the set of new legal entities created across the globe. Extensive data integrity across applications and data security related activities with bifurcation and transfer of projects, associates, assets, customer, vendors etc., have been handled with very little impact on day to day business operations.

All new package for Sales and Marketing activity of Intellect has been commissioned. This package helps the sales, marketing and senior management teams to track the sales process till closure with enhanced functional features and rich analytics.

Apart from these, a number of process improvement initiatives have been handled thru automation with regular connects with the Business to help them manage their activity efficiently.

### (iii) Technology innovation

#### Data Center Build

A new data center has been built to consolidate 3 data centers into one. 2 data centers from Chennai and 1 from Mumbai, were consolidated into this new, next generation data center. In addition to data centers consolidation, this also led to consolidation of servers and server racks. Racks consolidated from 35 to 25. Consolidation and use of new technologies have led to overall reduction in Opex.

Two major source of energy consumption are Racks and AC. Consolidation of servers and racks, planning of AC design, precision AC, compact design of data center, rack containment, all these led to savings of 35% in power cost. We expect these cost savings to self-fund the new data center in 3 years.

The following are the major technologies used

- Dual factor authentication
- Fire proof doors and walls
- VESDA - Very early smoke detection alarm
- Fire suppression system - NOVEC
- Rodent repellent system
- Temperature and humidity monitoring
- e. Rack containment for effective cooling system
- Precision Air-conditioning with digital scroll technology for cooling. This effectively reduced the power consumption
- The ISP room is isolated from the DC

The Data center is the nervous system for our organization. Our Data center is named as Galaxy which signifies all-encompassing and complete. Being the nervous system, we have designed in a way so it provides improved performance, more availability, secure and no risk - peace of mind. This will ensure improved and maximum efficiency of all other body parts (entities in the organizations).

The new & improved Data Center ensures 99.99% of availability of services.

#### Cloud Implementation

Intellect constantly looks for innovation and new technology, to improve operational efficiency, with improved cost as another factor. Development and testing is a perfect fit for Cloud as it provides better flexibility for handling sudden burst of compute requirements. Intellect is one of the pioneers in using cloud for development and testing of Intellect solutions.

Business benefits on Cloud are flexibility, ability to meet sudden burst requirements and short duration demands. Cost of operations is 20-30% lower than traditional models.

#### Reason for undertaking Cloud Project:

Development need multiple test environment, there are short term and long term requirements. Short term requirements are burst in nature. Large number of environments for shorter duration. Cloud is ideal choice for handling such requirements, as no Capex investment on short term requirements.

Cloud provides flexibility of hosting. Most of the developers are located in India, hence development servers are at Cloud service providers data center in India. Demos happen at US, EMEA. Demo servers are hosted at US data centers to minimize latency.

#### Benefit of cloud implementation

Cloud reduces administrative and maintenance overheads, and simplify IT Operations

- a. No hosting space at Data center, power and cooling.
- b. Reduction on Server administrator
- c. No Server & SAN AMC
- d. No hardware refresh

500 Server instances were migrated to Cloud which added significant agility and associated cost savings.

Cost savings on optimization of IT infrastructure and reduction of operation cost :

- a. Rate contract signed for laptops and desktop procurements for FY2014-15, yielded cost saving of INR 0.24CR
- b. Hardware AMC and Firewall consolidation reduce maintenance cost by INR 0.24CR
- c. Test & development environments on cloud has cost saving of INR 0.27CR over 5 years

#### Expenditure incurred on R&D during the year 2014-2015 as per Standalone Financials

Rs. in lakhs	
Particulars	March 31, 2015
a. Capital	18.87
b. Recurring	441.63

Table No. 1.11

#### (C) Foreign exchange earnings and Outgo –

Rs. In lakhs	
Particulars	March 31, 2015
Foreign exchange earnings	36,150
Foreign exchange outgo	14,097

Table No. 1.12

## ANNEXURE 4

## Details of Ratio of Remuneration of Director

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

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<b>Name of the Director</b>	<b>Ratio to the Median</b>
	Mr. Anil Kumar Verma, Executive Director	3.44*
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<b>Name of the Directors &amp; Key Managerial Personnel</b>	<b>% increase</b>
	Mr. Arun Jain, Managing Director **	-
	Mr. Anil Kumar Verma, Executive Director	-
	Mr. S. Swaminathan, Chief Financial Officer	-
	Mr. V.V. Naresh, Company Secretary	6.93%
(iii) the percentage increase in the median remuneration of employees in the financial year;	( 3.64%)	
(iv) the number of permanent employees on the rolls of company;	3411	
(v) the explanation on the relationship between average increase in remuneration and company performance;	This is the first year of operation of your company. Average Increase in Remuneration overall : 5.68%	
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The remuneration payable to the Key Managerial Personnel is in accordance with the industry and geographical standards.	
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	-	
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average Increase : 5.68% <b>Key Managerial Personnel :</b> Company Secretary : 6.43% CFO, Executive Director & Managing Director : Nil	
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Mr. Arun Jain, Managing Director, Mr. Anil Kumar Verma, Executive Director, Mr. S. Swaminathan, Chief Financial Officer and V.V. Naresh, Company Secretary.  The remuneration payable to the Key Managerial Personnel is in accordance with the industry and geographical standards.	
(x) the key parameters for any variable component of remuneration availed by the directors;	Variable Pay is in accordance with the performance of the company as well as the individual.	
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not Applicable	
(xii) 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. 1.13

\* Prorata for the two months from 1<sup>st</sup> February 2015 to 31<sup>st</sup> March 2015 as Mr. Anil Kumar Verma has been appointed as Executive Director with effect from 1<sup>st</sup> February 2015.

\*\* No compensation is paid to the Chairman & Managing Director



## ANNEXURE 5

## Details of Related Party Transactions

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

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

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

Table No. 1.14

## RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no 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.

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

(Amount Rs. in lakhs)

NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP	ADRENALIN ESYSTEMS LIMITED	POLARIS CONSULTING & SERVICES LIMITED	LASER SOFT INFO SYSTEMS LIMITED	INDIGO TX SOFTWARE PRIVATE LIMITED	SEEC TECHNOLOGIES ASIA PRIVATE LIMITED	NMSWORKS SOFTWARE PRIVATE LIMITED
Nature of contracts / arrangements / transactions	a) Reimbursement of expenses to/by the company b) Short term loans & advances c) Investments	a) Software Development Expenses b) Reimbursement of expenses to/by the company c) Rental Income d) Rental Expenses e) Trade Payables f) Trade Receivables g) Other Current Liabilities	a) Software Development Expenses b) Reimbursement of expenses to the company c) Rental Income d) Short term loans & advances e) Trade Payable f) Investments	a) Software Development Expenses b) Reimbursement of expenses to the company c) Short term loans & advances d) Trade Payable e) Investments	a) Rental Income b) Reimbursement of expenses to the company	Investments
Duration of the contracts / arrangements / transactions	The contract will continue till any party terminate the contract	The contract will continue till any party terminate the contract	The contract will continue till any party terminate the contract	The contract will continue till any party terminate the contract	The contract will continue till any party terminate the contract	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 agreement shall be effective from Effective Date (11.11.2014) and shall be continue, unless otherwise terminated. Either party may terminate the agreement or service provided in pursuance of the agreement made between the parties	The agreement shall be effective from Effective Date (11.11.2014) and shall be continue, unless otherwise terminated. Either party may terminate the agreement or service provided in pursuance of the agreement made between the parties	The agreement shall be effective from Effective Date (11.11.2014) and shall be continue, unless otherwise terminated. Either party may terminate the agreement or service provided in pursuance of the agreement made between the parties	The agreement shall be effective from Effective Date (11.11.2014) and shall be continue, unless otherwise terminated. Either party may terminate the agreement or service provided in pursuance of the agreement made between the parties	The agreement shall be effective from Effective Date (11.11.2014) and shall be continue, unless otherwise terminated. Either party may terminate the agreement or service provided in pursuance of the agreement made between the parties	The agreement shall be effective from Effective Date (11.11.2014) and shall be continue, unless otherwise terminated. Either party may terminate the agreement or service provided in pursuance of the agreement made between the parties

(Amount Rs. in lakhs)

NAME OF THE RELATED PARTY AND NATURE OF RELATIONSHIP	ADRENALIN ESYSTEMS LIMITED	POLARIS CONSULTING & SERVICES LIMITED	LASER SOFT INFO SYSTEMS LIMITED	INDIGO TX SOFTWARE PRIVATE LIMITED	SEEC TECHNOLOGIES ASIA PRIVATE LIMITED	NMSWORKS SOFTWARE PRIVATE LIMITED
Justification for entering into such contracts or arrangements or transactions	a) To avoid misuse of corporate assets and abuse of related party transactions b) To ensure compliance with the relevant legal framework set out by regulatory authorities c) To act as a framework for any statement of work that may be entered into between the parties for any service that may be provided by one party to another	a) To avoid misuse of corporate assets and abuse of related party transactions b) To ensure compliance with the relevant legal framework set out by regulatory authorities c) To act as a framework for any statement of work that may be entered into between the parties for any service that may be provided by one party to another	a) To avoid misuse of corporate assets and abuse of related party transactions b) To ensure compliance with the relevant legal framework set out by regulatory authorities c) To act as a framework for any statement of work that may be entered into between the parties for any service that may be provided by one party to another	a) To avoid misuse of corporate assets and abuse of related party transactions b) To ensure compliance with the relevant legal framework set out by regulatory authorities c) To act as a framework for any statement of work that may be entered into between the parties for any service that may be provided by one party to another	a) To avoid misuse of corporate assets and abuse of related party transactions b) To ensure compliance with the relevant legal framework set out by regulatory authorities c) To act as a framework for any statement of work that may be entered into between the parties for any service that may be provided by one party to another	a) To avoid misuse of corporate assets and abuse of related party transactions b) To ensure compliance with the relevant legal framework set out by regulatory authorities c) To act as a framework for any statement of work that may be entered into between the parties for any service that may be provided by one party to another
Date of approval by the Board	11.11.2014	11.11.2014	11.11.2014	11.11.2014	11.11.2014	11.11.2014
Transactions with the related parties during the year	a. Reimbursement of expenses by the Company : Rs.181.05 b. Reimbursement of expenses to the Company : Rs.20.68 c. Short term loans and advances : Rs.381.63 d. Investments : Rs.1,593.88	a. Software development expenses: Rs.2,146.40 b. Reimbursement of expenses to the Company : Rs.618.43 c. Reimbursement of expenses by the Company : Rs.936.38 d. Rental Income : Rs.192.30 e. Rental Expenses : Rs.95.31 f. Trade Payable : Rs.1,673.45	a. Software development expenses: Rs. 1,705.00 b. Reimbursement of expenses to the Company : Rs.12.45 c. Rental Income : Rs.6.00 d. Short term loans and advances : Rs.224.58 e. Trade Payable : Rs.323.55 f. Investments : Rs.5,201.05	a. Software development expenses : Rs.160.80 b. Reimbursement of expenses to the Company : Rs.14.41 c. Short term loans and advances : Rs.70.47 d. Trade Payable : Rs.160.80 e. Investments : Rs.1,702.97	a. Reimbursement of expenses : Rs.9.73 b. Rental Income : Rs.9.38	a. Investments : Rs.648.30

Table No. 1.15

## ANNEXURE 6

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

To,  
The Members,  
Intellect Design Arena Limited  
(formerly Fin Tech Grid Limited)  
No. 244, Anna Salai,  
Chennai – 600006.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Intellect Design Arena Limited [formerly Fin Tech Grid 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 my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013, and the Companies Act, 1956 [to the extent the same is applicable] ("**the Act**") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) SEBI (Share Based Employee Benefits) Regulations, 2014.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. (to the extent the same were applicable to it) mentioned above.

- (vi) We further report that, after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company:
  - (a) The Foreign Trade (Development and Regulation) Act, 1992, and the policies framed thereunder.
  - (b) Information Technology Act, 2000.
  - (c) SEZ Act, 2005

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (not applicable as not notified during the period under review)
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

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

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

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



**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 including general laws, labour laws, competition law, environmental laws .

**We further report that** during the audit period

- (i) the Company framed a Scheme of arrangement cum demerger between the Company ("Resulting Company"), Polaris Consulting & Services Limited ("Demerged Company") and its respective shareholders ("the Scheme") which has been approved by the Hon'ble High Court of Madras on 15th September 2014. Pursuant to the said Scheme, the Product Business Undertaking of the Demerged Company was transferred to the Resulting Company and 9,98,49,024 equity shares were allotted by the Resulting Company as a consideration to the shareholders of the Demerged Company on 15th October 2014.
- (ii) As a part of the Scheme of Arrangement cum Demerger referred to in (i) above and post allotment of equity shares by the Resulting Company, the pre-demerger shareholding of the shareholders of Resulting Company stood cancelled, and the same was registered under the Act.
- (iii) Post allotment, the Company had applied for listing of its equity shares on National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE") and had subsequently received listing and trading approvals from NSE and BSE.
- (iv) As per the Scheme, the Company has provided to the Eligible Members (as defined in the Scheme) an option to elect to receive Non Convertible Debentures (as defined in the Scheme), in lieu of the Equity Shares held by them in the Company.
- (v) To facilitate the issue of the Non convertible debentures, the Company has obtained consent from its shareholders under clause (a) of sub-section (1) of section 180 of the Companies Act, 2013.

Place: Chennai

Date: 21.05.2015

for 

Company Secretaries

**S ESHWAR**

FCS. No. 6097, C.P. NO. 5280

To,

The Members,  
Intellect Design Arena Limited  
(formerly Fin Tech Grid Limited)  
No. 244, Anna Salai,  
Chennai – 600006.

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

1. It is the Management's Responsibility to maintain secretarial records, and to devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility as the Secretarial Auditor is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
4. 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: 21.05.2015

for 

Company Secretaries

**S ESHWAR**

FCS. No. 6097, C.P. NO. 5280

## ANNEXURE 7

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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

## I. REGISTRATION &amp; OTHER DETAILS:

1.	CIN	L72900TN2011PLC080183
2.	Registration Date	18/04/2011
3.	Name of the Company	Intellect Design Arena Limited
4.	Category / Sub-category of the Company	Information Technology
5.	Address of the Registered office & contact details	244 Anna Salai, Chennai-600 006
6.	Whether listed company	Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Ltd Plot No. 31-32, Karvy Selenium Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel: 040 – 6716 1529, Fax: 040 – 23420814 /23420857 E-mail: <a href="mailto:mailmanager@karvy.com">mailmanager@karvy.com</a> , URL: <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a>

Table No. 1.16

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

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

Table No. 1.17

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

S.No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary Associate	% of shares held	Applicable Section
1	Intellect Design Arena Pte Ltd., No.1, North Bridge Road, #19-04, High Street Center, Singapore – 179094	199701040R	Subsidiary	100%	2(87)(ii)
2	Intellect Design Arena Limited., Level 35, 25 Canada Square, London, E14 5LQ, United Kingdom	3574904	Subsidiary	100%	2(87)(ii)
3	Intellect Design Arena Co. Ltd, M Level, HSC Tower, 162B Dien Bien Phu Street, Ward 6, District 3, HCMC, Vietnam	411043001297	Subsidiary	100%	2(87)(ii)
4	Intellect Design Arena FZ LLC, Dubai Internet City, Building 14, Office 119-120, Dubai, UAE.		Subsidiary	100%	2(87)(ii)
5	Intellect Design Arena Philippines, Inc.** Suite 407, Prestige Tower Building, Emerald Avenue, Ortigas Centre, Pasig City – 1605, Philippines	CS201110259	Subsidiary	100%	2(87)(ii)(a)
6	Sonali Polaris FT Ltd, 35, Kemal Ataturk Avenue, 7th Flr, Abedin Tower, Banani C/A, Dhaka – 1213, Bangladesh		Subsidiary	51%	2(87)(ii)
7	Intellect Design Arena SA, Avenue de la Gare 49, Case Postale 2067, CH 2001, Neuchatel, Switzerland.	CH-645-1009822-6 & (IDE/UID). CHE 105.625.426	Subsidiary	100%	2(87)(ii)
8	Intellect Design Arena, PT** Menara BCA 50th Fl, Jl MH. Thamrin No.1, Jakarta 10310 Indonesia	09.05.1.62.85075	Subsidiary	100%	2(87)(ii)(a)
9	FT Grid Pte Ltd,** No.1, North Bridge Road, #19-04, High Street Center, Singapore – 179094	201110574K	Subsidiary	100%	2(87)(ii)(a)

S.No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary Associate	% of shares held	Applicable Section
10	Polaris Software Lab Chile Limitada,** Avd. Andres Bello 2711, Piso 18, Las Condes, Santiago De Chile	76.639.860-k	Subsidiary	100%	2(87)(ii)(a)
11	Intellect Design Arena Inc.,** 20 Corporate Place South, Piscataway, New Jersey 08854	55-0686906	Subsidiary	100%	2(87)(ii)(a)
12	Polaris Enterprise Solutions Limited No. 244, Anna Salai, Chennai – 600006, India.	U30006TN1998PLC041456	Subsidiary	100%	2(87)(ii)
13	Laser Soft Infosystems Limited “Price Infopark”, 81-B, II Floor, 2 <sup>nd</sup> Main Road, Ambattur Industrial Estate, Chennai-600 058.	U72200TN2000PLC044182	Subsidiary	100%	2(87)(ii)
14	SFL Properties Private Ltd No. 244, Anna Salai, Chennai – 600006, India.	U70101TN2006PTC059938	Subsidiary	100%	2(87)(ii)
15	Indigo TX Software Pvt Ltd No. 244, Anna Salai, Chennai – 600006, India.	U72200TN2004PTC054445	Subsidiary	100%	2(87)(ii)
16	SEEC Technologies Asia Private Ltd.,** SEEC Towers, Plot No. 6, APIIC Layout, Hitechcity, Madhapur, Hyderabad - 500081, INDIA.	U72200TG1998PTC029093	Subsidiary	100%	2(87)(ii)(a)
17	NMSWorks Software Private Limited # C3, 6th Floor, IIT Madras Research Park, Taramani, Chennai – 600 113.	U64202TN2001PTC046928	Associate	Preference Shares : 63.40% Equity Shares: 38.70%	2(6)
18	Adrenalin Esystems Limited No. 244, Anna Salai, Chennai – 600006, India.	U72200TN2002PLC048860	Associate	Preference Shares : 50% Equity Shares: 40.25%	2(6)

Table No. 1.18

\*\* Step down subsidiaries

**IV. (A) SHARE HOLDING PATTERN (Equity share capital breakup as a % of total equity)****Share Holding pattern between 31/03/2014 to 31/03/2015 - Categorywise Share Holding**

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 1/4/2014				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2015				% CHANGE DURING THE YEAR #
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>									
1	INDIAN									
(a)	Individual /HUF	-	-	-	-	96,79,822	-	96,79,822	9.66	
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	
(c)	Bodies Corporate	-	99,880	99,880	99.88	2,24,65,298	-	2,24,65,298	22.42	
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	
(e)	Others	-	-	-	-	-	-	-	-	
	<b>Sub-Total A(1) :</b>	-	<b>99,880</b>	<b>99,880</b>	<b>99.88</b>	<b>3,21,45,120</b>	-	<b>3,21,45,120</b>	<b>32.08</b>	
2	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	
(c)	Institutions	-	-	-	-	-	-	-	-	
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	
(e)	Others	-	-	-	-	-	-	-	-	
	<b>Sub-Total A(2) :</b>	-	-	-	-	-	-	-	-	
	<b>Total A=A(1)+A(2)</b>	-	<b>99,880</b>	<b>99,880</b>	<b>99.88</b>	<b>3,21,45,120</b>	-	<b>3,21,45,120</b>	<b>32.08</b>	
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
1	INSTITUTIONS									
(a)	Mutual Funds /UTI	-	-	-	-	79,07,056	-	79,07,056	7.89	
(b)	Financial Institutions /Banks	-	-	-	-	3,94,728	-	3,94,728	0.39	
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	
(e)	Insurance Companies	-	-	-	-	-	-	-	-	
(f)	Foreign Institutional Investors	-	-	-	-	1,68,50,827	150	1,68,50,977	16.82	
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	
(i)	Others	-	-	-	-	-	-	-	-	
	<b>Sub-Total B(1) :</b>	-	-	-	-	<b>2,51,52,611</b>	<b>150</b>	<b>2,51,52,761</b>	<b>25.10</b>	

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 1/4/2014				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2015				% CHANGE DURING THE YEAR #
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
2	NON-INSTITUTIONS									
(a)	Bodies Corporate	-	-	-	-	79,97,944	550	79,98,494	7.98	
(b)	Individuals	-	-	-	-					
	(i) Individuals holding nominal share capital upto Rs.1 lakh	-	120	120	0.12	1,65,20,774	2,82,185	1,68,02,959	16.77	
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	1,54,20,038	1,10,000	1,55,30,038	15.50	
(c)	Others	-	-	-	-					
	CLEARING MEMBERS	-	-	-	-	3,68,027	-	3,68,027	0.37	
	NON RESIDENT INDIANS	-	-	-	-	7,69,773	3,850	7,73,623	0.77	
	OVERSEAS CORPORATE BODIES	-	-	-	-	250	50	300	0	
	TRUSTS	-	-	-	-	14,07,052	20,100	14,27,152	1.42	
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	
	<b>Sub-Total B(2) :</b>	-	<b>120</b>	<b>120</b>	<b>0.12</b>	<b>4,24,83,858</b>	<b>4,16,735</b>	<b>4,29,00,593</b>	<b>42.82</b>	
	<b>Total B=B(1)+B(2) :</b>	-	<b>120</b>	<b>120</b>	<b>0.12</b>	<b>6,76,36,469</b>	<b>4,16,885</b>	<b>6,80,53,354</b>	<b>67.92</b>	
	<b>Total (A+B) :</b>	-	<b>1,00,000</b>	<b>1,00,000</b>	<b>100.00</b>	<b>9,97,81,589</b>	<b>4,16,885</b>	<b>10,01,98,474</b>	<b>100.00</b>	
(C)	Shares held by custodians, against which Depository Receipts have been issued	-	-	-	-					
1	Promoter and Promoter Group	-	-	-	-					
2	Public	-	-	-	-	-	-	-	-	
	<b>GRAND TOTAL (A+B+C) :</b>	-	<b>1,00,000</b>	<b>1,00,000</b>	<b>100.00</b>	<b>9,97,81,589</b>	<b>4,16,885</b>	<b>10,01,98,474*</b>	<b>100.00</b>	

Table No. 1.19

\* 150,250 equity shares which were allotted as part of ASOP prior to 31.03.2015 were subsequently granted listing and trading approval.

# The shareholding as on 31.03.2015 is not comparable with that of the financial year ended 31.03.2014, as the Company has allotted shares to the shareholders on 15.10.2014 pursuant to the demerger.

#### B) Shareholding of Promoter-

SNo.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year #
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	POLARIS BANYAN HOLDING PRIVATE LIMITED	0	0	0	22465298	22.42	0	
2	ARUN JAIN	0	0	0	4809365	4.80	0	
3	YOGESH ANDLAY	0	0	0	2077447	2.07	0	
4	MANJU JAIN	0	0	0	1280460	1.28	0	
5	ARUN JAIN (HUF)	0	0	0	789000	0.79	0	
6	UDAY JAIN	0	0	0	619500	0.62	0	
7	AARUSHI JAIN	0	0	0	60000	0.06	0	
8	MEENA AGARWAL	0	0	0	21450	0.02	0	
9	SHASHI GUPTA	0	0	0	5900	0.01	0	
10	NAVEEN KUMAR	0	0	0	4800	0.00	0	
11	NEETA MATHUR	0	0	0	2400	0.00	0	
12	NITA JAIN	0	0	0	2400	0.00	0	
13	MANJU VERMA	0	0	0	2400	0.00	0	
14	UMA GUPTA	0	0	0	2400	0.00	0	
15	SUMAN MATHUR	0	0	0	2300	0.00	0	

Table No. 1.20

# The shareholding of Promoters as on 31.03.2015 is not comparable with that of the Financial year ended 31.03.2014, as the Company has allotted shares to the Promoters on 15.10.2014 pursuant to the demerger.



**C) Change in Promoters' Shareholding (please specify, if there is no change)**

SNo.	Particulars	Shareholding at the beginning of the year *		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	32,145,120	32.08
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Allotment made by Intellect on 15/10/2014 POLARIS BANYAN HOLDING PRIVATE LIMITED 20,020,938 ARUN JAIN 4,322,365 YOGESH ANDLAY 20,77,447 MANJU JAIN 10,52,460 ARUN JAIN (HUF) 7,89,000 UDAY JAIN 6,19,500 AARUSHI JAIN 60,000 MEENA AGARWAL 21,450 SHASHI GUPTA 5,900 NAVEEN KUMAR 4,800 NEETA MATHUR 2,400 NITA JAIN 2,400 MANJU VERMA 2,400 UMA GUPTA 2,400 SUMAN MATHUR 2,300 Increase in shareholdings: 22/12/2014 : 3,159,360 Decrease in shareholdings: 04/02/2015 : 10,000			
	At the end of the year	32,145,120	32.08	32,145,120	32.08

Table No. 1.21

# Promoters did not hold any shares at the beginning of the year. The Company has allotted shares to the Promoters on 15.10.2014 pursuant to the demerger.

**D) Shareholding Pattern of Top 10 Shareholders: Identification of Top 10 as on 31.03.2015**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S No	Name of the Share Holder	No. of shares at the beginning (01-04-14) (holding effective 15/10/2014) / end of the year (31-03-15)	% of total shares of the Company	Date	Increase / Decrease in Shareholding	Reasons	Cumulative Holding	% change in shareholding #
1	ORBITECH LIMITED	1,53,79,606	15.37%	24-10-2014			1,53,79,606	
				19-12-2014	(1,53,79,606)	Transfer	-	
				31-03-2015			-	
2	CITIBANK A/C. ORBITECH LIMITED	20,79,086	2.08%	24-10-2014			20,79,086	
				19-12-2014	(20,79,086)	Transfer	-	
				31-03-2015			-	
3	LSV EMERGING MARKETS EQUITY FUND LP	12,27,800	1.23%	24-10-2014	-		12,27,800	
				31-03-2015	-		12,27,800	
4	DIMENSIONAL EMERGING MARKETS VALUE FUND	9,69,923	0.97%	24-10-2014	-		9,69,923	
				31-03-2015	-		9,69,923	
5	FRANKLIN MUTUAL SERIES FUNDS- MUTUAL BEACON FUND	71,08,509	7.11%	24-10-2014			71,08,509	
				31-12-2014	(71,08,509)	Transfer	-	
				31-03-2015			-	
6	GHI LTP LTD	17,79,456	1.78%	24-10-2014	-		17,79,456	
				31-03-2015	-		17,79,456	
7	JHUNJHUNWALA RAKESH RADHESHYAM	10,00,000	1.00%	24-10-2014	-		10,00,000	
				31-03-2015	-		10,00,000	
8	ORBITECH EMPLOYEES WELFARE TRUST	11,34,529	1.13%	24-10-2014			11,34,529	
				13-02-2015	(25,000)	Transfer	11,09,529	
				20-02-2015	(1,00,000)	Transfer	10,09,529	
				13-03-2015	(32,000)	Transfer	9,77,529	
				27-03-2015	(8,800)	Transfer	9,68,729	
				31-03-2015	-		9,68,729	
9	RAKESH JHUNJHUNWALA	15,75,000	1.57%	24-10-2014			15,75,000	
				19-12-2014	(15,75,000)	Transfer	-	
				31-03-2015			-	
10	AUSTRALIANSUPER	9,85,276	0.98%	24-10-2014			9,85,276	
				31-03-2015			9,85,276	

Table No. 1.22

# The shareholding of Top 10 Shareholders as on 31.03.2015 is not comparable with that of the Financial year ended 31.03.2014, as the Company has allotted shares to the Shareholders on 15.10.2014 pursuant to the demerger.

**E) Shareholding of Directors and Key Managerial Personnel:**

S No	Name of the Share Holder	Shareholding at the beginning of the year *	Sold	Bought	Cumulative Holding	Shareholding at the end of the year	Date
1	ASHOK JHUNJHUNWALA	19,800	-	-	19,800		24-10-2014
			-	-	19,800	19,800	31-03-2015
2	ANIL KUMAR VERMA	21,000	-	-	21,000		24-10-2014
			-	-	21,000	21,000	31-03-2015
3	ARUNA KRISHNAMURTHY RAO	6,860	-	-	6,860		24-10-2014
			-	-	6,860	6,860	31-03-2015
4	ARUN JAIN	43,32,365	-	-	43,32,365		24-10-2014
			-	12,50,000	55,82,365		31-12-2014
			7,60,000	-	48,22,365		16-01-2015
			10,000	-	48,12,365		06-02-2015
			3,000	-	48,09,365		13-02-2015
			-	-	48,09,365	48,09,365	31-03-2015
5	SUBRAMANIAM SWAMINATHAN	13,000	-	-	13,000		03-10-2014
				2,000	15,000		13-02-2015
			-	-	15,000	15,000	31-03-2015
6	V.V.NARESH		-	-	-	-	31-03-2015

**Table No. 1.23**

\* The Resulting Company, Intellect Design Arena Limited has allotted shares to the Shareholders on 15/10/2014 pursuant to Demerger.

**V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment: -NIL-****VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Amount in Rs.

SNo.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Arun Jain Chairman & Managing * Director	Anil Kumar Verma** Executive Director	
1	Gross salary	-	2,414,500**	2,414,500
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	200,000	-
3	Sweat Equity	-	-	
4	Commission - as % of profit - others, specify...	-	-	
5	Others, please specify	-	-	
	Total (A)	-	2,414,500	2,414,500
	Ceiling as per the Act***	-	*	

**Table No. 1.24**

\* No compensation is paid to the Chairman & Managing Director

\*\* The remuneration provided above for Mr. Anil Kumar Verma, Executive Director is for the period 1/02/2015 to 31/03/2015. The amount mentioned above is the INR equivalent of the same.

**B. Remuneration to other directors**

Amount in Rs.

S No.	Particulars of Remuneration	Name of Directors			
	Independent Directors	Aruna Rao	V Balaraman	Ashok Jhunjhunwala	Total Amount
1	Fee for attending board committee meetings	-	1,45,000	1,45,000	2,90,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	<b>1,45,000</b>	<b>1,45,000</b>	<b>2,90,000</b>
2	Other Non-Executive Directors	Anil Kumar Verma*	-	-	-
	Fee for attending board committee meetings	85,000	-	-	85,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>85,000</b>	-	-	-
	<b>Total (B)=(1+2)</b>	<b>85,000</b>	<b>1,45,000</b>	<b>1,45,000</b>	<b>3,75,000</b>
	<b>Total Managerial Remuneration</b>	<b>85,000</b>	<b>1,45,000</b>	<b>1,45,000</b>	<b>3,75,000</b>
	Overall Ceiling as per the Act**				

Table No. 1.25

\*Mr. Anil Kumar Verma was the Non-Executive Director for the period 30.09.2014 to 31.01.2015.

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

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

Amount in Rs.

S No.	Particulars of Remuneration	Key Managerial Personnel		
		S. Swaminathan Chief Financial Officer	V.V. Naresh Company Secretary	Total
1	Gross salary (a+b+c)	10,942,735	2,408,861	13,351,596
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,704,741	2,408,861	12,113,602
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,237,994	-	1,237,994
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	118,500	18,000	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>10,942,735</b>	<b>2,408,861</b>	<b>13,351,596</b>

Table No. 1.26

**VII) Penalties / Punishment / Compounding of Offences**

Their were no penalties or punishments levied on the company during the year. Also, there was no necessity for the company to compound any offence.

## ANNEXURE 8

## FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

Particulars	Remarks
Date of Formation of CSR Committee	15/10/2014
Composition of Committee	<b>Chairman:</b> Mr. Anil Kumar Verma, Director <b>Members:</b> Mr. Arun Jain, Managing Director, Ms. Aruna Krishnamurthy Rao, Director, Dr. Ashok Jhunjhunwala, Director, Mr. V. Balaraman, Director
CSR Activity	The Company is undertaking its CSR activity through Ullas Trust which qualifies as CSR activity under Schedule VII (ii) of the Companies Act, 2013. Ullas Trust objective is to recognize and promote academic excellence for the lesser privileged

Table No. 1.27

Total amount to be spent for the financial year:

Particulars	Amount (Rs in lakhs)
Avg. net profit of three years	0
2% of Avg. net profits -Sec 135	0

Table No. 1.28

Details of CSR spent during the financial year:

Date of payment	Amount (Rs.in lakhs)
Nil	Nil

Table No. 1.29

Amount unspent – Nil

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
1	The Company is undertaking its CSR activity through Ullas Trust* which qualifies as CSR activity under Schedule VII (ii) of the Companies Act, 2013.	Promotion of Education	Ullas Trust	-	- *	-	-
	TOTAL			-		-	-

Table No. 1.30

\* The Company as commenced its Business Operations effective 1<sup>st</sup> April 2014, pursuant to the demerger of Products Business undertaking of Polaris Consulting & Services Limited into the Company. Hence spending of atleast 2% of Average net profit of the company made during 3 immediately preceding financial years is not applicable for the company.

### **About Ullas Trust**

Ullas Trust (Polaris' CSR initiative) was started in 1997 by the Polaris employees, with an aim to integrate Polaris with a larger community and enable them to enjoy the bliss of working with young minds in the country.

The primary motive of Ullas is to recognize academic excellence in students from the economically challenged sections of our society and encourage the "Can do" spirit towards chasing their dreams and aspirations. Very early in its evolution, Ullas decided to focus its energies on students during the most vulnerable stage in their journey – adolescence! This would translate into students from Class (Grade) 9th to 12th.

Ullas operates out of our campuses in Chennai, Hyderabad, Mumbai and Delhi

Ullas has so far touched the lives of over 25000 young students in India and has been awarded India's best CSR Company by BSE - NASSCOM - Times Foundation in 2008.

### **CSR committee Responsibility statement:**

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

**Arun Jain**  
Chairman & Managing Director

**Anil Kumar Verma**  
Executive Director & Chairman CSR Committee



## REPORT ON CORPORATE GOVERNANCE

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## Report on Corporate Governance

### 1. Company's Philosophy

Intellect focuses on Corporate Governance as a key driver of sustainable corporate growth and a powerful medium to achieve the company's goal of maximizing value for all its stakeholders. A sound corporate governance strengthens investors' trust and enables the company to fulfill its commitment towards the customers, employees and the society in general. Intellect believes that the primary objective is to create and adhere to a corporate culture of conscience and consciousness, empowerment, accountability and independent monitoring. The company's philosophy is based on the key elements in corporate governance viz., transparency, disclosure, supervision and internal controls, risk management, internal and external communications, accounting fidelity, product and service quality. The company has a strong legacy of fair and ethical governance practices.

### 2. Board of Directors

The Board of Directors of the Company possesses highest personal and professional ethics, integrity and values, and provide leadership, strategic guidance and objective judgement on the affairs of the company. The Board is fully aware of its fiduciary responsibilities and is committed to represent the long-term interest of the Stakeholders. The Board adopted the principles of corporate governance and remains informed, participative, and independent to implement its broad policies and guidelines and has set up adequate review procedures.

#### • Composition of the Board of Directors as on March 31, 2015

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 five members with knowledge and experience in diverse fields and professionally acclaimed to understand their role in addressing the issues raised by the management. The day-to-day affairs of the company are managed by the Chairman and Managing Director under the supervision of the Board.

As a policy, the Company has an optimal combination of Executive, Non-executive and Independent Directors to maintain the independence of the Board.

#### • Boards' Composition

The Board consists of five members; comprising of one Executive Director, one Managing Director and three non-executive independent Directors and 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.

Board of Directors' attendance for the Board & Committee Meetings held during the year 2014-15

[Y= Attended, N= Not attended, (\*) attended through Video Conference, (+) attended through Audio Conference; BM: Board Meeting, NRCC: Nomination and Remuneration & Compensation Committee Meeting, AC: Audit Committee Meeting, SRC: Stake holders' Relationship Committee Meeting and IDC : Independent Directors' Committee Meeting.

Note: Details about Non-mandatory Committee are given elsewhere in this report.

S No.	Name of the Director	25/04/14	21/07/14	30/08/14	24/09/14	30/09/14	15/10/14	11/11/14			19/12/14	07/01/15			30/01/15				16/03/15		
		BM	BM	BM	BM	BM	BM	NRCC	BM	AC	NRCC	BM	BM	NRCC	BM	AC	NRCC	SRC	AC	BM	IDC
1	Arun Jain	-	-	Y	Y	Y	Y	Y	Y	-	Y	N	N	-	Y	-	Y	-	-	Y	-
2	Govind Singhal	Y	Y	Y	Y	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	S.Swaminathan	Y	Y	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	K.Govindarajan	Y	Y	Y	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Aruna Krishnamurthy Rao	-	-	-	-	-	N	N	Y	Y	Y	Y	Y*	Y*	Y*	Y*	Y*	Y*	Y	Y	Y
6	V.Balaraman	-	-	-	Y	Y	Y	Y	Y	Y	Y	Y+	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Dr.Ashok Jhunjhunwala	-	-	-	Y*	Y	Y	Y	Y	Y	Y	Y+	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Anil Kumar Verma	-	-	-	-	Y	Y*	Y*	Y	Y	-	Y	Y*	-	Y	Y	-	Y	Y*	Y*	-

Table No. 2.4

### Composition of the Board and directorships held as on 31st March 2015:

Name of the Director	Age	India Listed Companies (1)	All Companies around the world (2)	Committee memberships (3)	Chair person of Committees (4)
<b>Chairman and Managing Director</b>					
Arun Jain	55	1	5	4	0
<b>Executive Director</b>					
Anil Kumar Verma	59	0	5	3	1
<b>Independent Directors</b>					
Aruna Krishnamurthy Rao	56	0	1	4	0
Ashok Jhunjhunwala	61	5	12	12	4
V.Balaraman	68	2	9	13	6

Table No. 2.1

Notes: Interse relationship between Mr.Arun Jain and Mr.Anil Kumar Verma

- (1) Excluding directorship in Intellect Design Arena Limited and its subsidiaries
- (2) Directorship in Companies around the world (listed, unlisted and private limited companies), including Intellect Design Arena Limited and its subsidiaries
- (3) As required by Clause 49 of the Listing Agreement, the disclosure includes membership / chairpersonship of the Audit Committee, Nomination and Remuneration & Compensation Committee and Stakeholders' Relationship Committee and Corporate Social Responsibility committee in Indian public companies (listed and unlisted)

#### • During the financial year 2014-15, Board of Directors met 11 times on the following dates

April 25, 2014	September 30, 2014	January 7, 2015
July 21, 2014	October 15, 2014	January 30, 2015
August 30, 2014	November 11, 2014	March 16, 2015
September 24, 2014	December 19, 2014	

Table No. 2.2

The maximum gap between two Board meetings was 86 days. (between April 2014 to July 2014)

Board of Directors' attendance of the 3rd Annual General Meeting held on September 17, 2014.

Sl. No.	Name	Director Identification Number (DIN)	Designation / Category	Attended
1.	Arun Jain	00580919	Managing Director	Y
2.	Govind Singhal	02526915	Director	Y
3.	S.Swaminathan	05332403	Director	Y
4.	K.Govindarajan	02637368	Director	Y

Table No. 2.3

**Profile of the Directors of the Company are given below:****Arun Jain, Chairman and Managing Director**

Arun Jain is the Chairman & Managing Director of Intellect Design Arena Ltd. He is a leading proponent of 'Design Thinking'. Apart from recognizing the level of differentiation that design can bring to the business, he also believes that good design must drive a transformation of businesses, from order takers to agenda setters, effectively connecting the dots between business, technology and operations.

Intellect Design Arena Ltd. was incubated within Polaris Financial Technology Ltd., a global leader in products, solutions and services that enable unprecedented operational productivity for the global Financial Services industry with annual revenues of over \$413mn USD, 40 Relationship Offices in 30 Countries, six International Development Centers and eight fully owned Business Solution Centers. The over 11,500 solutions architects, technology and domain experts at Polaris provide solutions to the banking, financial services and insurance markets.

The Intellect brand embodies rich Intellectual Property translating to robust platforms and products across Global Transaction Banking, Global Consumer Banking, Central Banking, Risk & Treasury Management and Insurance. The Intellect platform and suite of specialist products addresses the needs of financial institutions in varying stages of technology adoption.

Arun is the recipient of prestigious accolades including the 'Indo-ASEAN Business Initiative Award' and the 'ICICI Venture – CII Connect Entrepreneur Award'. 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.

Several national and regional fora benefit from Arun's experience and counsel. Arun has served as Chairman of Tamil Nadu State Council, Confederation of Indian Industry (CII) – Southern Region during 2003 – 2004 and Chairman of Indo-American Chamber of Commerce – Tamil Nadu Branch during 2001–2002. He was on the Board of Madras Stock Exchange Ltd. and Board of Xavier's Institute of Management, Bhubaneswar, India. He is a member of the Advisory Council of the Software Technology Parks of India (STPI) and a member of the Governing Council of the National Institute of Electronics and Information Technology (NIELIT), Department of Electronics and Information Technology, Govt. of India. He was the Chairman of recently concluded – CII BANKING TECH Summit 2014. He is now a member of the Managing Committee of MMA (Madras Management Association) and also the SEN (Social Engineering Network), and Ambassador at YPO (Young Presidents Organisation).

Arun is also a social engineer, who works towards creating a safer environment and a better community. Innovations such as the FT Grid envision high-end technology, is accessible to the remotest corners of the country. Ullas, the signature social initiative, was begun 16 years ago, and has grown along with the organisation. This brainchild of Arun provides vital professional skills to adolescent children across the country. In 2013-14 alone, over one lakh children in rural areas have been touched by Ullas' transformative sessions.

An approach to learning as a constant pursuit, and firm belief that it is possible to arrive at the extraordinary from the ordinary, led to Arun researching and creating a Learning Architecture for the organisation, designed for the advancement of associates (employees) at every level. At the centre of this learning architecture is the workshop, 'Preparing the Design Mind', which he presents to the associates himself.

This path of deep domain expertise, vision and planning began in 1993, with just \$250 and a dream. Arun's passion for innovation and his constant quest for excellence, have led the organisation into Phase 4.0 of its growth journey.

**Mr. Anil Kumar Verma, Executive Director, Intellect Design Arena Limited**

Anil Verma is a key contributor to the strategic vision of the organization. A bachelor of electrical engineering from IIT Delhi and post-graduate in instructional design from the University of Wollongong in Australia, Anil has rich and global professional experience of over 35 years in the industry.

Anil established and nurtured deep relationships for strengthening the Polaris brand in Australia. He was part of the core group that conceptualized and created FINDIT (Forum of Indian IT Companies) that later became NASSCOM Australia, an influential industry body that he led as founder President for four years. Living the spirit of deeper connect with the local community, Anil established long term relationship with the University of Western Sydney in Australia where he has been instrumental in creating graduate and post graduate course on software testing. He has contributed significantly in promoting collaboration between India and Australia in the field of ICT. In 1997 he was nominated for prestigious Australia Day award for his contribution to the Aboriginal community.

Anil has been associated with the Australian Computer Society, AIIA – FSG (Australian Information Industry Association – Financial Services Group) and Financial Services Institute of Australia (FINSIA) for a long time.

**Ms. Aruna Krishnamurthy Rao, Executive Vice President & Group Chief Technology Officer (CTO) of Kotak Mahindra Group**

Aruna Krishnamurthy Rao is Executive Vice President & Group Chief Technology Officer (CTO) of Kotak Mahindra Group that comprises Commercial, Retail & Investment Banking, Institutional Equity, Retail Brokerage, Retail Assets, Mutual Funds and Life Insurance.

Prior to joining Kotak, Aruna had a 20 year career in COSL/Polaris, where she built a team of 1500 technology professionals and managed the global Corporate Banking Technology Products and Services Business.

Prior to COSL, Aruna worked with a Maryland - based bank in the US and with the Operations Research Group (ORG) in India. She holds an MBA and an MS Information Systems from Maryland University.

**Dr. Ashok Jhunjhunwala, Professor – Department of Electrical Engineering, IIT Madras**

Ashok Jhunjhunwala is Professor in the Department of Electrical Engineering, Indian Institute of Technology, Madras at Chennai, India. After his B.Tech, he got his MS and PhD from the University of Maine. From 1979 to 1981, he was with Washington State University as Assistant Professor. Since 1981, he has been teaching at IIT, Madras.

Dr. Jhunjhunwala is considered the pioneer in nurturing Industry - Academia interaction in India towards R&D, Innovation and Product Development. He conceived and built the first Research Park (IIT Madras Research Park) in India which houses over 100 R&D companies in its 1.2 million square feet built-up area. TIE conferred him the title of Dronacharya for his contributions to the cause of entrepreneurship, as he incubated and nurtured over 100 companies at IIT Madras. He heads the IITM Incubation Cell and Rural Technology and Business Incubator (RTBI). He leads the Telecommunications and Computer Networks group (TeNeT), which has worked closely with industry in the development of a number of products for Indian telecom, banking and power industries.

One of his key focus over the last two decades has been to drive telecom R&D. As a developer of the first Wireless in Local Loop (CoRDECT WLL) product in India, he recognises that in the absence of adequate wire-line infrastructure, India would need to deliver higher and higher bit rate per Hz of available spectrum, but with lower and

lower power per bit. 4G and 5G wireless technologies are focused towards this. The R&D tasks in India are to contribute to new fundamental ideas and acquire enough IPR in the area and drive international standards. The first objective would be to get India as a net-royalty inflow nation. At the same time, there has to be a focus on driving telecom design and manufacturing in India, so that its net-imports in telecom goes to zero. Simultaneously, he has been working on using telecom and ICT to make a difference to lives of people in India, especially for its rural people. Using ICT to drive health-care, education, agriculture, livelihood and financial inclusion has been the focus of his work. He was the founder chairman of Mobile Payment Forum of India, which enabled mobile payments in India.

Having made a mark in telecom, over the last couple of years he has focused on power and has come up with innovation to ensure that all homes in India get 24 x 7 power even in situation of extreme power shortage. Using his solar-DC innovation, he is focused on decentralised solar power and believes that by 2030, India should get 50% of its peak power from solar. As a chairman of Technology Advisory Group for Electric Mobility, he believes that 50% of vehicles in 2030 could have electric traction.

He is keen to drive quality into Science and Engineering Higher Education. As a member of Kakodkar committee on IITs and NITs, he has driven that IITs should become primarily research institutions in future, while NITs should become the institutions with highest quality UG education. As a chair of a MHRD committee on "Quality Enhancement in Engineering Education," and a member of review committee of AICTE, he is targeting both public and private engineering colleges to significantly improve the quality of their education. He believes that ICT can be an important tool to enable this, through strengthening of local faculty is equally important.

As a chairman of a Committee of SAC-PM on water, he has come up with a comprehensive report on different ways that water-shortage, quality and pollution is affecting India and has come up with R&D, Implementation and Policy tasks that India has to undertake to overcome the problems.

Dr. Jhunjhunwala has been Chairman and member of various government committees and has been on Boards of several education institutions in the country. At the same time, he has been on the Boards of a number of public and private companies and has driven comprehensive changes, especially in the area of technology, in the companies. He was a Director on the Board of State Bank of India, Bharat Electronics, HTL, NRDC, IDRBT, VSNL and BSNL. Currently he is a Board member of Tata Communications, Mahindra Rewa, Polaris, Sasken, Tejas Networks, TTML, Intellect and Exicom. He is currently also on the Board of BIRAC and Chairman of Technology Advisory Group of SEBI.

Dr. Jhunjhunwala was conferred Padma Shri, Shanti-swarup Bhatnagar Award, Vikram Sarabhai Research Award, H. K. Firodia Award, Silicon India Leadership Award, Millennium Medal at Indian Science Congress, UGC Hari Om Ashram Award, IETE's Ram Lala Wadhwa Gold Medal, JC Bose fellowship, Bernard Low Humanitarian Award and many others. He is fellow of IEEE, INSA, NAS, IAS, INAE and WWRF. He has also been conferred Honorary Doctorate by University of Maine and Blekinge Institute of Technology, Sweden.

#### **Mr. V. Balaraman, Corporate Director/Consultant/Mentor**

Mr. V. Balaraman is a B.Tech Chemical Engineer from the University of Madras and a MBA from the Indian Institute of Management, Ahmedabad. He was the MD and CEO of Pond's India Ltd between 1991 and 1998 and was Director - Exports in Hindustan Lever Limited between 1998 and 2002; He became MD and CEO of Adrenalin Esystems Limited, a Polaris group company between 2002 and 2006.

He is a Director on the Boards of Mahindra World City Developers Limited, Parry Enterprises India Limited, Adrenalin Esystems Limited, India Nippon Electricals Limited, Polaris Consulting & Services Limited, Computer Age Management Services Pvt. Limited, Mother Dairy Fruit & Vegetable Private Limited and DELPHI-TVS Diesel Systems Limited.

Outside the corporate world Mr.V.Balaraman also served as the President of the Madras Chamber of Commerce and Industry, Madras Management Association, Indian Shoe Federation, Federation of Indian Export Organizations Southern Region and as Chairman of the Footwear Design and Development Institute.

Mr.V.Balaraman is passionate about Brand Marketing and Human Development and in pursuit of these interests, provides consultancy to companies besides coaching / mentoring business leaders. Frequently he is a speaker at Management seminars and business events in India and abroad.

### **3. Audit Committee**

Audit Committee was constituted by the Board in the meeting held on 15.10.2014. The Company has a qualified and independent Audit Committee comprising of Executive and Non-executive/Independent Directors. The Chairman of the Committee is an Independent Director. The Company Secretary acts as the Secretary to the Committee.

Members of the Audit Committee are as follows:

Name	Designation	No. of Meetings	
		Held	Attended
Dr. Ashok Jhunjhunwala	Chairman	3	3
Ms. Aruna Krishnamurthy Rao	Member	3	3
Mr. V. Balaraman	Member	3	3
Mr. Anil Kumar Verma	Member	3	3

**Table No. 2.5**

The Audit Committee had met three times during the year 2014-15.

#### **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 to be included in the Director's Responsibility Statement to be included in the Board's

report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

- 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. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  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, 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 discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions, as defined by the Committee, submitted by the management;
- c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. the appointment, removal and terms of remuneration of the Chief Internal Auditor

## 4. Nomination and Remuneration & Compensation Committee:

Nomination and Remuneration & Compensation Committee was constituted by the board in the meeting held on 15.10.2014. The Nomination and Remuneration & Compensation Committee consists of 3 Non-executive Independent Directors and one whole time director (Managing Director).

The role of the committee shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

The Nomination and Remuneration & Compensation Committee met 4 times during the year 2014-15.

Members of the Nomination and Remuneration & Compensation Committee are as follows:

Name	Designation	No. of meetings	
		Held	Attended
Mr. V. Balaraman	Chairman	4	4
Ms. Aruna Krishnamurthy Rao	Member	4	3
Dr. Ashok Jhunjhunwala	Member	4	4
Mr. Arun Jain	Member	4	3

**Table No. 2.6**

## Remuneration policy

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



## Shares held and Stock Options granted/exercised and Cash Compensation paid to directors in fiscal year 2015

in Rs. Lacs 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											
Arun Jain (3)	-	-	-	-	-	-	-	-	48,09,365	-	-
Director											
S.Swaminathan (1)	-	-	-	-	-	-	-	-	-	-	-
Govind Singhal (1)	-	-	-	-	-	-	-	-	-	-	-
K.Govindarajan (1)	-	-	-	-	-	-	-	-	-	-	-
Executive Director											
Anil Kumar Verma (4)	24.15*	-	-	24.15*	-	-	0.85	25.00	21,000	200,000	-
Non-Executive and Independent Director											
Aruna Krishnamurthy Rao (5)	-	-	-	-	-	-	-	-	6,860	-	-
V.Balaraman (2)	-	-	-	-	-	-	1.45	1.45	-	25,000	-
Dr.Ashok Jhunjunwala (2)	-	-	-	-	-	-	1.45	1.45	19,800	25,000	-
(1) For the period 1st April 2014 to 17th September 2014											
(2) For the period 17th September 2014 to 31 <sup>st</sup> March 2015											
(3) For the period 30 <sup>th</sup> August 2014 to 31 <sup>st</sup> March 2015. No compensation is paid to the Chairman & Managing Director											
(4) For the period 30 <sup>th</sup> September 2014 to 31 <sup>st</sup> March 2015											
(5) For the period 9 <sup>th</sup> October 2014 to 31 <sup>st</sup> March 2015											
* Remuneration is for the period from 1 <sup>st</sup> February 2015 to 31 <sup>st</sup> March 2015.											

Table No. 2.7

## Stock Options

The Company has 4 Stock Option Schemes – ASOP 2003, ASOP 2004, ASOP 2011 and ISOP 2015.

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/14688 dt.16/02/2015 for ASOP 2011 Scheme and NSE/LIST/14696 dt.16/02/2015 for ASOP 2004 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.

## ISOP 2015 :

The members in the Extraordinary General Meeting of the Company held on 29th January 2015 have approved a new Stock Option Scheme Intellect Stock Option Scheme ("ISOP 2015") which contains 60,00,000 Pool size Stock Options for grant of options to the Associates, Directors excluding Independent Directors of the Company and the associates of its subsidiary companies.

The Scheme is classified into 5 categories :

- 1) Swarnam 101
- 2) Swarnam 201
- 3) Swarnam 301
- 4) Swarnam 401
- 5) Swarnam 501

## Grant price per option :

The Grant Price per option shall be at the Market price or discount on Market price as detailed below :

DISCOUNT PER OPTION (% on Market Price)						
Price Band		Swarnam 101	Swarnam 201	Swarnam 301	Swarnam 401	Swarnam 501
A	Market Price up to Rs.49/-	Nil	Nil	Nil	Nil	Nil
B	Market Price between Rs.49 to Rs.140/-	15%	30%	50%	25%	Up to 50%
C	Market Price is > Rs. 140/-	10%	20%	50%	25%	Up to 50%

Table No. 2.8

However, in case of B above, grant price (after discount) shall not be lower than the floor price.

ISOP 2015 Stock Option Scheme framed by the Company has been approved by the members in the Extraordinary General Meeting held on 29th January 2015.

Details of stock options granted during the financial year 2014-15 under ASOP 2003, 2004, 2011 & ISOP 2015 Schemes are detailed as below:-

Sl. No.	Date of Grant	Option Price (Rs.)	ASOP 2003		ASOP 2004		ASOP 2011		ISOP 2015	
			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	7/1/2015	73.35	--	--	--	--	40	255,000	--	--
2	7/1/2015	60.41	--	--	--	--	1	50,000	--	--
3	7/1/2015	49.00	--	--	--	--	4	180,000	--	--
4	30/01/2015	97.75	--	--	--	--	--	--	141	18,30,000
<b>TOTAL</b>			--	--	--	--	<b>45</b>	<b>485,000</b>	<b>141</b>	<b>18,30,000</b>

Table No. 2.9

The Company has obtained a certificate from the Auditors of the Company certifying that the Company's Associate Stock Option Plan(s) are being implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share based employee benefits) Regulations 2014 as applicable and in accordance with the resolution of the Members in the General Meeting.

## 5. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee was constituted by the Board in the meeting held on 15.10.2014. The Stakeholders' Relationship Committee consists of Executive and Non-executive Directors. It focuses on Shareholders' grievances and strengthening of investor relations. This Committee specifically looks into the redressal of shareholders complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends etc.

The purpose of constituting this Committee is to uphold the basic rights of the shareholders including right to transfer and registration of shares, obtaining relevant information about the company on a timely and regular basis, participating and voting in shareholders meetings, electing members of the Board and sharing in the residual profits of the Company. Further the Committee is empowered to act on behalf of the Board, in the matters connected with allotment of shares, issuance of duplicate share certificates, split and consolidation of shares into marketable lots etc.

The Stakeholders' Relationship Committee had met 1 time during the year 2014-15.

Members of the Stakeholders' Relationship Committee are as follows:

Name	Designation	No. of Meetings	
		Held	Attended
Mr. V. Balaraman	Chairman	1	1
Ms. Aruna Krishnamurthy Rao	Member	1	1
Dr. Ashok Jhunjhunwala	Member	1	1
Mr. Anil Kumar Verma	Member	1	1

Table No. 2.10

Mr.V.V.Naresh, Company Secretary is the Compliance Officer of the Company.

During the year, under ASOP 2003 Scheme the company has allotted 300,700 equity shares of Rs.5/- each to 45 Associates and under ASOP 2004 Scheme company has transferred 1,70,000 equity shares of Rs.5/- each to 3 Associates and under ASOP 2011 Scheme company has allotted 48,750 equity shares of Rs.5/- each to 22 Associates pursuant to exercise of options granted as detailed hereunder:

Sl. No.	Date of Allotment	ASOP 2003		ASOP 2004		ASOP 2011	
		No. of Associates	No. of shares allotted	No. of Associates	No. of shares allotted	No. of Associates	No. of shares allotted
1	30/01/2015	25	179,700	3	150,000	8	19,500
2	16/03/2015	19	119,500	7	20,000	14	29,250
3	27/03/2015	1	1,500	-	-	-	-
<b>TOTAL</b>		<b>45</b>	<b>300,700</b>	<b>10</b>	<b>170,000</b>	<b>22</b>	<b>48,750</b>

Table No. 2.11

Pursuant to the demerger of Products Business undertaking of Polaris Consulting & Services Limited into Intellect Design Arena Limited, the company has allotted shares to the shareholder of demerged company. As the result of the same and the above allotments, paid-up equity share capital of the company has increased from Rs.500,000 comprising of 100,000 number of equity shares of Rs.5/- each as on March 31, 2014 to Rs.500,992,370 comprising of 100,198,474 number of equity shares of Rs.5/- each as on March 31, 2015. Out of the allotment of 349,450 equity shares, 150,250 equity shares were listed and traded in the stock exchanges subsequent to 31<sup>st</sup> March 2015.

## 5.1 Associate Stock Option Scheme (ASOP)

## Consolidated Scheme wise ASOP status for the year ended March 31, 2015

Sl. No.	Description	ASOP 2003	ASOP 2004	ASOP 2011	ISOP 2015
1	Outstanding at the beginning of the year	--	--	--	--
2	Granted during the year	1,092,900	3,79,100	46,15,550	1,830,000
3	Exercised during the year	300,700	170,000	48,750	--
4	Forfeited during the year	36,600	4,200	193,050	80,000
5	Cancelled during the quarter	78,400	1,200	39,850	--
6	Outstanding at the end of the year	677,200	203,700	4,333,900	1,750,000
7	Price formula	Market Price	Market Price	*	*
8	Total Shares arised due to exercise of options	300,700	170,000	48,750	--
9	Money realized by exercise of options (Rs.)	17,358,648	10,522,750	17,85,630	--

Table No. 2.12

\* Discounted price as defined in the scheme or "Market Price" if it is lower than the fixed price of Rs.49/- per equity share as per scheme.

Particulars / information of options granted under the ASOP schemes			31-Mar-15	
Weighted average exercise price	2003		-	
	2004		-	
	2011		60.41	
	2015		89.92	
Weighted average fair value	2003		-	
	2004		-	
	2011		60.76	
	2015		93.43	
Details of number of options granted to Senior Management Personnel:				
ASOP 2003			-	
ASOP 2004			-	
ASOP 2011			-	
ISOP 2015			300,000	
Employee receiving 5% or more of the total number of Options granted during the year			-	
Employees granted Option equal to or exceeding 1% of the issued capital			-	
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Options for the financial year 2014-15			-	
• Employee compensation cost using Intrinsic method of accounting.			Rs.21,96,032	
• Employee compensation cost using Fair Value method of accounting.			Rs.18,400,483	
• Difference between (i) & (ii)			Rs.16,204,451	
(iv) Impact for the accounting period had the fair value method been used on the following:				
Net results decreased by			Rs.16,204,451	
Basic EPS will reduce by			Rs.0.17 paise	
Method and significant assumptions used to estimate the fair value of options granted during the year under Black & Scholes methods				
	2003	2004	2011	2015
(a) Risk free rate of interest	--	--	8.02%	7.74%
(b) Expected life (in years)	--	--	5.72	6.00
(c) Expected volatility	--	--	61.05%	93.69%
(d) Expected dividend yield	--	--	0.00%	0.00%
(e) Price of the underlying share in market at the	--	--	86.30	115
Details of options granted during the year		(in Rs.)		
Date of grant	Market price		Exercise price	
January 7, 2015	86.30		60.41	
January 30, 2015	115.00		97.75	

Table No. 2.13

## 6. Risk Management Committee :

Risk Management Committee was constituted by the Board in the meeting held on 15th October 2014 and the members of the Committee are as under :

The majority of the committee shall consist of members of the Board of Directors. Senior executive of the company may be members of the said committee and the chairman of the committee shall be a member of the Board of Directors.

Name	Designation
Arun Jain	Chairman
V Balaraman	Member
Dr.Ashok Jhunjunwala	Member
T V Sinha	Member
S Swaminathan	Member

**Table No. 2.14**

### Terms of Reference:

- Delegation of monitoring and reviewing of the Risk Management Policy
- Such other functions as it may deem fit

## 7. Corporate Social Responsibility Committee :

As per the Section 135 of the Companies Act, 2013, every Company having net worth of Rs.500 crore or more, or turnover of Rs.1000 crore or more or Net Profit of Rs.5 crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board of Directors of the Company consisting of 3 or more directors, out of which at least 1 director shall be an independent director.

Accordingly, Corporate Social Responsibility Committee was constituted by the Board in its meeting held on 15/10/2014 with the following members :

Name	Designation
Anil Kumar Verma	Chairman
Arun Jain	Member
Aruna Krishnamurthy Rao	Member
Dr.Ashok Jhunjunwala	Member
V.Balaraman	Member

**Table No. 2.15**

The Terms of Reference of the Committee is as under :

- 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. If the Company fails to spend such amount, the Board shall, in its report specify the reasons for not spending the amount.
- To eradicate extreme hunger and poverty
- To promote education
- To promote gender equality and empowering women
- To reduce child mortality and improving maternal health
- To combat human immunodeficiency virus, malaria and other diseases

- To ensure environmental sustainability, Employment, enhancing vocational skills
- To contribute to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

## 8. Details of the Sub-Committees constituted by the Board

### a. Share Transfer Committee

The Share Transfer Committee has been constituted by the Board in the meeting held on 15th October 2014 and the members of the Committee are :

Name	Designation
S. Swaminathan	Chief Financial Officer
A.V. Ravi Shankar	Senior Vice President – Legal
V.V. Naresh	Vice President - Company Secretary & Compliance Officer

**Table No. 2.16**

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 1 time during the year 2014-15 on 15th October 2014.

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	Deletion of names	0	0
4	Rematerialisation requests	0	0
5	Transmission of names	0	0
6	Split of Shares	1	1
<b>Total</b>		<b>1</b>	<b>1</b>

**Table No. 2.17**

## 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.12(h) of Directors' Report.

## 10. General Body Meetings of the Company

Particulars of the last three Annual General Meetings of the Company are as follows:

Financial year ended	Date and Time	Venue	Special Resolutions passed in AGM
31 <sup>st</sup> March 2012	30 <sup>th</sup> August 2012, 12 Noon	244 Anna Salai, Chennai -600 006	--
31 <sup>st</sup> March 2013	29 <sup>th</sup> July 2013, 12.30 PM	244 Anna Salai, Chennai-600 006	--
31 <sup>st</sup> March 2014	17 <sup>th</sup> September 2014 3.00 PM	244 Anna Salai, Chennai-600 006	a) Adoption of new articles of association as per Companies Act, 2013

**Table No. 2.18**

Particulars of the Extraordinary General Meeting of the Company held during the year 2014-15:

Financial Year Ended	Date and Time	Venue	Special Resolutions passed in EGM
2014-15	9 <sup>th</sup> October 2014 3.00 PM	244 Anna Salai, Chennai-600 006	a) Approval of Stock Option Schemes – ASOP 2003, 2004 and 2011 inherited from the Demerged Company, Polaris Financial Technology Limited b) Approval for obtaining in-principle approval of the Stock Options under ASOP 2003, 2004 and 2011 from the Stock Exchanges. c) Approval for Borrowing powers from Banks / Financial Institutions for the company & creation of mortgages / charges for such borrowing.
2014-15	29 <sup>th</sup> January 2015 3.00 PM	Music Academy, 168, T.K.Road, Royapettah, Chennai-600 014	a) Approval of Stock Option Scheme – ISOP 2015 b) Approval for obtaining in-principle approval of the Stock Options under ISOP 2015 from the Stock Exchanges.

Table No. 2.19

## 11. Disclosures

### a. Related Party Transactions

Related Party Transactions are defined as transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

A transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

Details on materially significant related party transactions are shown in the Note No.20 & under Significant Policies and Notes to accounts to the standalone Balance Sheet and Profit & Loss Account.

### b. Statutory Compliance, Penalties & Strictures

Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets during the last three years:- Nil.

### c. Compliance with mandatory requirements and adoption of non-mandatory requirements of Clause 49 of the Listing Agreement

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement including CEO/CFO certification. As required under Clause 49, a certificate signed by CEO & CFO of the Company has been placed before the Board of Directors and the same has been provided elsewhere in this report. Further, a certificate from the Statutory Auditors, certifying the compliance of clause 49 of the

Listing agreement was adhered/adopted has also been provided elsewhere in this report.

Clause 49 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) Nomination and Remuneration & Compensation Committee

The Company has constituted a Nomination and Remuneration & Compensation Committee consisting of Non-executive Directors and a whole time Director (Managing Director). A detailed note on Nomination and Remuneration & Compensation Committee is provided elsewhere in the report. The Chairman of the Committee is an Independent Director.

#### (ii) Whistle Blower Policy

The Company has established a mechanism for employees to report concerns about unethical behaviors, actual or suspected fraud, and violation of Code of Conduct of the Company etc.

The mechanism also provides for adequate safeguards against victimization of employees who avail the mechanism and also provides for direct access by the Whistle Blower to the Audit Committee. We affirm that during the Financial Year 2014-15, no employee has been denied access to the Audit Committee.

#### (iii) Ombudsman

Ombudsman is a Intellect initiative, to resolve workplace conflicts. It is a forum for associates and retirees to report, discuss and resolve workplace issues.

The office of the ombudsman promises complete confidentiality in all the matters discussed with him. Ombudsman also assures "No Reprisal" to the complainant who brings to light a problem or blows the whistle against someone. It works as an early warning system to the organization.

#### (iv) Risk Management framework

The Company continues to use the Risk Management framework adopted by the Board of Directors on 15th October 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 discussion and analysis report.

#### (v) Insider Trading Policy

As per the SEBI (Prohibition of Insider Trading) Regulations, 1992 an Insider Trading Policy of the company is in force. The policy guides a mechanism for regulating transactions of the shares of the company and enforces a code of conduct and internal procedures.

The details of Trading window during the year 2014-15: Closed on 19/01/2015 and Opened on 02/02/2015

### d. Conflict of Interest Policy.

As a part of good corporate governance, the company has formulated a Conflict of Interest policy for the senior management and associates.

### e. Directors and Key Managerial Personnel:

Mr.Arun Jain, was appointed as Managing Director on 30.08.2014 and as Chairman with effect from 24th September 2014.

Mr.Anil Kumar Verma was appointed as additional director with effect from 30th September 2014 and appointed as Executive Director effective from 1st February 2015.



Ms.Aruna Krishnamurthy Rao was appointed as Independent Director in the members' meeting held on 9th October 2014.

During the year, Mr.S.Swaminathan and Mr.V.V.Naresh were appointed as Chief Financial Officer and Company Secretary & Compliance Officer respectively with effect from 15th October 2014.

- f. The Company has disclosed and complied with all the mandatory requirements under Clause 49 of the Listing Agreement. The details of these compliance have been given in the relevant sections of this report.

## 12. Means of communication

We have established procedures to disseminate pertinent information to our shareholders, employees and society at large.

### (a) Investor Information

Investors are being provided with timely information on all Company related matters;

**Media release:** all our media releases are posted on the Company's website: [www.intellectdesign.com](http://www.intellectdesign.com).

**Quarterly results:** Our quarterly results are published in widely circulated national newspapers such as Business Line, and Tamil edition of "The Hindu".

**Annual Report:** Annual Report containing audited standalone accounts, consolidated financial statements together with Directors' Report, Auditors' Report and other important information are circulated to members and others entitled thereto either in physical copy or through email.

**Website:** the Company's website contains a separate dedicated section "Investors" where information sought by shareholders and the presentations made to the investors are available. The Annual Report, Media release and financial reports of the company are available on the website in a user-friendly and downloadable form at [www.intellectdesign.com](http://www.intellectdesign.com).

### (b) The Management Discussion & Analysis report (MD & A)

The MD&A gives an overview of the Industry, Company's business, its financials etc., and the same is provided elsewhere in this report, which forms a part of the Directors' Report.

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	Tuesday, 28 <sup>th</sup> July 2015	
Venue of Annual General Meeting	Rani Seethai Hall, 603, Anna Salai, 1 <sup>st</sup> Floor, Thousand Lights, Chennai – 600 006.	
Financial Reporting: 01/04/2015 to 31/03/2016		
First quarter ending June 30, 2015	Between 16 <sup>th</sup> July 2015 and 14 <sup>th</sup> August 2015	
Second quarter ending September 30, 2015	Between 16 <sup>th</sup> October 2015 and 14 <sup>th</sup> November 2015	
Third quarter ending December 31, 2015	Between 16 <sup>th</sup> January 2016 and 14 <sup>th</sup> February 2016	
For the year ending March 31, 2016	Between 16 <sup>th</sup> April 2016 and 30 <sup>th</sup> May 2016	
Book Closure	17 <sup>th</sup> July 2015 to 28 <sup>th</sup> July 2015 (both days inclusive)	
Dividend for 2014-15	No dividend has been declared for the year 2014–15	
Listing of shares with Stock Exchanges / Intellect shares traded in		
NSE Scrip Code	INTELLECT	
BSE Scrip Code	538835	
ISIN Code	INE306R01017	
<ul style="list-style-type: none"><li>• The Company hereby confirms that the Listing fee for the year 2015-16, payable to each of the Stock Exchange pursuant to clause 38a of the Listing Agreement in which the Company's shares are Listed have been paid.</li><li>• The Company's shares are traded in the National Stock Exchange of India Limited &amp; Bombay Stock Exchange Limited, Mumbai and since December 18, 2014.</li></ul>		
Registrar and Share Transfer Agent	<b>Karvy Computershare Private Ltd.</b> Unit: Intellect Design Arena Limited Plot No. 31-32, Karvy Selenium Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel: 040 – 6716 1529, Fax: 040 – 23420814 /23420857 E-mail: mailmanager@karvy.com URL: www.karvycomputershare.com	
Publication of Quarterly Results		
Details of Quarterly financial results published during financial year 2014-15		
Language	News Paper	Date
English	Business Line	31 <sup>st</sup> January 2015
Tamil	The Hindu	31 <sup>st</sup> January 2015
Website address of the Company in which reports / financial results have been posted		www.intellectdesign.com
Website address of stock exchange(s) in which reports / financial results are posted		
National Stock Exchange of India Ltd		Bombay Stock Exchange Ltd
www.nseindia.com		www.bseindia.com
Whether the Official News releases are displayed by the company		✓ Yes <del>No</del>

Table No. 2.20

### 13. Shareholders' complaints and requests

During the financial year 2014-15, 300 requests / Complaints had been received and 300 numbers of requests / Complaints resolved by the Company as detailed hereunder:

#### STATUS OF REQUEST/ COMPLAINTS DURING THE PERIOD 01/04/2014 TO 31/03/2015

S.No.	Subject	Received	Replied/ resolved
<b>A. Requests</b>			
1	Change/correction of address	5	5
2	Receipt of dividend warrants/refund order for revalidation	0	0
3	Specimen sign change / not mentioned in application	1	1
4	Change/correction of bank mandate	1	1
5	Change/correction of bank mandate/name/damage on dw	0	0
6	Receipt of ib for issue of duplicate dw	0	0
7	Query regarding payment of dividend warrant	0	0
8	Receipt of dd(s) /against dw from company/bank	0	0
9	Request for ecs facility ( electronic clearance services)	2	2
10	Letters from clients regarding bills/payments	0	0
11	Postal return documents	201	201
12	Letter from sebi/stock exchange/cbi/acknowledgement	0	0
13	Registration of power of attorney	0	0
14	Loss of securities and request for issue of duplicate	1	1
15	Receipt of ib and affidavit for issue of dup securities	0	0
16	Request for consolidation/split of securities	0	0
17	Deletion of joint name due to death	1	1
18	Request for transfer/transmission of securities	8	8
19	Request for demat nsdl & cdsi /remat	34	34
20	Dd received from banks against ecs rejections	0	0
21	Change / correction of name on securities	1	1
22	Clarification regarding shares	1	1
23	Request for exchange of certificates	1	1
24	Query regarding undelivered documents	4	4
25	Others(acknowledgement/nsdl operation/electronic dp req/pan no, req for communic , emails	36	36
<b>Total (a)</b>		<b>297</b>	<b>297</b>
<b>B. Complaints</b>			
1	Non-receipt of annual report	0	0
2	Non-receipt of dividend warrant	0	0
3	Non-receipt of securities	2	2
4	Non receipt of dup/transmission/delition of scs	0	0
5	Non-receipt of refund order	0	0
6	Sebi/bse/nse complaints	1	1
<b>Total(b)</b>		<b>3</b>	<b>3</b>
<b>Total (a) + (b)</b>		<b>300</b>	<b>300</b>

Table No. 2.21

### 14. Stock market data about the shares of the Company for the period April 2014 to March 2015 at National Stock Exchange Limited (NSE) and Bombay Stock Exchange of India Limited (BSE).

Share market data and the graphical representation of closing market prices movement of the Company's shares quoted in the National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Ltd., (BSE) Mumbai and from April 2014 to March 2015.

Intellect Design Arena Limited share price (High / Low) during the financial year 2014-15:

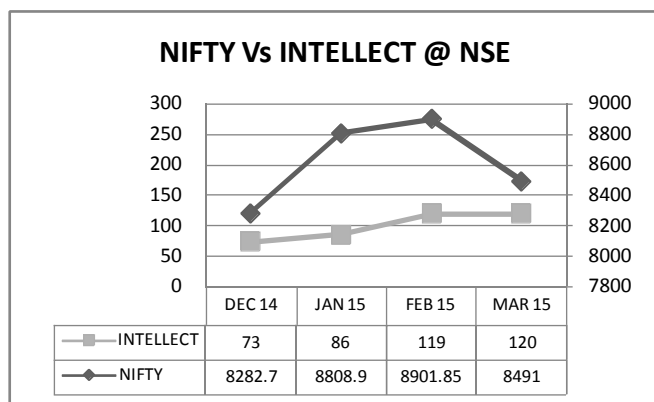
Stock Exchange	Yearly high price	Date	Yearly low price	Date
NSE	134	12/01/2015	69	18/12/2014
BSE	134	12/01/2015	69	18/12/2014

Table No. 2.22

## NIFTY vs INTELLECT @ NSE

MONTH	DEC 14	JAN 15	FEB 15	MAR 15
NIFTY	8,282.70	8,808.90	8,901.85	8,491.00
INTELLECT	73.00	86.00	119.00	120.00

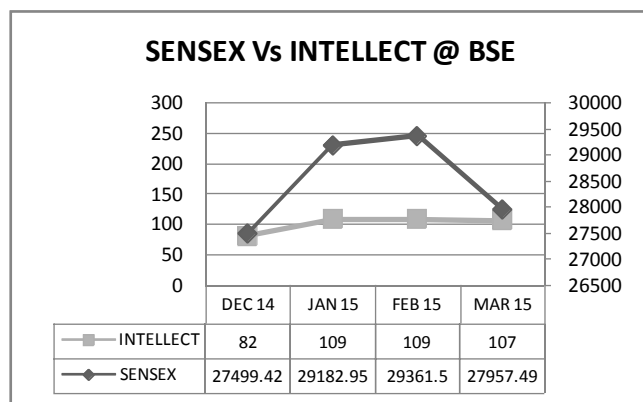
Table No. 2.23



## SENSEX Vs INTELLECT @ BSE

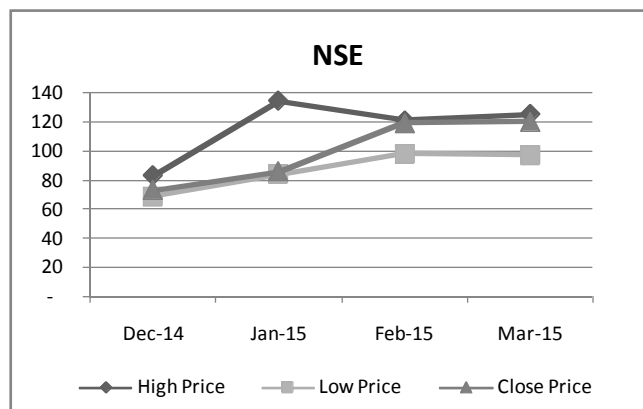
MONTH	DEC 14	JAN 15	FEB 15	MAR 15
SENSEX	27,499.42	29,182.95	29,361.50	27,957.49
INTELLECT	82.00	109.00	109.00	107.00

Table No. 2.24



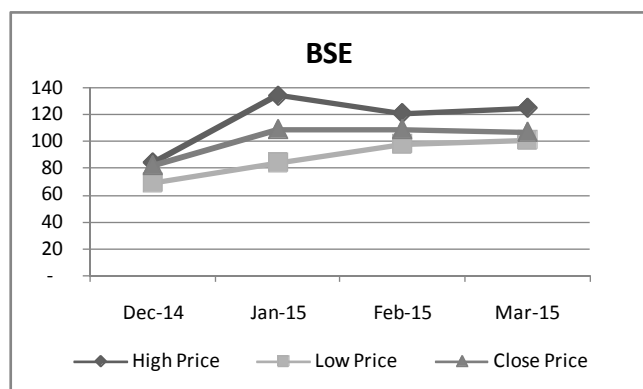
Month 2014-15	NSE PRICE			
	High Price	Low Price	Close Price	Volume
Dec-14	83	69	73	30,143,252
Jan-15	134	84	86	76,690,219
Feb-15	121	98	119	23,118,048
Mar-15	125	97	120	19,987,419
<b>TOTAL</b>				<b>149,938,938</b>

Table No. 2.25



Month 2014-15	BSE PRICE			
	High Price	Low Price	Close Price	Volume
Dec-14	84	69	82	6,577,118
Jan-15	134	84	109	26,868,903
Feb-15	121	98	109	9,057,259
Mar-15	125	101	107	7,604,361
<b>TOTAL</b>				<b>50,107,641</b>

Table No. 2.26



## 15. Shareholding pattern of the Company as on March 31, 2015

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHARE HOLDERS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES		SHARES PLEDGED OR OTHERWISE ENCUMBERED	
					AS a % of (A+B)	As a % of (A+B+C)	NUMBER OF SHARES	AS a %
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII) / (IV)*100
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>							
1	INDIAN							
(a)	Individual /HUF	14	96,79,822	96,79,822	9.66	9.66	-	-
(b)	Central Government/State Government(s)	-	-	-	0.00	0.00	-	-
(c)	Bodies Corporate	1	2,24,65,298	2,24,65,298	22.42	22.42	-	-
(d)	Financial Institutions / Banks	-	-	-	0.00	0.00	-	-
(e)	Others	-	-	-	0.00	0.00	-	-
	<b>Sub-Total A(1) :</b>	<b>15</b>	<b>3,21,45,120</b>	<b>3,21,45,120</b>	<b>32.08</b>	<b>32.08</b>	-	-
2	FOREIGN							
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-
	<b>Sub-Total A(2) :</b>	-	-	-	-	-	-	-
	<b>Total A=A(1)+A(2)</b>	<b>15</b>	<b>3,21,45,120</b>	<b>3,21,45,120</b>	<b>32.08</b>	<b>32.08</b>	-	-
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>							
1	INSTITUTIONS							
(a)	Mutual Funds /UTI	13	79,07,056	79,07,056	7.89	7.89	-	-
(b)	Financial Institutions /Banks	5	3,94,728	3,94,728	0.39	0.39	-	-
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	68	1,68,50,977	1,68,50,827	16.82	16.82	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-
	<b>Sub-Total B(1) :</b>	<b>86</b>	<b>2,51,52,761</b>	<b>2,51,52,611</b>	<b>25.10</b>	<b>25.10</b>	-	-
2	NON-INSTITUTIONS							
(a)	Bodies Corporate	1066	79,98,494	79,97,944	7.98	7.98	-	-
(b)	Individuals							
	(i) Individuals holding nominal share capital upto Rs.1 lakh	48998	1,68,02,959	1,65,20,774	16.77	16.77	-	-
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	144	1,55,30,038	1,54,20,038	15.50	15.50	-	-

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHARE HOLDERS	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES		SHARES PLEDGED OR OTHERWISE ENCUMBERED	
					AS a % of (A+B)	As a % of (A+B+C)	NUMBER OF SHARES	AS a %
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII) / (IV)*100
(c)	Others							
	CLEARING MEMBERS	166	3,68,027	3,68,027	0.37	0.37	-	-
	NON RESIDENT INDIANS	688	7,73,623	7,69,773	0.77	0.77	-	-
	OVERSEAS CORPORATE BODIES	2	300	250	-	-	-	-
	TRUSTS	6	14,27,152	14,07,052	1.42	1.42	-	-
(d)	Qualified Foreign Investor	0	-	-	0.00	0.00	-	-
	<b>Sub-Total B(2) :</b>	<b>51070</b>	<b>4,29,00,593</b>	<b>4,24,83,858</b>	<b>42.82</b>	<b>42.82</b>	-	-
	<b>Total B=B(1)+B(2) :</b>	<b>51156</b>	<b>6,80,53,354</b>	<b>6,76,36,469</b>	<b>67.92</b>	<b>67.92</b>	-	-
	<b>Total (A+B) :</b>	<b>51171</b>	<b>10,01,98,474</b>	<b>9,97,81,589</b>	<b>100.00</b>	<b>100.00</b>	-	-
(C)	SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED	-	-	-	-	-	-	-
1	Promoter and Promoter Group	-	-	-	-	-	-	-
2	Public	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A+B+C) :</b>	<b>51171</b>	<b>10,01,98,474**</b>	<b>9,97,81,589</b>	<b>100.00</b>	<b>100.00</b>	-	-

Table No. 2.27

\*No shares were pledged by the promoters as on March 31, 2015.

\*\* Out of these 150,250 equity shares which were allotted as part of ASOP prior to 31.03.2015 were subsequently granted listing and trading approval.

#### List of persons holding more than 1% of the total number of shares

S no	Name	Shares	% Equity
1	POLARIS BANYAN HOLDING PRIVATE LIMITED	22,465,298	22.42
2	ARUN JAIN	4,809,365	4.80
3	JHUNJHUNWALA REKHA RAKESH	3,750,000	3.74
4	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL CAP FUND	3,200,000	3.19
5	RELIANCE CAPITAL TRUSTEE CO LTD A/C-RELIANCE REGULAR SAVINGS FUND - EQUITY OPTION	3,000,000	2.99
6	YOGESH ANDLAY	2,077,447	2.07
7	GHI LTP LTD	1,779,456	1.78
8	PARAM CAPITAL RESEARCH PVT. LTD.	1,500,000	1.50
9	MANJU JAIN	1,280,460	1.28
10	LSV EMERGING MARKETS EQUITY FUND LP	1,227,800	1.23
11	PREMIER INVESTMENT FUND LIMITED	1,080,520	1.08
12	RELIANCE CAPITAL TRUSTEE CO LTD A/C-RELIANCE REGULAR SAVINGS FUND - BALANCED OPTION	1,025,956	1.02
	<b>Total</b>	<b>47,196,302</b>	<b>47.10</b>

Table No. 2.28

**Shareholding of Directors / office bearers as on March 31, 2015.**

Sl. No.	Name of the Director / Officer bearer	No. of shares	% of Share Capital
1.	Arun Jain, Chairman & Managing Director	4,809,365	4.80
2.	Anil Kumar Verma, Executive Director	21,000	0.02
3.	Aruna Krishnamurthy Rao, Director	6,860	0.00
4.	Dr.Ashok Jhunjhunwala, Director	19,800	0.02
5.	V.Balaraman, Director	-	-
6.	V.V.Naresh, Company Secretary	-	-
7.	S.Swaminathan, Chief Financial Officer	15,000	0.02

**Table No. 2.29****Distribution Schedule of Shareholding as on March 31, 2015**

S No	Category	Total		Physical		Electronic	
		No. of Share Holders	Shares	No. of Share Holders	Shares	No. of Share Holders	Shares
1	1-5000	50,275	13,908,365	1,093	246,535	49,182	13,661,830
2	5001 - 10000	378	2,910,514	5	40,250	373	2,870,264
3	10001 - 20000	211	3,120,686	-	-	211	3,120,686
4	20001 - 30000	93	2,343,106	3	70,100	90	2,273,006
5	30001 - 40000	39	1,376,247	-	-	39	1,376,247
6	40001 - 50000	42	1,944,137	-	-	42	1,944,137
7	50001 - 100000	58	4,144,321	1	60,000	57	4,084,321
8	100001 & Above	75	70,451,098	-	-	75	70,451,098
	<b>Total:</b>	<b>51,171</b>	<b>100,198,474</b>	<b>1,102</b>	<b>416,885</b>	<b>50,069</b>	<b>99,781,589</b>

**Table No. 2.30****Comparative distribution schedule as on March 31, 2015**

Comparative distribution schedule as on March 31, 2015						
Shares	Physical		Demat		Total	
	Nos.	%	Nos.	%	Nos.	%
31.03.2015	416,885	0.42	99,781,589	99.58	100,198,474	100
<b>Shareholders</b>						
31.03.2015	1,102	2.15	50,069	97.85	51,171	100

**Table No. 2.31**



## 16. Other Information to Shareholders

### Share Transfer System

The applications for transfers, transmission and transposition are received by the Company at its Registered Office address at Chennai or at Messrs Karvy Computershare Private Ltd., Hyderabad, Registrar and Share Transfer Agents (RTA) of the Company. As the Company's shares are currently traded in demat form, the transfers are processed and approved by NSDL/CDSL in the electronic form through its Depository Participants. The RTA on a regular basis processes the physical transfers and the share certificates are sent to the respective transferees.

### Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity - Not applicable

### Share Transaction Regulatory System in place for controlling insider trading policy on Insider Trading

A Policy on Insider Trading has been implemented pursuant to the guidelines issued by SEBI from time to time. This Policy deals with the rules, regulations and process for transactions in the shares of the Company and shall apply to all transactions and for all designated associates in whatever capacity they may be, including Directors.

### Locations

Headquartered in Chennai; the other branch offices addresses / locations are furnished elsewhere in the Annual Report. Intellect also has 5 (Five) subsidiaries in India namely

- (I) Polaris Enterprise Solutions Limited,
- (II) SEEC Technologies Asia Private Limited,
- (III) Laser Soft Infosystems Limited,
- (IV) Indigo Tx Software Private Limited,
- (V) SFL Properties Private Limited

### Addresses for correspondence

The Company Secretary & Compliance Officer  
 INTELLECT DESIGN ARENA LIMITED  
 Regd. Office: Polaris House,  
 244, Anna Salai, Chennai - 600 006  
 Phone: 044-39843400, Fax: 044-2852 3280  
 E-mail: shareholder.query@intellectdesign.com  
 company.secretary@intellectdesign.com  
 naresh.vv@intellectdesign.com

Place: Chennai

Date: May 21, 2015

For **Intellect Design Arena Limited**  
 (Formerly known as Fin Tech Grid Limited)

**Arun Jain**  
 Chairman & Managing Director

**CEO & CFO CERTIFICATION UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT**

To: The Board of Directors of Intellect Design Arena Limited, Chennai

We, Arun Jain, Chairman & Managing Director and S.Swaminathan, 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, 2015 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
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Chennai

Date: April 27, 2015

**Arun Jain**  
Chairman & Managing Director

**S. Swaminathan**  
Chief Financial Officer

**Auditors' certificate on compliance with the conditions of corporate  
Governance under clause 49 of the listing agreement**

**AUDITORS' CERTIFICATE**

To  
The Members  
Intellect Design Arena Limited

We have examined the compliance of conditions of Corporate Governance by Intellect Design Arena Limited, for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.R.Batliboi & Associates LLP**  
Firm registration No. 101049W  
Chartered Accountants

per **Bharath N.S.**  
Partner  
Membership No. 210934

Place: Chennai  
Date: May 21, 2015

.....  
To  
The Members  
Intellect Design Arena Limited  
Chennai

**Sub: Declaration by the CEO under Clause 49 (I) (D) (ii) of the Listing Agreement**

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, 2015.

Place: Chennai  
Date: April 27, 2015

**Arun Jain**  
Chairman & Managing Director

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**INTELLECT DESIGN ARENA LIMITED**  
(Formerly known as Fin Tech Grid Limited)  
**AUDITED STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

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

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Intellect Design Arena Limited (Formerly known as Fintech Grid Limited)

### Report on the Financial Statements

We have audited the accompanying financial statements of Intellect Design Arena Limited (Formerly known as "Fintech Grid" Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its loss, and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W

**per Bharath N S**

Partner

Membership No. 210934

Place of Signature : Chennai

Date: April 27, 2015

**Annexure referred to under paragraph 1 of the Report on Other Legal and Regulatory Requirements of the Auditors' Report**

Re: Intellect Design Arena Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, sales tax, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, sales tax, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us, there are no dues of provident fund, sales tax, employees' state insurance, income tax, wealth tax, service tax, customs duty, value added tax, cess which have not been deposited on account of any dispute.
  - (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year.
- (ix) The Company does not have any dues to a financial institution or a bank and has not issued any debentures.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W

**per Bharath N S**

Partner

Membership No. 210934

Place of Signature : Chennai

Date : April 27, 2015

**Intellect Design Arena Limited**

(Formerly known as Fin Tech Grid Limited)

**Balance Sheet as at March 31, 2015**

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

Particulars	Notes	March 31, 2015	March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	4	5,009.92	5.00
Reserves and surplus	5	47,146.67	-
		52,156.59	5.00
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities (Net)	6	1,075.10	-
Long-term provisions	7	269.78	-
<b>CURRENT LIABILITIES</b>			
Trade payables	8	9,862.08	0.03
Other current liabilities	9	5,897.10	0.97
Short-term provisions	10	625.55	-
<b>TOTAL</b>		<b>69,886.20</b>	<b>6.00</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	11		
- Tangible assets		10,183.45	-
- Intangible assets		157.25	-
- Capital work-in-progress		4,480.24	-
		14,820.94	-
Non-current investments	12	14,237.66	-
Long-term loans and advances	13	1,546.55	-
Other non-current assets	14	1,719.48	-
<b>CURRENT ASSETS</b>			
Current investments	15	15,141.74	-
Trade receivables	16	9,585.35	-
Cash and bank balances	17	3,498.10	5.00
Short-term loans and advances	18	2,041.23	-
Other current assets	19	7,295.15	1.00
<b>TOTAL</b>		<b>69,886.20</b>	<b>6.00</b>

**Table No. 3.1**

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration number: 101049W

For and on behalf of the Board of Directors of

**Intellect Design Arena Limited****per Bharath N S**

Partner

Membership No. 210934

**Arun Jain**

Chairman &amp; Managing Director

**Ashok Jhunjhunwala**

Director

Chennai

April 27, 2015

**S.Swaminathan**

Chief Financial Officer

Chennai

April 27, 2015

**V.V.Naresh**

Vice President &amp; Company

Secretary

**Intellect Design Arena Limited**

(Formerly known as Fin Tech Grid Limited)

**Statement of Profit and Loss for the year ended March 31, 2015**

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

Particulars	Notes	March 31, 2015
<b>Revenue</b>		
Revenue from operations		45,310.32
Other income	23	2,203.85
<b>Total Revenue</b>		<b>47,514.17</b>
<b>Expenses</b>		
Employee benefit expenses	24	43,302.34
Other Expenses	24	9,884.69
Depreciation and amortization expenses	11	1,705.68
<b>Total expenses</b>		<b>54,892.71</b>
<b>Loss before Tax</b>		<b>(7,378.54)</b>
<b>Tax Expenses</b>		
- Current tax		-
- Deferred tax Expense/(Income)		(260.99)
<b>Loss for the year</b>		<b>(7,117.55)</b>

**Table No. 3.2**

Earnings per equity share (in Rs.) - (equity share of par value Rs.5 each) - Basic and Diluted

34

(7.12)

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration number: 101049W

For and on behalf of the Board of Directors of

**Intellect Design Arena Limited****per Bharath N S**

Partner

Membership No. 210934

**Arun Jain**

Chairman &amp; Managing Director

**Ashok Jhunjhunwala**

Director

Chennai

April 27, 2015

**S.Swaminathan**

Chief Financial Officer

Chennai

April 27, 2015

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

**Intellect Design Arena Limited**  
(Formerly known as Fin Tech Grid Limited)  
**Statement of Cash Flow for the year ended March 31, 2015**  
(All amounts are in Rupees in lakhs unless otherwise stated)

Particulars	March 31, 2015
<b>Cash used in operating activities</b>	
Loss before Taxation	(7,378.54)
<b>Adjustments for :</b>	
Depreciation / amortisation	1,705.68
Unrealised exchange (gains) / losses	(413.04)
Interest income	(244.13)
Dividend income	(1,347.60)
Provision for doubtful debts (net)	227.38
(Profit) / Loss on sale of investments	(279.61)
Reversal of provision for diminution in value of investments	(69.34)
(Profit) / Loss on sale of fixed assets	(8.42)
<b>Working capital changes</b>	
Decrease / (Increase) in trade receivables	(1,959.38)
Decrease/(Increase) in loans and advances and other assets	(965.77)
Increase/(Decrease) in liabilities and provisions	6,842.65
Taxes paid	(604.65)
<b>Net Cash used in operating activities</b>	<b>(4,494.77)</b>
<b>Cash used in investing activities</b>	
Purchase of fixed assets, changes in capital work in progress and capital advance	(2,443.32)
Proceeds from sale of fixed assets	46.22
Acquisition of subsidiary	(870.00)
Net decrease/(increase) in non-trade investments	(14,792.78)
Net (Increase)/decrease in bank deposit	93.39
Interest received	244.13
Dividend received from mutual fund units	1,347.60
<b>Net cash used in investing activities</b>	<b>(16,374.76)</b>
<b>Cash flows from financing activities</b>	
Proceeds from share capital issued on exercise of stock options	17.47
Proceeds from securities premium on exercise of stock options	150.31
<b>Net cash flows from financing activities</b>	<b>167.78</b>
Exchange differences on translation of foreign currency cash and cash equivalents	3.02
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	<b>(20,698.72)</b>
Cash and cash equivalents acquired on Demerger pursuant to Scheme of arrangement	24,191.83
Cash and cash equivalents at the beginning of the year	5.00
<b>Cash and cash equivalents at the end of the year</b>	<b>3,498.10</b>
<b>Components of cash and cash equivalents</b>	
Balance with banks *	3,498.10
<b>Total cash and cash equivalents</b>	<b>3,498.10</b>

**Table No. 3.3**

\* The balance on deposit accounts as on March 31, 2015 includes Rs. 358.50 lakhs which has been pledged as a security by the Company for availing non-fund based facilities.

As per our report of even date

**For S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration number: 101049W

**per Bharath N S**

Partner  
Membership No. 210934

Chennai  
April 27, 2015

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

**Arun Jain**  
Chairman & Managing Director

**S.Swaminathan**  
Chief Financial Officer  
Chennai  
April 27, 2015

**Ashok Jhunjunwala**  
Director

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

## Intellect Design Arena Limited

(Formerly known as Fin Tech Grid Limited)

### Notes to Financial Statements for the year ended March 31, 2015

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

#### 1. Corporate Information

Intellect Design Arena Limited (formerly known as Fin Tech Grid Limited), ('Intellect' or 'Company'), is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 in 2011 and has its registered office in Chennai. 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 a comprehensive portfolio of products across Global Consumer Banking, Central Banking, Risk & Treasury Management, Global Transaction Banking and Insurance and is engaged in the business of software development.

#### 2A. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistently followed.

#### 2B. Scheme of Arrangement (Demerger)

The Board of Directors of Polaris Consulting & Services Limited (formerly known as Polaris Financial Technology Limited) at its meeting held on March 18, 2014 had approved a Scheme of Arrangement between Polaris Consulting & Services Limited and Intellect Design Arena Limited, a wholly owned subsidiary of Polaris Consulting & Services Limited, and their respective shareholders which inter alia envisaged demerger of the Product business undertaking along with related assets and liabilities into the Company with effect from April 1, 2014 in accordance with the provisions of the Companies Act, 1956. The above scheme has received the approval of the Madras High Court on September 15, 2014. The Company has accounted for the demerger as per the High Court order as more fully disclosed in Note 33.

#### 3. Significant Accounting Policies

##### a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

##### b) Tangible fixed assets and capital work in progress

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises cost of tangible fixed assets not ready for intended use as at the balance sheet date.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

##### c) Depreciation on tangible fixed assets

Depreciation on fixed assets is provided using the straight line method.

The Company had taken over fixed assets relating to the product business undertaking with effect from April 1, 2014 from Polaris Consulting & Services Limited, in accordance with the Scheme of Arrangement (Demerger). The fixed assets taken over had earlier been depreciated using the straight line method based on rates specified in Schedule XIV of the Companies Act, 1956 or rates arrived at based on estimated useful lives of the assets estimated by the management, whichever was higher. Individual assets costing less than Rs 5000/- were depreciated at the rate of 100%.

With effect from the current year, Schedule XIV of Companies Act 1956 has been replaced by Schedule II of the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

##### Useful lives / depreciation rates

Till the year ended 31 March 2014, the demerged company treated the depreciation rates prescribed under Schedule XIV as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Had the company continued to use the earlier accounting policy, the impact on depreciation of fixed assets would have been higher by Rs.55.79 lakhs.

##### Depreciation on assets costing less than Rs. 5,000/-

Till the year ended March 31, 2014, the demerged company in order to comply with the requirements of Schedule XIV to the Companies Act, 1956, was charging 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirements of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciation of assets costing less than Rs. 5,000/-. As per the revised policy, the group is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000/- did not have any material impact on the financial statements of the Company for the current year.



The useful lives considered for depreciation of fixed assets are as follows:

Assets Category	Revised Estimated useful life (in years)	Earlier useful life (in years)
Buildings	29	29
Plant and machinery	15	6-7
Computer equipment	3	3
Servers and computer accessories	6	5
Electrical fittings, furniture and fixtures	10	10
Office equipment	5	10
Vehicles	4-8	4-6
Leasehold improvements	Over the lease period or 10 years whichever is lower	Over the lease period or 10 years whichever is lower
Leasehold land	Over the lease period (99 years)	Over the lease period (99 years)

**Table No. 3.4**

#### **d) Intangible assets**

Intangible assets acquired are stated at cost, less accumulated amortization and impairment losses if any.

##### *Research and development costs*

Software product and intellectual property development costs are expensed as incurred until technological feasibility is established.

##### *Amortisation*

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

Computer software is depreciated over an estimated useful life of 3 years. Intellectual property rights had been depreciated by demerged company over an estimated useful life of 3 - 5 years.

#### **e) Operating leases**

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

#### **f) Impairment of tangible and intangible fixed assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the pre-tax discount rate reflecting current market assessment of time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

#### **g) Investments**

Investments are classified as long-term investments and current investments. Investments that are readily realisable and intended to be held for not more than one year, from the date of acquisition, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at the lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### **h) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

##### *Software development and support services*

Revenue from software development and support services comprises income from time-and-material and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue from fixed-price contracts is recognized in accordance with the proportionate completion method. Provision for estimated losses on incomplete contract is recorded in the year in which such losses become probable based on the current contract estimate

##### *Product licenses and related revenues*

Revenues from product licenses and related services includes income under multiple element arrangements recognized as follows:

- License fees and fees for customization/implementation services are recognized using proportionate completion method. Provision for estimated losses, if any, on incomplete contracts are recorded in the year in which such losses become probable based on current contract estimates.
- Product maintenance revenues are recognized over the period of the maintenance contract.

Revenue from sale of licenses which are not in the nature of multiple element arrangements are recognized upon delivery of these licenses which constitute transfer of all risks and rewards and has no further obligations under those arrangements.

Revenue in excess of billing represents earnings on ongoing fixed price and time and material contracts over amounts invoiced to customers. Billings in excess of revenue represent amounts billed in case of ongoing 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.

##### *Other Income*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

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

#### **i) Foreign currency transactions and translations**

##### *Initial Recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### *Conversion*

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

### *Exchange Differences*

Exchange differences arising on the settlement/reporting of monetary items, at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

### *Translation of integral and non-integral foreign operations*

The company classifies all its foreign operations as either “integral foreign operations” or “non-integral foreign operations.”

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

### **j) Forward contracts entered into to hedge foreign currency risk**

The Company uses foreign exchange contracts to hedge its exposure to movements in foreign currency rates. The use of these foreign exchange forward contracts is aimed to reduce the risk/cost to the Company and the Company does not use the foreign exchange forward contracts for trading or speculative purposes.

The use of hedging instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

The Company designates these hedging instruments as Cash flow hedges applying the recognition and measurement principles set out in Accounting standard 30 - Financial Instruments - Recognition and measurement.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds (hedge fluctuation reserve) and the ineffective portion is recognised immediately in the statement of profit and loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholders' funds (hedge fluctuation reserve) is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur,

the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss.

### **k) Retirement and other employee benefits**

#### *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 recognizes 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.

#### *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 “Polaris Software Lab Group Gratuity Trust” has been constituted to administer the gratuity fund. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

#### *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 recognizes 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.

#### *Leave Benefits*

Provision for long-term compensated absences is accrued and provided for on the basis of actuarial valuation made at the end of each financial period. The actuarial valuation is done as per projected unit credit method. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

### **l) Income and Deferred Taxes**

Tax expense comprises of current and deferred tax. The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company. The current tax provision and advance income tax as at balance sheet date have been arrived at after setting off advance tax and current tax provision where the Company has legally enforceable right to set off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the company does not have legal right to do so.

Deferred tax assets are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reassessed for the appropriateness of their respective carrying values at each balance sheet date. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain or virtually certain as the case maybe, that future taxable income will be available against which such deferred tax assets can be realized. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain as the case maybe, that sufficient future taxable income will be available against which deferred tax asset can be realised.

The Company enjoys tax holiday under Sec 10AA of the Income tax Act on some of its units set up in the Special Economic Zones (SEZ).

#### m) Stock Based Compensation

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities and Exchange Board of India (Share based employee benefits) Regulations 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

#### n) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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 are adjusted for the effects of all dilutive potential equity shares.

#### o) Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation 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. Provisions are not discounted to its present value and 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.

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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

#### p) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of change in value.

#### 4. Share Capital

Particulars	March 31, 2015	March 31, 2014
<b>Authorised</b>		
110,000,000 equity shares of Rs 5 each	5,500.00	5.00
(March 31, 2014: 100,000 equity shares of Rs.5 each)		
	<b>5,500.00</b>	<b>5.00</b>
<b>Issued, Subscribed and Paid up</b>		
100,198,474 equity shares of Rs 5 each	5,009.92	5.00
(March 31, 2014: 100,000 equity shares of Rs.5 each)		
<b>Total Issued, Subscribed and Paid up Capital</b>	<b>5,009.92</b>	<b>5.00</b>

**Table No. 3.5**

Of the total authorised capital of the company referred above, the Company has issued only one class of equity shares having a face value of Rs.5 per share. Each holder of such equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Reconciliation of the number of shares outstanding as at March 31, 2015

	Number of Shares	
Particulars	March 31, 2015	March 31, 2014
Shares outstanding at the beginning of the year	100,000	100,000
Shares cancelled as per the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited*	(100,000)	-
Shares issued as per the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited*	99,849,024	-
Shares issued under the ASOP Schemes	349,450	-
Shares outstanding at the end of the year	<b>100,198,474</b>	<b>100,000</b>

**Table No. 3.6**

**\*Refer Note 33**

#### Details of Shareholders holding more than 5 percent shares in the Company (based on legal ownership)

Particulars	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Polaris Banyan Holding Private Limited (formerly known as Polaris Holding Private Limited)	22,465,298	22.42%	-	-
Polaris Consulting & Services Limited (formerly known as Polaris Financial Technology Limited)	-	-	99,880	99.88%

**Table No. 3.7**

#### Stock option plans :

The Scheme of Arrangement (Demerger) entered into by the Company with Polaris Consulting & Services Limited (Demerged Company) provided for the following in respect of Employee Stock Option Schemes;

- The Company has adopted three stock option plans (ASOP 2003, ASOP 2004 and ASOP 2011) from Polaris Consulting & Services Limited, as

provided in the Scheme of Arrangement and has formulated one stock option plan (Intellect Stock Option Plan 2015).

- (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.

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. The option plans are summarized below:

#### Associate Stock Option Plan 2003

The Plan is effective from October 09, 2014 and the Company has received in principle approval from the National Stock Exchange on February 16, 2015 and from the Bombay Stock Exchange on March 03, 2015. The 2003 Plan provides for issuance of 2,603,850 options, convertible to equivalent number of equity shares of Rs.5 each, to the employees including directors of the Company. The options are granted at the market price on the date of the grant. The market price, in accordance with the Securities and Exchange Board of India (Share based employee benefits) Regulations 2014 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 36 months from the last vesting date.

No compensation cost has been recorded as the scheme terms are fixed and the exercise price equals the market price of the underlying stock on the grant date. A summary of the status of the options granted under 2003 plan at March 31, 2015 is presented below:

Particulars	March 31, 2015	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	-	-
Granted during the period as part of the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited	1,092,900	51.69
Exercised during the year	(300,700)	59.98
Forfeited during the year	(36,600)	50.33
Expired during the year	(78,400)	50.22
Outstanding at the end of the year	677,200	55.51
Exercisable at the end of the year	615,900	49.03

Table No. 3.8

Particulars	March 31, 2015
Range of exercise price (Rs.)	28.34 - 63.67
Weighted average remaining contractual life (in years)	3.11
Weighted average market price of shares on the date of exercise (Rs.)	118.88

Table No. 3.9

#### Associate Stock Option Plan 2004

The Plan is effective from October 09, 2014 and the Company has received in principle approval from the National Stock Exchange and the Bombay Stock Exchange on February 16, 2015. The 2004 Plan provides for issuance of 8,24,645 options, convertible to equivalent number of equity shares of Rs 5 each, to the employees, including directors. The options are granted at the market price on the date of the grant. The market price, in accordance with the Securities and Exchange Board of India (Share based employee benefits) Regulations 2014 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 36 months from the last vesting date.

No compensation cost has been recorded as the scheme terms are fixed and the exercise price equals the market price of the underlying stock on the grant date. A summary of the status of the options granted under 2004 plan at March 31, 2015 is presented as below:

Particulars	March 31, 2015	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	-	-
Granted during the period as part of the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited	379,100	57.57
Exercised during the year	(170,000)	61.90
Forfeited during the year	(4,200)	43.44
Expired during the year	(1,200)	48.68
Outstanding at the end of the year	203,700	107.49
Exercisable at the end of the year	190,500	54.97

Table No. 3.10

Particulars	March 31, 2015
Range of exercise price (Rs.)	35.98 - 63.67
Weighted average remaining contractual life (in years)	2.51
Weighted average market price of shares on the date of exercise (Rs.)	123.57

Table No. 3.11

#### Associate Stock Option Plan 2011

The Plan is effective from October 09, 2014 and the Company has received in principle approval from the National Stock Exchange on February 16, 2015 and the Bombay Stock Exchange on February 19, 2015. The 2011 Plan provides for issuance of 48,88,450 options, convertible to equivalent number of equity shares of Rs.5 each, to the employees. The plan shall be administered under 4 different schemes based on the following terms:

Particulars	Swarnam 11	Swarnam 21	Swarnam 31	Swarnam 41
Eligible employees	Senior and Key executives excluding non-executive directors	Members of Business leadership team or equivalent thereof excluding non-executive directors	Associates in the grade of Executive Vice president and above, excluding non executive directors	Non - Executive directors
Maximum number of options grantable	3,648,450 Less: Number of Option granted under Swarnam 21	1,736,000	1,240,000 Less: Number of Option granted under Swarnam 41	200,000
<b>Grant price</b>				
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. 3.12**

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 intrinsic 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
<b>Service conditions</b>				
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. 3.13**

#### 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.	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.

**Table No. 3.14**

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 2011 plan at March 31, 2015 is presented below:

Particulars	March 31, 2015	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	-	-
Granted during the period as part of the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited	4,130,550	41.49
Granted during the year	485,000	41.49
Exercised during the year	(48,750)	36.54
Forfeited during the year	(193,050)	38.66
Expired during the year	(39,850)	37.05
Outstanding at the end of the year	4,333,900	46.25
Exercisable at the end of the year	404,600	36.82

Particulars	March 31, 2015
Range of exercise price (Rs.)	32.12-42.21
Weighted average remaining contractual life (in years)	7.22
Weighted average market price of shares on the date of exercise (Rs.)	117.81

**Table No. 3.15**

**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 Company is in the process of obtaining approvals from the stock exchanges. The 2015 plan provides for issuance of 6,000,000 options convertible into equivalent number of equity shares of Rs.5/- each to employees but shall exclude independent directors, an employee belonging to the promoter group or a director holding more than 10% of the share capital. The tenure of the Scheme is for 12 years from the date of coming into effect and shall be extended by a period of not more than 5 years as the Board of Directors may decide. The plan shall be administered under 5 different schemes based on the following terms:

Particulars	Swarnam 101	Swarnam 201	Swarnam 301	Swarnam 401
<b>Grant price</b>				
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)	25% 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
<b>Particulars</b>		<b>Swarnam 501</b>		
<b>Grant price</b>				
Market price upto Rs.49		Market price		
Market price between Rs. 49 - Rs. 140		Upto 50% discount on market price. (Subject to being Not lower than Rs 49)		
Market price greater than Rs.140		Upto 50% discount on market price.		

**Table No. 3.16**

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 intrinsic 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 101	Swarnam 201	Swarnam 301	Swarnam 401
<b>Service conditions</b>				
At the end of year 1	10%	0%	0%	0%
At the end of year 2	15%	0%	0%	0%
At the end of year 3	20%	33%	33%	33%
At the end of year 4	25%	33%	33%	33%
At the end of year 5	30%	34%	34%	34%

Vesting Schedule	Swarnam 501
<b>Service conditions</b>	
At the end of year 1	0%
At the end of year 2	0%
At the end of year 3	33%
At the end of year 4	33%
At the end of year 5	34%

**Table No. 3.17****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. 3.18**

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, 2015 is presented below:

Particulars	March 31, 2015	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	-	-
Granted during the year	1,830,000	97.75
Exercised during the year	-	-
Forfeited during the year	(80,000)	97.75
Expired during the year	-	-
Outstanding at the end of the year	1,750,000	97.75
Exercisable at the end of the year	-	-

Particulars	March 31, 2015
Weighted average remaining contractual life (in years)	8.50

**Table No. 3.19****Proforma Disclosure**

The Company follows the intrinsic value model for valuation of its options under the various plans. In accordance with Securities and Exchange Board of India (Share based employee benefits) Regulations 2014, had the compensation cost for associate stock option plans been recognized based on the fair value at the date of grant in accordance with Black-Scholes model, the proforma amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	March 31, 2015
Loss before Tax	
- as reported	(7,117.55)
- proforma profit /(Loss)	(7,279.56)
<b>Earnings Per Share (in Rs.)</b>	
<b>Basic &amp; Diluted</b>	
- As reported	(7.12)
- Proforma	(7.28)

Table No. 3.20

The fair value of options was estimated at the date of grant using the Black Scholes Model with the following assumptions:

Particulars	March 31, 2015			
Scheme	ASOP 2011	ASOP 2011	ASOP 2011	ASOP 2011
Grant ID	Swarnam 11	Swarnam 21	Swarnam 31	Swarnam 41
Grant date	07-Jan-15	07-Jan-15	07-Jan-15	30-Jan-15
Risk-free interest rate	8.04%	8.02%	8.02%	7.74%
Expected life (Years)	2.50 - 6.50	5.50 - 7.50	5.50 - 7.50	3.50 - 7.50
Expected volatility	61.05%	61.05%	61.05%	93.69%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

Table No. 3.21

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.

#### 5. Reserves and Surplus

Particulars	March 31, 2015	March 31, 2014
<b>Securities premium account</b>		
Opening balance	-	-
Add: Reserves on account of demerger of Product business undertaking from Polaris Consulting & Services Ltd (Refer Note 33)	19,147.70	-
Add: Premium Received on issue of shares under ASOP plan to employees.	150.33	-
<b>Closing balance</b>	<b>19,298.03</b>	-
<b>General reserve account</b>		
Opening balance	-	-
Add: Reserves on account of demerger of Product business undertaking from Polaris Consulting & Services Ltd (Refer Note 33)	17,255.30	-
Add: Adjustment on account of additional options issued from September 30, 2014 to first record date (October 10, 2014) as per Scheme of Arrangement (Demerger)	(5.26)	-
<b>Closing balance</b>	<b>17,250.04</b>	-
<b>Hedging reserve account</b>		
Opening balance	-	-
Add: Adjustment for the period	482.69	-
<b>Closing balance</b>	<b>482.69</b>	-
<b>Surplus in the statement of profit and loss</b>		
Opening balance	-	-
Add: Reserves on account of demerger of Product business undertaking from Polaris Consulting & Services Ltd (Refer Note 33)	17,291.48	-
Add: Adjustment on account of aligning the useful life of fixed assets in accordance with Schedule II of the Companies Act, 2013, net of tax	(58.02)	-
Net Profit / (loss) for the current period	(7,117.55)	-
Closing balance of surplus in the statement of profit and loss	10,115.91	-
<b>Total Reserves and Surplus</b>	<b>47,146.67</b>	-

Table No. 3.22

#### 6. Deferred tax liabilities / (Assets)

Particulars	March 31, 2015	March 31, 2014
<b>Deferred Tax Liability</b>		
Fixed assets	1,293.51	-
<b>Deferred Tax Asset</b>		
Provision for doubtful debts	(111.38)	-
Gratuity	(107.03)	-
<b>Total Deferred tax liabilities / (Assets)</b>	<b>1,075.10</b>	-

Table No. 3.23

#### 7. Long-term Provisions

Particulars	March 31, 2015	March 31, 2014
Provision for employee benefits		
- Provision for gratuity (Refer Note - 30)	15.28	-
- Provision for leave benefits	254.50	-
<b>Total Long - Term Provisions</b>	<b>269.78</b>	-

Table No. 3.24

#### 8. Trade Payables#

Particulars	March 31, 2015	March 31, 2014
Creditors for expenses and goods	3,247.68	0.03
Provision for expenses	2,438.77	-
Accrued salaries & benefits	2,813.40	-
Others	1,362.23	-
<b>Total Trade Payables</b>	<b>9,862.08</b>	<b>0.03</b>

Table No. 3.25

# Also, Refer Note – 20. Related parties transactions

#### 9. Other current liabilities

Particulars	March 31, 2015	March 31, 2014
Superannuation payable	360.00	-
Advances received from customers	5.48	-
Billings in excess of revenues	2,239.24	-
Payable to related parties #	2,534.99	0.97
Capital creditors	96.69	-
Dues under contractual obligation	1.78	-
Statutory dues	658.92	-
<b>Total Other current liabilities</b>	<b>5,897.10</b>	<b>0.97</b>

Table No. 3.26

# Also, Refer Note – 20. Related parties transactions

#### 10. Short-term provisions

Particulars	March 31, 2015	March 31, 2014
Provision for employee benefits		
- Provision for gratuity (Refer Note - 30)	299.60	-
- Provision for leave benefits	325.95	-
<b>Total Short-term provisions</b>	<b>625.55</b>	-

Table No. 3.27

**Intellect Design Arena Limited**

(Formerly known as Fin Tech Grid Limited)

**Notes to Financial Statements for the year ended March 31, 2015**

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

**11. FIXED ASSETS**

SI No	Description	Cost				Depreciation and Amortisation					Net Book value
		Assets Acquired on Demerger #	Additions	Deletions	March 31, 2015	Depreciation on assets acquired on Demerger #	For the period	Deletions	Other adjustments *	March 31, 2015	March 31, 2015
<b>A</b>	<b>TANGIBLE ASSETS</b>										
	Land	431.59	6.83	-	438.42	-	-	-	-	-	438.42
	Buildings	6,845.78	72.36	-	6,918.14	1,496.59	237.00	-	-	1,733.59	5,184.55
	Plant and machinery (including computer equipment & accessories)	5,070.04	565.26	-	5,635.30	3,653.71	544.64	-	6.04	4,204.39	1,430.91
	Electrical Equipments	1,098.66	28.08	-	1,126.74	361.63	104.56	-	-	466.19	660.55
	Furniture and Fittings	2,153.57	86.72	-	2,240.29	860.93	208.04	-	-	1,068.97	1,171.32
	Office equipment	985.00	79.26	-	1,064.26	420.16	180.31	-	51.98	652.45	411.81
	Vehicles	1,251.57	359.50	221.75	1,389.32	629.86	311.12	183.95	-	757.03	632.29
	Leasehold improvements	14.89	-	-	14.89	10.94	2.44	-	-	13.38	1.51
	<b>ASSETS UNDER LEASE</b>										
	Land	270.63	9.84	-	280.47	26.80	1.58	-	-	28.38	252.09
	<b>SUB TOTAL (A)</b>	<b>18,121.73</b>	<b>1,207.85</b>	<b>221.75</b>	<b>19,107.83</b>	<b>7,460.62</b>	<b>1,589.69</b>	<b>183.95</b>	<b>58.02</b>	<b>8,924.38</b>	<b>10,183.45</b>
<b>B</b>	<b>INTANGIBLE ASSETS</b>										
	Computer software	1,498.89	108.62	-	1,607.51	1,334.27	115.99	-	-	1,450.26	157.25
	Intellectual Property Rights	5,838.17	-	-	5,838.17	5,838.17	-	-	-	5,838.17	-
	<b>SUB TOTAL (B)</b>	<b>7,337.06</b>	<b>108.62</b>	<b>-</b>	<b>7,445.68</b>	<b>7,172.44</b>	<b>115.99</b>	<b>-</b>	<b>-</b>	<b>7,288.43</b>	<b>157.25</b>
	<b>TOTAL (A+ B)</b>	<b>25,458.79</b>	<b>1,316.47</b>	<b>221.75</b>	<b>26,553.51</b>	<b>14,633.06</b>	<b>1,705.68</b>	<b>183.95</b>	<b>58.02</b>	<b>16,212.81</b>	<b>10,340.70</b>
	<b>Previous year ended March 31, 2014</b>	-	-	-	-	-	-	-	-	-	-

**Table No. 3.28**

\* In accordance with the requirement of Schedule II to Companies Act, 2013, the Company has re-assessed the useful lives of the fixed assets and revised the same in line with the life of fixed assets specified under Schedule II.

(i) The Company has reversed a depreciation charge of Rs. 21.06 lakhs to align the remaining useful lives of its fixed assets in accordance with Schedule II and;

(ii) An amount of Rs. 58.02 lakhs (net of taxes) has been charged to the opening balance of the retained earnings in respect of assets whose useful lives are Nil as at April 01, 2014, upon aligning the same with Schedule II.

# Pursuant to the Scheme of Arrangement (Demerger), assets amounting to Rs.25,458.79 lakhs and Depreciation amounting to Rs.14,633.06 lakhs has been included within the company's financial statements, with effect from April 1, 2014, although the physical ownership and legal title of the same is in the process of being transferred.



## 12. Non-current investments

Particulars	Currency	Face Value	As at March 31, 2015		As at March 31, 2014	
			Units	Amount	Units	Amount
<b>NON-CURRENT INVESTMENTS</b>						
<b>TRADE INVESTMENTS – Unquoted</b>						
<b>Investments in Equity Instruments - Subsidiaries (At cost)</b>						
Intellect Design Arena Pte Ltd (Singapore)	SGD	1	10,555,000	404.60	-	-
Intellect Design Arena Limited (United Kingdom)	GBP	1	889,000	617.50	-	-
Polaris Enterprises Solution Limited (India)	Rs	10	9,000,000	900.00	-	-
Intellect Design Arena Limited SA, (Switzerland)	CHF	10	35,000	112.76	-	-
Laser Soft Infosystems Limited (India)	Rs	10	7,828,838	5,201.05	-	-
Indigo Tx Software Private Limited (India)	Rs	2	1,985,200	1,702.97	-	-
Polaris Software Lab Vietnam Co. Ltd (Vietnam)	VND	1	900,000,000	22.50	-	-
SFL Properties Private Limited (India)	Rs	10	1,560,000	1,544.53	-	-
Intellect Design Arena Limited FZ-LLC (Dubai)	AED	1,000	1,500	203.70	-	-
Sonali Polaris FT Limited (Bangladesh)	BDT	10	3,825,000	238.75	-	-
				<b>10,948.36</b>	-	-
<b>Investments in Equity Instruments - Associates (At cost)</b>						
NMS Works Software Private Limited	Rs.	10	726,256	415.26	-	-
Adrenalin eSystems Limited	Rs.	5	13,078,080	833.88	-	-
				<b>1,249.14</b>		
<b>Investments in Preference shares - Associates (At cost)</b>						
Adrenalin eSystems Limited- 7% cumulative	Rs.	5	15,200,000	760.00	-	-
NMS Works Software Private Limited-12 % optionally convertible cumulative	Rs.	10	378,614	233.04	-	-
				<b>993.04</b>	-	-
<b>OTHER INVESTMENTS (NON - TRADE)</b>						
<b>Investments in bonds (At cost) – Quoted</b>						
State Bank of India-9.95%	Rs.	10,000	10,000	1,047.12	-	-
				<b>1,047.12</b>		
<b>Total Non-Current Investments</b>				<b>14,237.66</b>	-	-
Aggregate amount of unquoted investments				13,190.54	-	-
Aggregate amount of quoted investments				1,047.12	-	-
Market value of quoted investments				1,084.70	-	-

Table No. 3.29

## 13. Long-term loans and advances

Particulars	March 31, 2015	March 31, 2014
<b>Unsecured, considered good</b>		
Capital Advances	255.07	-
Security Deposits	430.65	-
Other loans and advances		
Advances recoverable in cash or in kind or for value to be received	8.82	-
Loans to employees	247.36	-
Advance income tax (Net of provision for tax)	604.65	-
<b>Total Long-term loans and advances</b>	<b>1,546.55</b>	-

Table No. 3.30

## 14. Other non-current assets

Particulars	March 31, 2015	March 31, 2014
Deposits held as margin money or security against guarantees or other commitments	1,708.61	-
Forward cover receivable, Net*	10.87	-
<b>Total other non-current assets</b>	<b>1,719.48</b>	-

Table No. 3.31

\*As per the accounting policy specified in note 3(j), cumulative gain on remeasurement of hedging instruments as on March 31, 2015 has been segregated in to current and non-current as per Schedule III of the Companies Act, 2013. Consequent to this, the current portion gain of Rs.471.81 lakhs (March 31, 2014 - Rs.Nil) has been recorded as forward cover receivable under other current assets and non-current portion gain of Rs.10.87 lakhs (March 31, 2014-Rs.Nil) has been recorded as forward cover receivables under other non-current assets.

**15. Current Investments**

Particulars	Face Value	As at March 31, 2015		As at March 31, 2014	
		Units	Amount	Units	Amount
<b>Non - Trade Investments</b>					
<b>Investments in Mutual Funds (Unquoted)</b>					
(At Cost or Market price whichever is Lower)					
<b>Dividend Schemes</b>	Rs.				
ICICI Pru FMP Series 72 366D Plan M Reg-G	10.00	30,23,104	302.31	-	-
ICICI Pru FMP Series 73 391D Plan G Direct-G	10.00	50,00,000	500.00	-	-
Religare Invesco FMP Series 23 Plan E (382D) Direct-G	10.00	20,00,000	200.00	-	-
Birla SL Dynamic Bond Ret-DM	10.00	50,09,339	526.34	-	-
ICICI Pru Banking & PSU Debt Reg-DD	10.00	1,08,13,738	1,088.64	-	-
Birla SL Short Term-DM	10.00	80,47,962	940.90	-	-
HDFC Short Term Opportunities-DF	10.00	92,84,385	933.97	-	-
IDFC SSI ST Plan B-DM	10.00	62,43,633	639.54	-	-
IDFC SSI ST Reg-DM	10.00	44,90,312	457.77	-	-
Kotak Bond Short-term-DM	10.00	34,03,504	345.59	-	-
Reliance Short-term-DM Reinvestment	10.00	51,12,136	557.71	-	-
DWS Ultra Short Term-DD	10.00	94,43,578	946.05	-	-
Franklin India Ultra Short Bond Super Inst-DD	10.00	3,45,58,690	3,468.61	-	-
HDFC Floating Rate Income LT-DW	10.00	1,00,03,685	1,020.64	-	-
IDFC Ultra Short Term-DD	10.00	14,65,830	146.86	-	-
Kotak Flexi Debt Plan A-DD	10.00	1,66,73,558	1,675.28	-	-
Reliance Money Manager Direct -DD	1000.00	32,800	328.70	-	-
Religare Invesco Ultra Short Term-DD	1000.00	60,299	604.03	-	-
UTI Floating Rate ST Reg-DD	1000.00	42,604	458.80	-	-
<b>Total Current Investments</b>			<b>15,141.74</b>		
Aggregate amount of unquoted investments			15,141.74	-	-
Aggregate provision for diminution in value of investments			6.23	-	-

Table No. 3.32

**16. Trade receivables**

Particulars	March 31, 2015	March 31, 2014
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured considered good#	1,575.06	-
- Doubtful	327.67	-
Less: Allowance for bad and doubtful debts	(327.67)	-
Other debts		
- Unsecured considered good#	8,010.29	-
<b>Total Trade receivables</b>	<b>9,585.35</b>	-

Table No. 3.33

# Also, Refer Note – 20. Related parties transactions

**17. Cash and Cash Equivalents**

Particulars	March 31, 2015	March 31, 2014
Balance with banks		
- On Current & Deposit accounts*	3,498.10	5.00
<b>Total Cash and bank balances</b>	<b>3,498.10</b>	<b>5.00</b>

Table No. 3.34

\*The balance on deposit accounts includes Rs.358.50 lakhs out of total of Rs.2,067.11 lakhs (Rs.1,708.61 lakhs grouped under Non-current assets) which has been pledged as a security by the company for availing non-fund based facilities.

**18. Short-term loans and advances**

Particulars	March 31, 2015	March 31, 2014
(a) Loans and advances to related parties		
Unsecured, considered good#	1,091.19	-
(b) Others		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	392.63	-
Loans to employees	233.09	-
Salary Advance	33.75	-
Input Credit Tax Receivable	285.57	-
Security Deposits	5.00	-
<b>Total Short-term loans and advances</b>	<b>2,041.23</b>	-

Table No. 3.35

# Also, Refer Note – 20. Related parties transactions

**19. Other current assets**

Particulars	March 31, 2015	March 31, 2014
Revenues accrued and not billed#	6,714.54	-
Interest accrued on Fixed deposits & Securities	108.80	1.00
Forward cover receivable, Net *	471.81	-
<b>Total Other current assets</b>	<b>7,295.15</b>	<b>1.00</b>

Table No. 3.36

# Also, Refer Note-20. Related parties transactions

\* Also, Refer Note-14. Other non-current assets

## 20. Related party transactions

### List of related parties

#### Subsidiaries

1. Intellect Design Arena Pte Ltd, Singapore ('INTIN Singapore')
2. Intellect Design Arena Limited, United Kingdom ('INTIN UK')
3. Intellect Design Arena SA, Switzerland ('INTIN Switzerland')
4. Intellect Design Arena FZ-LLC, Dubai ('INTIN Dubai')
5. Polaris Enterprise Solutions Limited, India ('PESL')
6. Polaris Software lab Chile Limitada, Chile ('PSL Chile') \*
7. Intellect Design Arena Inc, USA ('INTIN Inc.- SEEUS') \*\*
8. SEEC Technologies Asia Private Limited, India ('Seec Asia') \*\*\*
9. Laser Soft Infosystems Limited, India ('Laser Soft')
10. Indigo TX Software Pvt Ltd, India ('Indigo TX')
11. Intellect Design Arena Co. Ltd, Vietnam ('INTIN Vietnam')
12. SFL Properties Private Ltd, India ('SFL Properties')
13. Intellect Design Arena Philippines, Inc. ('INTIN Philippines') \*\*
14. Sonali Polaris FT Limited, Bangladesh ('Sonali Polaris FT')
15. FT Grid Pte Ltd, Singapore ('FT Grid') \*\*
16. Intellect Design Arena, PT Indonesia ('INTIN Indonesia') \*\*

\* Subsidiaries of Intellect Design Arena Limited, UK

\*\* Subsidiaries of Intellect Design Arena Pte Ltd, Singapore

\*\*\* Subsidiary of Intellect Design Arena Inc., USA

#### 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, "Others"

1. Polaris Banyan Holding Private Ltd, India ('Polaris Banyan')
2. Polaris Consulting & Services Pte Ltd, Singapore ('PCSL Singapore')
3. Polaris Consulting & Services Inc, Canada ('PCSL Canada')
4. Polaris Consulting & Services Limited, United Kingdom ('PCSL UK')
5. Polaris Consulting & Services GmbH, Germany ('PCSL Germany')
6. Polaris Consulting & Services Pty Ltd, Australia ('PCSL Australia')
7. Polaris Consulting and Services Japan K.K, Japan ('PCSL Japan')
8. Polaris Consulting & Services Ireland Ltd, Ireland ('PCSL Ireland')
9. Polaris Consulting & Services B.V, Netherlands ('PCSL Netherlands')
10. Polaris Software (Shanghai) Limited, China ('PSL China')
11. Polaris Software Consulting & Services Sdn Bhd, Malaysia ('PCSL Malaysia')
12. Polaris Consulting & Services KFT, Hungary ('PCSL Hungary')
13. Intellect Polaris Design LLC, USA ('IPDLLC USA')
14. Optimus Global Services Limited, India ('Optimus')
15. Polaris Consulting & Services Limited, India ('PCSL India')

#### (b) Key managerial person

1. Mr. Arun Jain, Chairman and Managing Director
2. Mr. S Swaminathan, Chief Financial Officer
3. Mr. Naresh VV, Company Secretary
4. Mr. Anil Kumar Verma, Executive Director

## 20. Related party transactions (Continued)

Particulars	Subsidiaries	Associates	Others	Key Management Personnel
	01-Apr-14 to 31-Mar-15	01-Apr-14 to 31-Mar-15	01-Apr-14 to 31-Mar-15	01-Apr-14 to 31-Mar-15
<b>TRANSACTIONS DURING THE PERIOD</b>				
<b>Advances given</b>				
INTIN Singapore	9.41	-	-	-
INTIN Dubai	39.11	-	-	-
PCSL Germany	-	-	1.41	-
INTIN Switzerland	14.70	-	-	-
INTIN UK	32.58	-	-	-
	<b>95.80</b>	-	<b>1.41</b>	-
<b>Software development service income</b>				
PCSL Australia	-	-	52.95	-
PSL China	-	-	161.11	-
PCSL Malaysia	-	-	71.37	-
INTIN Philippines	106.10	-	-	-
Sonali Polaris FT	418.43	-	-	-
INTIN Singapore	236.85	-	-	-
PCSL Canada	-	-	2,067.94	-
INTIN Dubai	5,059.83	-	-	-
INTIN Inc. - SEEUS	1,522.08	-	-	-
INTIN UK	14,247.59	-	-	-
	<b>21,590.88</b>	-	<b>2,353.37</b>	-
<b>Software development expenses</b>				
PCSL India	-	-	2,146.40	-
LaserSoft	1,705.00	-	-	-
INTIN Singapore	190.67	-	-	-
INTIN Vietnam	255.83	-	-	-
PCSL Canada	-	-	1,443.41	-
INTIN Dubai	38.87	-	-	-
INTIN Inc. - SEEUS	520.00	-	-	-
Indigo TX	160.80	-	-	-
INTIN Switzerland	79.28	-	-	-
INTIN UK	7,613.30	-	-	-
	<b>10,563.75</b>	-	<b>3,589.81</b>	-

Particulars	Subsidiaries	Associates	Others	Key Management Personnel
	01-Apr-14 to 31-Mar-15	01-Apr-14 to 31-Mar-15	01-Apr-14 to 31-Mar-15	01-Apr-14 to 31-Mar-15
<b>Remuneration to Key Managerial Personnel*</b>				
Remuneration & other Benefits				158.00
	-	-	-	<b>158.00</b>
<b>Reimbursement of expenses to the Company</b>				
PCSL India	-	-	618.43	-
PCSL Australia	-	-	10.01	-
PSL China	-	-	24.50	-
PCSL Malaysia	-	-	57.12	-
INTIN Singapore	8.02	-	-	-
PCSL Germany	-	-	13.13	-
INTIN Inc. - SEEUS	7.83	-	-	-
INTIN UK	144.01	-	-	-
Adrenalin eSystems	-	20.68	-	-
	<b>159.86</b>	<b>20.68</b>	<b>723.19</b>	-
<b>Reimbursement of expenses by the Company</b>				
LaserSoft	12.45	-	-	-
PCSL India	-	-	936.38	-
PESL	111.17	-	-	-
PCSL Canada	-	-	23.76	-
INTIN Philippines	8.25	-	-	-
INTIN Singapore	0.11	-	-	-
Indigo TX	14.41	-	-	-
PSL Chile	3.11	-	-	-
Seec Asia	9.73	-	-	-
Adrenalin eSystems	-	181.05	-	-
	<b>159.23</b>	<b>181.05</b>	<b>960.14</b>	-
<b>Rental Income</b>				
Laser Soft	6.00	-	-	-
Seec Asia	9.38	-	-	-
PSCL India	-	-	192.30	-
	<b>15.38</b>	-	<b>192.30</b>	-
<b>Rental Expenses</b>				
Seec Asia	34.36	-	-	-
PSCL India	-	-	95.31	-
	<b>34.36</b>	-	<b>95.31</b>	-

\*Remuneration indicated above includes full year salary

## 20. Related party transactions (Continued)

Particulars	Subsidiaries		Associates		Others	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>BALANCE DUE FROM RELATED PARTIES</b>						
<b>Trade receivables</b>						
PCSL Australia	-	-	-	-	52.01	-
PSL China	-	-	-	-	95.34	-
PCSL Malaysia	-	-	-	-	38.47	-
Sonali Polaris FT	299.17	-	-	-	-	-
INTIN Singapore	74.43	-	-	-	-	-
PCSL Canada	-	-	-	-	1,390.14	-
INTIN Dubai	926.03	-	-	-	-	-
INTIN Inc.-SEEUS	1,539.49	-	-	-	-	-
INTIN UK	2,167.07	-	-	-	-	-
	<b>5,006.19</b>	-	-	-	<b>1,575.96</b>	-
<b>Short term loans and advances</b>						
Indigo TX	70.47	-	-	-	-	-
LaserSoft	224.58	-	-	-	-	-
PESL	350.84	-	-	-	-	-
PCSL Australia	-	-	-	-	10.01	-

PSL China	-	-	-	-	24.50	-
PCSL Japan	-	-	-	-	0.52	-
INTIN Philippines	8.25	-	-	-	-	-
INTIN Singapore	1.50	-	-	-	-	-
PSL Chile	3.11	-	-	-	-	-
PCSL Germany	-	-	-	-	1.34	-
INTIN Inc.-SEEUS	9.80	-	-	-	-	-
Seec Asia	4.64	-	-	-	-	-
Adrenalin eSystems	-	-	381.63	-	-	-
	<b>673.19</b>	-	<b>381.63</b>	-	<b>36.37</b>	-
<b>Maximum amount outstanding during the year *</b>						
Indigo TX	70.47	-	-	-	-	-
LaserSoft	230.58	-	-	-	-	-
PESL	364.60	-	-	-	-	-
PCSL Australia	-	-	-	-	65.44	-
PSL China	-	-	-	-	49.43	-
PCSL Japan	-	-	-	-	0.52	-
INTIN Philippines	8.25	-	-	-	-	-
INTIN Singapore	27.04	-	-	-	-	-
PSL Chile	3.11	-	-	-	-	-
PCSL Germany	-	-	-	-	(131.26)	-
INTIN Inc.-SEEUS	9.80	-	-	-	-	-
Seec Asia	(41.04)	-	-	-	-	-
Adrenalin eSystems	-	-	937.27	-	-	-
* Disclosure in accordance with Clause 32 of SEBI Listing agreement.	-	-	-	-	-	-
<b>Other current assets</b>						
<b>Revenues accrued and not billed</b>						
Sonali Polaris FT	379.00	-	-	-	-	-
PCSL India	-	-	-	-	16.44	-
	<b>379.00</b>	-	-	-	<b>16.44</b>	-
<b>Trade payables</b>						
PCSL India	-	-	-	-	1,673.45	-
Indigo TX	160.80	-	-	-	-	-
LaserSoft	323.55	-	-	-	-	-
PCSL Malaysia	-	-	-	-	88.69	-
INTIN Singapore	104.33	-	-	-	-	-
INTIN Vietnam	73.31	-	-	-	-	-
PCSL Canada	-	-	-	-	1,491.85	-
INTIN Inc.-SEEUS	342.06	-	-	-	-	-
	<b>1,004.05</b>	-	-	-	<b>3,253.99</b>	-
<b>Other current liabilities</b>						
INTIN Dubai	1,168.98	-	-	-	-	-
INTIN Switzerland	592.63	-	-	-	-	-
INTIN UK	104.01	-	-	-	-	-
PCSL Canada	-	-	-	-	669.37	-
	<b>1,865.62</b>	-	-	-	<b>669.37</b>	-
<b>INVESTMENTS</b>						
Indigo TX	1,702.97	-	-	-	-	-
LaserSoft	5,201.05	-	-	-	-	-
PESL	900.00	-	-	-	-	-
SFL	1,544.53	-	-	-	-	-
Sonali Polaris FT	238.76	-	-	-	-	-
INTIN Singapore	404.60	-	-	-	-	-
INTIN Vietnam	22.50	-	-	-	-	-
INTIN Dubai	203.70	-	-	-	-	-
INTIN Switzerland	112.75	-	-	-	-	-
INTIN UK	617.50	-	-	-	-	-
Adrenalin eSystems	-	-	1,593.88	-	-	-
NMS	-	-	648.30	-	-	-
	<b>10,948.36</b>	-	<b>2,242.18</b>	-	-	-

Table No. 3.37

**21. Capital Commitments**

(i) The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2015 is Rs.647.77 lakhs (March 31, 2014 : Rs Nil)

**22. 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, 2015 including forward cover taken for forecasted revenue receivable transactions:

Particulars (USD and INR in Lakhs)	As at March 31, 2015	As at March 31, 2014
Number of contracts	40	-
US \$ Equivalent	400.00	-
INR Equivalent	27,314.00	-

**Table No. 3.38**

The period end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	As at March 31, 2015	
		Amount in Foreign currency	INR Equivalent
Amounts receivable in foreign currency	USD	105.57	6,598.27
	GBP	5.01	463.20
	EUR	12.65	849.91
	AUD	0.74	35.27
	SGD	1.10	49.93
	CAD	28.03	1,374.17
	CLP	31.03	3.11
	VND	130,049.00	390.15
	MYR	4.13	69.72
	CNY	11.68	119.85
	JPY	1.00	0.52
	HKD	1.76	14.15
	PHP	5.89	8.25
Bank Balances	USD	31.80	1,987.67
Amounts payable in foreign currency	USD	48.54	3,033.50
	GBP	1.19	110.30
	EUR	3.32	222.93
	CAD	29.74	1,458.29
	CNY	0.14	1.40
	AUD	1.91	90.97
	SGD	2.43	110.74
	JPY	1.50	0.78
	CHF	9.22	592.63
	VND	24,437.21	73.31
	MYR	5.25	88.68

**Table No. 3.39****23. Other Income**

Particulars	March 31, 2015
<i>Interest Income</i>	
Interest received on deposits with banks	116.57
Interest from long term investments	127.56
<i>Dividend Income</i>	
Dividends received on current investments - mutual funds	1,347.60
<i>Net gain/(Loss) from sale of investments</i>	
Profit on sale of current investments, net	279.61
Reversal of provision for diminution in value of investments	69.34
<i>Other non-operating Income</i>	
Miscellaneous income, Net	214.01
Profit / (loss) on sale of Fixed assets, net	8.42
Foreign exchange fluctuation	40.74
<b>Total Other income</b>	<b>2,203.85</b>

**Table No. 3.40****24. Details of expenses**

Particulars	March 31, 2015
<b>Employee benefit expenses</b>	
Salaries and incentives	
Salaries and bonus	36,960.81
Cost of technical sub-contractors	3,809.87
Contribution to -	
Provident fund	791.95
Superannuation fund	352.73
Other funds	45.60
Gratuity contribution scheme	323.84
Social security and other benefit plans for overseas employees	18.70
Staff welfare expenses	998.84
<b>Total Employee benefit expenses</b>	<b>43,302.34</b>

Particulars	March 31, 2015
<b>Other expenses</b>	
Cost of software packages, hardware, consumable and maintenance	768.55
Travelling expenses	3,408.70
Communication expenses	527.47
Professional and Legal charges	1,019.59
Power and fuel	670.57
Rent	642.45
Repairs - Plant and machinery	397.21
Repairs - Building	19.90
Repairs - Others	363.54
Business promotion	544.21
Office maintenance	406.73
Provision for doubtful debts	227.38
Insurance	34.51
Printing and stationery	116.84
Rates and taxes excluding Taxes on Income	246.84
Donations	19.50
Directors' sitting fees	5.78
Payment to the auditors	
- Statutory audit	21.00
- Interim audit	10.00
- for reimbursement of expenses	0.43
Bank charges and commission	8.05
Miscellaneous expenses	425.44
<b>Total Other expenses</b>	<b>9,884.69</b>

Table No. 3.41

## 25. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

As at March 31, 2015, the Company had no outstanding dues to Micro and Small enterprises (for March 31, 2014: Rs Nil). The list of Micro and Small enterprises was determined by the Company on the basis of information available with the Company. The Company also had no outstanding dues that require to be furnished under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

## 26. Value of Imports Calculated on CIF Basis

Particulars	March 31, 2015
Capital Goods	408.64
<b>Total</b>	<b>408.64</b>

Table No. 3.42

## 27. Expenditure in foreign currency (accrual basis)

Particulars	March 31, 2015
Employee benefit expense	12,890.48
Travelling expense	663.18
Communication expense	18.89
Professional and legal charges	87.42
Business promotion	111.83
Rent	1.66
Repairs & maintenance	10.54
Others	313.26
<b>Total</b>	<b>14,097.26</b>

Table No. 3.43

## 28. Earning in foreign currency (accrual basis)

Particulars	March 31, 2015
Income from software development services and products	36,149.75
<b>Total</b>	<b>36,149.75</b>

Table No. 3.44

## 29. Research and Development Expenditure

The company continues with significant investment in R&D efforts towards Product Development. During the year a portion of the above was incurred on DSIR approved R&D centers at Chennai which includes a capital expenditure of Rs.18.87 lakhs and Revenue expenditure of Rs.441.63 lakhs for the year ended 31st March 15.

## 30. 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 "Polaris Software Lab group gratuity trust" has been constituted by Polaris Consulting & Services Limited to administer the gratuity fund. Per the Scheme of Arrangement with Polaris Consulting & Services Limited the Company can continue to contribute to the above.

The following tables summarise the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Particulars	March 31, 2015
Obligations at the beginning of the year	837.94
Current service cost	42.70
Interest Cost	16.06
Actuarial (gain) / losses	265.08
Benefits paid	(28.79)
<b>Obligations at the end of the year</b>	<b>1,132.99</b>
Change in plan assets	
Plan assets at year beginning, at fair value	846.90
Expected return on plan assets	13.12
Actuarial gain / (loss)	(13.12)
Contributions	-
Benefits paid	(28.79)
<b>Plan assets at the end of the period, at fair value</b>	<b>818.11</b>
Fair Value of plan assets at the end of the period	818.11
Present value of defined benefit obligations at the end of the period	(1,132.99)
<b>Asset/(Liability) recognized in the balance sheet</b>	<b>(314.88)</b>
Gratuity cost for the period	
Current service cost	42.70
Interest cost	16.06
Expected return on plan assets	(13.12)
Actuarial (gain) / losses	278.20
<b>Net gratuity cost</b>	<b>323.84</b>
Experience adjustments on plan liabilities	265.08
Experience adjustments on plan assets	(13.12)
Actual return on plan assets	-
<b>Assumptions:</b>	
Discount rate	7.80%
Estimated return on plan assets	8.00%
Employee turnover	16.34%

Particulars	March 31, 2015
The present value of defined benefit obligation	(1,132.99)
Fair value of plan assets	818.11
Surplus/(deficit)	(314.88)
The experience adjustment on plan assets	(13.12)
The experience adjustment on plan liabilities	265.08

Table No. 3.45

The amount expected to be contributed to the gratuity fund in the next financial year is Rs.299.60 lakhs

The funds are invested in the form of a prescribed insurance policy with ICICI prudential and Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### 31. Lease payments

The Company has taken certain offices and other premises under operating leases, which expires at various dates in future years. The minimum lease rental payments to be made in respect of these non cancellable leases are as follows.

Particulars	Year Ended March 31, 2015
Lease payments for the year	407.39
Minimum Lease Payments :	
Not later than one year	476.39
Later than one year and not later than five years	426.18
Later than five years	-
<b>Total</b>	<b>902.57</b>

Table No. 3.46

### 32. Segment reporting

The Company has only one reportable segment 'Software product licence and related services' in terms of Accounting Standard 17 'Segment Reporting' mandated by Section 133 of Companies Act 2013 read with General Circular 8/2014 issued on April 4, 2014. Secondary segmental reporting is based on the geographical location of customers.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments.

#### Secondary segment information

Customer relationships are driven based on the location of the respective client. The geographical segments comprise:

- India, Middle East & Africa;
- Asia Pacific;
- Europe; and
- Americas

Year ended March 31, 2015	India, Middle East & Africa	Asia Pacific	Europe	Americas	Total
<b>Revenue</b>	22,781.84	2,151.99	16,056.25	4,320.24	<b>45,310.32</b>
<b>Other segment information</b>					
Total assets	69,886.20	-	-	-	<b>69,886.20</b>
<b>Capital expenditure:</b>					
Tangible fixed assets & intangible assets	1,316.47	-	-	-	<b>1,316.47</b>

Year ended March 31, 2014	India, Middle East & Africa	Asia Pacific	Europe	Americas	Total
<b>Revenue</b>	-	-	-	-	-
<b>Other segment information</b>					
Total assets	6.00	-	-	-	<b>6.00</b>
<b>Capital expenditure:</b>					
Tangible fixed assets & intangible assets	-	-	-	-	-

Table No. 3.47

### 33. Scheme of Arrangement (De-merger) between the Company and Polaris Consulting & Services Limited

The Company (Resulting Company) had entered into a Scheme of Arrangement with Polaris Consulting & Services Limited ('demerged company', 'Polaris Consulting'). The "Scheme of Arrangement" ('the Scheme') involved vesting of the Product Business Undertaking of the demerged company into Intellect Design Arena Limited. In consideration for the vesting of the Product business undertaking in the Company as per the terms of the Scheme, each member of the demerged company shall receive one equity share of Rs.5/- each in the resulting company for every one equity share of Rs.5/- each held in the demerged company.

The Scheme was approved by the Honorable High Court of Madras on September 15, 2014. The Company has filed the order approved by the

High Court with the Registrar of the Companies, Chennai (ROC) on September 24, 2014. The ROC had approved the said demerger on September 25, 2014. The Scheme has accordingly been given effect to in these financial statements with retrospective effect from April 1, 2014.

Further, the Scheme also provided that the shareholders could elect to receive one Non-Convertible Debentures of Rs.42 each in the Company for one equity share of Rs.5/- each being issued and allotted to the shareholders. The option to receive the Non-Convertible Debentures was to be offered within 12 days from the Second Record Date (which was determined by the management of the Company as January 19, 2015). None of the shareholders have opted for the conversion to Non-Convertible Debentures.



The following assets and liabilities have been divested into the Company from Polaris Consulting & Services Limited with effect from April 1, 2014 pursuant to the Scheme.

Particulars	April 1, 2014
<b>LIABILITIES</b>	
<b>Non-Current Liabilities</b>	
Deferred tax liabilities (Net)	1,336.09
<b>Current Liabilities</b>	
Trade payables	6,290.74
Other current liabilities	2,761.65
Short-term provisions	730.65
<b>Total Liabilities (A)</b>	<b>11,119.13</b>
<b>ASSETS</b>	
<b>Non-Current Assets</b>	
Fixed assets	
- Tangible assets	10,661.11
- Intangible assets	164.63
- Capital work-in-progress	3,479.01
	<b>14,304.75</b>
Non-current investments	13,372.66
Long-term loans and advances	424.08
Other non-current assets	1,802.00
<b>Current Assets</b>	
Trade receivables	7,539.45
Cash and bank balance	24,191.83
Short-term loans and advances	3,038.32
Other current assets	5,127.72
<b>Total Assets (B)</b>	<b>69,800.81</b>
<b>Net Assets (B-A)</b>	<b>58,681.68</b>

Table No. 3.48

### 35. Prior period Comparatives

The Company had no operations during the earlier comparative periods and hence no comparative information has been disclosed with regards to the statement of profit and loss for the year ended 31 March 2015. Similarly the information with regards to the balance sheet is not comparable with the earlier periods, as the Company has commenced operations only in the current year.

As per our report of even date

**For S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration number: 101049W

**per Bharath N S**  
Partner  
Membership No. 210934

Chennai  
April 27, 2015

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

**Arun Jain**  
Chairman & Managing Director

**S.Swaminathan**  
Chief Financial Officer  
Chennai  
April 27, 2015

**Ashok Jhunjunwala**  
Director

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

The Net Assets relating to the Product Business undertaking amounting to Rs.58,681.68 lakhs divested into the company as at April 1, 2014, pursuant to the scheme of arrangement has been adjusted as per the terms of the Scheme against the Reserves and Share Capital of the Company as under:

(i) Securities Premium Account	19,147.70
(ii) General Reserve	17,255.30
(iii) Surplus from the Statement of profit & loss	17,291.48
(iv) Share Capital	4,987.20
<b>Total</b>	<b>58,681.68</b>

Table No. 3.49

### 34. Earnings per Share ("EPS")

Reconciliation of basic and diluted shares used in computing EPS:

Particulars	March 31, 2015	March 31, 2014
(i) Weighted average number of equity shares outstanding during the period	99,955,231	100,000
(ii) The net loss for the period attributable to equity shareholders	(7,117.55)	-
Earnings per share – Basic and Diluted (ii)/(i)	(7.12)	-

Table No. 3.50

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**INTELLECT DESIGN ARENA LIMITED**  
(Formerly known as Fin Tech Grid Limited)  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

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

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Intellect Design Arena Limited (formerly known as Fin Tech Grid Limited)

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Intellect Design Arena Limited (Formerly known as "Fin Tech Grid 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, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the Group and for preventing and detecting frauds and other irregularities; the 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, and its associates as at March 31, 2015, their consolidated losses, and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiaries and associate companies incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We / the other auditors whose reports 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 purpose of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion proper books of accounts as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group's companies and its associates companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

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

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates – Refer Note 23 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;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

#### **Other Matters**

The accompanying consolidated financial statements include total assets of Rs. 28,226.91 lakhs as at March 31, 2015, and total revenues and net cash inflows of Rs.14,679.90 lakhs and Rs.1,219.45 lakhs for the year ended on that date, in respect of certain subsidiaries, which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Company's share of net profit of Rs.114.26 lakhs for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of certain associates, whose financial statements, other financial information have been audited by other auditors and whose audit report has been furnished to us by the Management. Our opinion on the consolidated 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) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the report(s) of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, 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.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W

#### **per Bharath N S**

Partner

Membership Number: 210934

Place of Signature: Chennai

Date: April 27, 2015

**Annexure referred to in paragraph 1 of the section on “Report on other legal and regulatory requirements” of our report of even date**

The Group referred herein comprises Intellect Design Arena Limited ('Holding Company'), five subsidiaries and two associates incorporated in India and to whom the provisions of the Order apply (referred to as “the Covered entities” in this report)

- (i) (a) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the Covered entities, the Holding Company and Covered entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management of the Holding Company and certain covered entities during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the of the Company and the nature of its assets. No material discrepancies were noticed on such verification. As reported by the other auditors who audited the financial statements of the other Covered entities, all fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) (a) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the Covered entities, the Group's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) (a) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the Covered entities, the Holding Company and the Covered entities have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the Covered entities, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Group do not involve purchase of inventory and the sale of goods. During the course of our audit and as reported by the other auditors who audited the financial statements of the Covered entities, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities in respect of these areas.
- (v) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the Covered entities, Holding Company and the Covered entities have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements of the Covered entities, the Holding Company and the Covered entities are not in the business of sale of any goods. Therefore, in our opinion and as reported by the other auditor who audited the financial statements of the Covered entities, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) According to the information and explanations given to us and as reported by the other auditor, the Holding Company and certain Covered entities are regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, sales tax, value added tax, cess and other material statutory dues as applicable to the Covered entities. As reported by the other auditors, certain covered entities are generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, sales tax, value added tax, cess and other material statutory dues as applicable to the Covered entities. The provisions relating to excise duty are not applicable to the Group.
- (b) According to the information and explanations given to us and as reported by other auditors who audited the financial statements of the Covered entities, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, value added tax, sales tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Holding Company there are no dues of provident fund, sales tax, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, value added tax and cess which have not been deposited on account of any dispute. According to the records of the Covered entities as reported by other auditors who audited the financial statements of the Covered entities, dues of provident fund, sales tax, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, value added tax and cess on account of any dispute, are as follows:

Amount in Rs.Lakhs

Name of the Statute	Nature of Dues	Disputed amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	66.42	2010-11	Commissioner of Income Tax Appeals (III)
Income Tax Act, 1961	Income Tax	116.80	1998-99	Andhra Pradesh High Court
Income Tax Act, 1961	Income Tax	42.91	2003-04	Commissioner of Income Tax (Appeals)
Tamilnadu VAT	VAT	79.02*	2004-05 to 2008 - 09	Deputy Appellate Commissioner, CT, Chennai
Income Tax Act, 1961	Income Tax	137.59	2001-02	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	148.93	2002-03	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	143.34	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	34.98	2007-08	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	108.29	2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	41.90	2009-10	Commissioner of Income Tax (Appeals)

Name of the Statute	Nature of Dues	Disputed amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	115.35	2006-07	Income Tax Appellate Tribunal
Finance Act, 1994	Service Tax	4.33	2013-14	Commissioner of Central Excise (Appeals)
Finance Act, 1994	Service Tax	24.09	2008-09	Additional Commissioner of Service Tax- Chennai - II- Commissionerate

\*The Company has also deposited a sum of Rs 7.90 lakhs under protest.

(d) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the Covered entities, there were no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

(viii) The Holding Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty percent or more of its net worth and whether it has not incurred cash losses in the current and immediately preceding financial year.

As reported by the other auditors who audited the financial statements of the Covered entities, SEEC Technologies Asia (Private) Limited and NMS Works Software Private Limited have no accumulated losses at the end of the financial year and have not incurred cash losses in the current year and in the immediately preceding financial year.

As reported by the other auditors who audited the financial statements of the Covered entity, Indigo Tx Software Private Limited, the accumulated losses at the end of the financial year is more than fifty percent of its net worth and the entity has not incurred cash losses in the current year but has incurred cash losses in immediately preceding financial year.

As reported by the other auditor who audited the financial statements of the Covered entity, Lasersoft Infosystems Limited has no accumulated losses at the end of the financial year and has incurred cash losses in the current year but not in the immediately preceding financial year.

As reported by the other auditor who audited the financial statements of a Covered entity, Polaris Enterprise Solutions Limited, the accumulated losses of the Covered entity at the end of the financial year is more than fifty percent of its net worth and it has incurred cash losses in the current year but not in the immediately preceding financial year.

As reported by the other auditor who audited the financial statements of a Covered entity, SFL Properties Private Limited, the accumulated losses of the Covered entity at the end of the financial year is less than fifty percent of its net worth and it has incurred cash losses in the current year but not in the immediately preceding financial year.

As reported by the other auditors who audited the financial statements of a Covered entity, Adrenalin eSystems Limited, the accumulated losses at the end of the financial year is more than fifty percent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditors who audited the financial statements of the Covered entities, the Holding Company and the Covered entities did not have any outstanding dues in respect of a financial institution or bank during the year.

(x) According to the information and explanations given to us and based on the report of the other auditors who audited the financial statements of the Covered entities, the Holding Company and the Covered entities has not given any guarantee for loans taken by others from bank or financial institutions.

(xi) According to the information and explanations given to us and based on the report of the other auditors who audited the financial statements of the Covered entities, the Holding Company and the Covered entities did not have any term loans outstanding during the year.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements of the Covered entities, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities have been noticed or reported during the year.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Bharath N S

Partner

Membership Number: 210934

Place of Signature: Chennai

Date: April 27, 2015

**Intellect Design Arena Limited**

(Formerly known as Fin Tech Grid Limited)

**Consolidated Balance Sheet as at March 31, 2015**

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

Particulars	Notes	March 31, 2015
<b>EQUITY AND LIABILITIES</b>		
<b>SHAREHOLDERS' FUNDS</b>		
Share capital	4	5,009.92
Reserves and surplus	5	56,910.57
		<b>61,920.49</b>
<b>MINORITY INTEREST</b>		1.68
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities (Net)	6	1,082.92
Long - term provisions	7	118.60
<b>CURRENT LIABILITIES</b>		
Short-term borrowings	8	771.18
Trade payables	8A	13,635.59
Other current liabilities	9	16,927.31
Short-term provisions	10	1,606.63
<b>TOTAL</b>		<b>96,064.40</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Fixed assets	11	
- Tangible assets		13,460.13
- Intangible assets		176.55
- Capital work-in-progress		4,480.24
- Intangible assets under development		928.83
		<b>19,045.75</b>
Goodwill on Consolidation	12	7,633.70
Non-current investments	13	2,800.58
Deferred tax assets (Net)	14	569.46
Long-term loans and advances	15	5,059.97
Other non-current assets	16	1,719.48
<b>CURRENT ASSETS</b>		
Current investments	17	15,141.74
Trade receivables	18	16,707.54
Cash and bank balances	19	10,621.87
Short-term loans and advances	20	5,214.85
Other current assets	21	11,549.46
<b>TOTAL</b>		<b>96,064.40</b>

**Table No. 4.1**

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

3

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration number: 101049W

**per Bharath N S**

Partner

Membership No. 210934

Chennai

April 27, 2015

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

Chairman &amp; Managing Director

**S.Swaminathan**

Chief Financial Officer

Chennai

April 27, 2015

**Ashok Jhunjhunwala**

Director

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



**Intellect Design Arena Limited**

(Formerly known as Fin Tech Grid Limited)

**Consolidated Statement of Profit and Loss for the Year ended March 31, 2015**

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

Particulars	Notes	March 31, 2015
<b>Revenue</b>		
Revenue from Operations		60,874.95
Other income	25	2,752.81
<b>Total Revenue</b>		<b>63,627.76</b>
<b>Expenses</b>		
Employee benefit expenses	26	53,123.49
Other expenses	27	15,782.15
Finance costs	28	80.78
Depreciation and amortization expenses	11	1,901.27
<b>Total Expenses</b>		<b>70,887.69</b>
<b>Loss before exceptional items and tax</b>		<b>(7,259.93)</b>
Exceptional Items	31	(976.63)
<b>Loss before tax</b>		<b>(8,236.56)</b>
<b>Tax Expenses</b>		
- Current tax		458.29
- Deferred tax		(282.45)
<b>Loss after tax before share of results of associates and minority interest</b>		<b>(8,412.40)</b>
Add/(Less): Share of Profit/(loss) on Associate Companies		114.26
Add/(Less): Minority Interest - Share of (loss)/Profit		(1.19)
<b>Loss for the year</b>		<b>(8,299.33)</b>

**Table No. 4.2**

<b>Earnings per share (In Rs.) - (Equity shares par value Rs.5 each) - Basic &amp; Diluted</b>	34	(8.30)
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Summary of significant accounting policies	3
--	---

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration number: 101049W

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

**per Bharath N S**  
Partner  
Membership No. 210934

**Arun Jain**  
Chairman & Managing Director

**Ashok Jhunjunwala**  
Director

Chennai  
April 27, 2015

**S.Swaminathan**  
Chief Financial Officer

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

Chennai  
April 27, 2015

**Intellect Design Arena Limited**

(Formerly known as Fin Tech Grid Limited)

**Consolidated cash flow statement for the year ended March 31, 2015**

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

<b>Particulars</b>	<b>March 31, 2015</b>
<b>Cash used in operating activities</b>	
Loss before Tax	(8,236.56)
<b>Adjustments for:</b>	
Depreciation and amortisation	1,901.27
Interest income	(352.67)
Dividend income	(1,349.09)
Unrealised exchange (gain) / loss	(646.47)
Exchange difference on translation of foreign operations	(35.91)
(Profit) / Loss on sale of fixed assets	(6.56)
(Profit) / Loss on sale of Investments	(279.61)
Reversal of provision for diminution in value of investments	(69.34)
Provision for doubtful debts	677.38
Interest expenses	80.78
<b>Working capital changes</b>	
Decrease / (Increase) in trade receivable	(3,496.94)
Decrease / (Increase) in loans and advances and other assets	(4,643.55)
Increase / (Decrease) in liabilities and provisions	16,761.51
Taxes paid	(2,059.18)
<b>Net Cash used in operating activities</b>	<b>(1,754.94)</b>
<b>Cash flows from Investing activities</b>	
Purchase of fixed assets, changes in capital work in progress and capital advance	(2,469.81)
Proceeds from sale of fixed assets	72.82
Investment in Associate company	(181.88)
Net (Increase)/decrease in non-trade investments	9,299.22
Net (Increase)/decrease in bank deposit	93.39
Interest received	352.67
Dividend received	1,349.09
<b>Net cash flows from Investing activities</b>	<b>8,515.50</b>
<b>Cash used in financing activities</b>	
Proceeds from share capital issued on exercise of stock options	17.47
Proceeds from share premium on exercise of stock options	150.31
Proceeds / (Repayment) of loans	368.03
Interest paid	(80.78)
Amounts paid to erstwhile shareholders	(1,304.38)
<b>Net cash used in financing activities</b>	<b>(849.35)</b>
Exchange differences on translation of foreign currency cash and cash equivalents	100.30
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	<b>6,011.51</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>-</b>
Add: Cash and cash equivalents acquired on Demerger pursuant to Scheme of arrangement	4,610.36
<b>Cash and cash equivalents at the end of the year</b>	<b>10,621.87</b>
<b>Components of Cash and cash equivalents</b>	
Cash on hand	11.26
Balance with banks	
- On current account	6,410.65
- On deposit account*	4,199.96
	<b>10,621.87</b>

**Table No. 4.3**

\* The balance on deposit accounts as of March 31, 2015 includes Rs. 358.50 lakhs which has been pledged as a security by the company for availing non-fund based facilities.

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration number: 101049W

**per Bharath N S**

Partner

Membership No. 210934

Chennai

April 27, 2015

For and on behalf of the Board of Directors of

**Intellect Design Arena Limited****Arun Jain**

Chairman &amp; Managing Director

**Ashok Jhunjhunwala**

Director

**S.Swaminathan**

Chief Financial Officer

**V.V.Naresh**

Vice President &amp; Company Secretary

Chennai,  
April 27, 2015

## Intellect Design Arena Limited

(Formerly known as Fin Tech Grid Limited)

### Notes to the Consolidated Financial Statements for the year ended March 31, 2015

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

#### 1. Description of the Group

Intellect Design Arena Limited ("Intellect" or "the Company"), its subsidiaries and its associates (collectively referred to as "the Intellect Group" or "the Group") has a comprehensive portfolio of products across Global Consumer Banking, Central Banking, Risk & Treasury Management, Global Transaction Banking and Insurance and is engaged in the business of software development.

Intellect is the holding Company of the Group and is listed on the National Stock Exchange and Bombay Stock Exchange.

The list of subsidiaries with percentage holding is given below:

S.No	Subsidiaries	Country of incorporation	Proportion of ownership interest within the group
1	Intellect Design Arena Limited	United Kingdom	100.00%
2	Intellect Design Arena SA	Switzerland	100.00%
3	Intellect Design Arena Pte Ltd.,	Singapore	100.00%
4	Polaris Enterprise Solutions Limited	India	100.00%
5	Polaris Software Lab Chile Limitada*	Chile	90.00%
6	Intellect Design Arena Inc.**	USA	100.00%
7	SEEC Technologies Asia (P) Ltd ***	India	100.00%
8	Laser Soft Infosystems Limited	India	100.00%
9	SFL Properties Private Limited	India	100.00%
10	Intellect Design Arena Co. Ltd	Vietnam	100.00%
11	Indigo TX Software Private Ltd	India	100.00%
12	Intellect Design Arena, Philippines, Inc.**	Philippines	100.00%
13	Intellect Design Arena FZ – LLC	Dubai	100.00%
14	Intellect Design Arena, PT**	Indonesia	100.00%
15	Sonali Polaris FT Ltd	Bangladesh	51.00%
16	FT Grid Pte Ltd**	Singapore	100.00%

**Table No. 4.4**

\* Subsidiaries of Intellect Design Arena Limited, United Kingdom

\*\* Subsidiaries of Intellect Design Arena Pte Ltd, Singapore

\*\*\*Subsidiary of Intellect Design Arena Inc, USA

The list of associates with percentage holding of Intellect is given below:

S.No	Associates	% of share held as of March 31, 2015	Original cost of investment	Share of accumulated profit/ (loss) as at March 31, 2015	Carrying amount of Investments as at March 31, 2015
1	NMS Works Software Private Limited, India	36.54	415.26	167.95	583.21
2	Adrenalin eSystems Limited, India	40.25	833.88	(833.88)	-
3	Intellect Polaris Design LLC, USA*	5.00	153.42	(5.12)	148.30
4	Intellect Design Arena Limited, Thailand**	49.00	28.46	-	28.46

**Table No. 4.5**

\* Associate of Intellect Design Arena Inc., USA

\*\* Associate of Intellect Design Arena Pte Ltd., Singapore

#### 2A. Basis of preparation of consolidated financial statements

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistently followed.

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, "Consolidated Financial Statements". The financial statements of the Company and its subsidiaries are consolidated on a line by line basis by adding together like items of assets, liabilities, income and expenses. Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting as laid down under Accounting standard (AS) 23, "Accounting for Investment in Associate in Consolidated Financial Statements". Minority interest in the net income (Profit/(Loss) after tax) for the reporting period is identified and adjusted against the group income to arrive at the net income of the Group; likewise the minority interest in the net assets of the consolidated subsidiaries is identified and presented separately on the liabilities side in the Consolidated Balance Sheet. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. All material intercompany transactions and balances are eliminated on consolidation.

The Company has prepared the financial statements for the first time under Accounting Standard 21 as in the previous year there were no subsidiaries or associates. Hence, the Company has not reported comparative information.

#### 2B. Scheme of Arrangement (Demerger)

The Board of Directors of Polaris Consulting & Services Limited (formerly known as Polaris Financial Technology Limited) at its meeting held on March 18, 2014 had approved a Scheme of Arrangement between Polaris Consulting & Services Limited and Intellect Design Arena Limited, a wholly owned subsidiary of Polaris Consulting & Services Limited, and their respective shareholders which inter alia envisaged demerger of the Product business undertaking along with related assets and liabilities into the Company with effect from April 1, 2014 in accordance with the provisions of the Companies Act, 1956. The above scheme has received the approval of the Madras High court on September 15, 2014. Consequently, the Company has taken over subsidiaries and associates, listed above, from Polaris Consulting & Services Limited in accordance with the Scheme of Arrangement.

The Company has accounted for the demerger as per the High Court order as more fully disclosed in Note 33.

#### 3. Significant Accounting Policies

##### a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the results of operations during the

reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**b) Tangible fixed assets and capital work in progress**

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises cost of tangible fixed assets not ready for intended use as at the balance sheet date.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repairs and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**c) Depreciation on tangible fixed assets**

Depreciation on fixed assets is provided using the straight line method.

The Group had taken over fixed assets relating to the product business undertaking with effect from April 1, 2014 from Polaris Consulting & Services Limited, in accordance with the Scheme of Arrangement (Demerger). The fixed assets taken over had earlier been depreciated using the straight line method based on rates specified in Schedule XIV of the Companies Act, 1956 or rates arrived at based on estimated useful lives of the assets estimated by the management, whichever was higher. Individual assets costing less than Rs.5,000/- were depreciated at the rate of 100%.

With effect from the current year, Schedule XIV of Companies Act, 1956 has been replaced by Schedule II of the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

**Useful lives / depreciation rates**

Till the year ended 31 March 2014, the demerged company treated the depreciation rates prescribed under Schedule XIV as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets. Had the group continued to use the earlier accounting policy, the impact on depreciation of fixed assets would have been higher by Rs. 59.50 Lakhs.

**Depreciation on assets costing less than Rs. 5,000/-**

Till the year ended March 31, 2014, the demerged company in order to comply with the requirements of Schedule XIV to the Companies Act, 1956, was charging 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase. However, Schedule II to the Companies Act, 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirements of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciation of assets costing less than Rs. 5,000/-. As per the revised policy, the group is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of assets costing less than Rs.5,000/- did not have any material impact on financial statements of the company for the current year.

Assets Category	Estimated useful life (in years)
Buildings	29
Plant and machinery	15
Computer equipments	3
Servers and Computer accessories	6
Electrical fittings, furniture and fixtures	10
Office equipments	5
Vehicles	4-8
Leasehold improvements	Over the lease period or 10 years whichever is lower
Leasehold land	Over the lease period (99 Years)

**Table No. 4.6**

**d) Intangible assets**

Intangible assets acquired are stated at cost, less accumulated amortization and impairment losses if any.

**Research and development costs**

Software product and intellectual property development costs are expensed as incurred until technological feasibility is established.

**Amortisation**

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

Computer software is depreciated over an estimated useful life of 3 years. Intellectual property rights had been depreciated by demerged company over an estimated useful life of 3 - 5 years.

**e) Leases**

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

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

**f) Impairment of tangible and intangible fixed assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the pre-tax discount rate reflecting current market assessment of time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

**g) Investments**

Investments are classified as long-term investments and current investments. Investments that are readily realisable and intended to be held for not more than one year, from the date of acquisition, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at the lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**h) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

*Software development and support services*

Revenue from software development and support services comprises income from time-and-material and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue from fixed-price contracts is recognized in accordance with the proportionate completion method. Provision for estimated losses on incomplete contract is recorded in the year in which such losses become probable based on the current contract estimates.

*Product licenses and related revenues*

Revenues from product licenses and related services comprise income under multiple element arrangements recognized as follows:

- License fees and fees for customization/implementation services are recognized using proportionate completion method. Provision for estimated losses, if any, on incomplete contracts are recorded in the year in which such losses become probable based on current contract estimates.
- Product maintenance revenues are recognized over the period of the maintenance contract.

Revenue from sale of licenses which are not in the nature of multiple element arrangements are recognized upon delivery of these licenses which constitute transfer of all risks and rewards and has no further obligations under those arrangements.

Revenue in excess of billing represents earnings on ongoing fixed price and time and material contracts over amounts invoiced to customers. Billings in excess of revenue represent amounts billed in case of ongoing 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.

*Other Income*

Interest is recognized using the time-proportion basis taking into account the amount outstanding and the applicable interest rate. Dividend income is recognized when the Group's right to receive dividend is established.

**i) Foreign currency transactions and translations**

*Initial Recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

*Conversion*

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

*Exchange Differences*

Exchange differences arising on the settlement/reporting of monetary items, at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

*Translation of integral and non-integral foreign operations*

The company classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations."

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

**j) Forward contracts entered into to hedge foreign currency risk**

The company uses foreign exchange contracts to hedge its exposure to movements in foreign currency rates. The use of these foreign exchange forward contracts reduces the risk/cost to the Company and the Company does not use the foreign exchange forward contracts for trading or speculative purposes.

The use of hedging instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

The Company designates these hedging instruments as Cash flow hedges applying the recognition and measurement principles set out in Accounting standard 30 – 'Financial Instruments - Recognition and measurement'.

Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds (hedge fluctuation reserve) and the ineffective portion is recognised immediately in the statement of profit and loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholders' funds (hedge fluctuation reserve) is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss.

**k) Retirement and other employee benefits**

*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 recognizes 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.

*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 "Polaris Software Lab Group Gratuity Trust" has been constituted to administer the gratuity fund. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

*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 recognizes 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.

*Leave Benefits*

Provision for long-term compensated absences is accrued and provided for on the basis of actuarial valuation made at the end of each financial period. The actuarial valuation is done as per projected unit credit method. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**l) Income and Deferred Taxes**

Tax expense comprises of current and deferred tax. The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Group. The current tax provision and advance income tax as at balance sheet date have been arrived at after setting off advance tax and current tax provision where the Group has legally enforceable right to set off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the year that includes the enactment date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the Group does not have legal right to do so.

Deferred tax assets are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reassessed for the appropriateness of their respective carrying values at each balance sheet date. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain or virtually certain as the case maybe, that future taxable income will be available against which such deferred tax assets can be realized. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain as the case maybe, that sufficient future taxable income will be available against which deferred tax asset can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

The Company enjoys tax holiday under Sec 10AA of the Income tax Act on some of its units set up in the Special Economic Zones (SEZ).

**m) Stock Based Compensation**

Measurement and disclosure of the employee share-based payment plans is done in accordance with Securities and Exchange Board of India (Share based employee benefits) Regulations 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

**n) Earnings per share**

The basic earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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 are adjusted for the effects of all dilutive potential equity shares.

**o) Provisions and contingent liabilities**

A provision is recognized when an enterprise has a present obligation 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. Provisions are not discounted to its present value and 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.

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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**p) Cash and Cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of change in value.

**4. Share Capital**

Particulars	March 31, 2015
<b>Authorised</b>	
110,000,000 Equity shares of Rs.5 each	5,500.00
<b>Issued, Subscribed and Paid up</b>	
100,198,474 Equity shares of Rs.5 each fully paid up	5,009.92
<b>Total Issued, Subscribed and Paid-up Capital</b>	<b>5,009.92</b>

Table No. 4.7

Of the total Authorized capital of the company referred above, the company has issued only one class of equity shares having a face value of Rs.5 per share. Each holder of such equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of Equity shares held by the shareholders.

*Numbers of Shares*

Particulars	March 31, 2015
Shares outstanding at the beginning of the year	100,000
Shares cancelled as per the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited*	(100,000)
Shares issued as per the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited*	99,849,024
Shares issued under the ASOP Schemes	349,450
<b>Shares outstanding at the end of the year</b>	<b>100,198,474</b>

Table No. 4.8

\*Refer Note 33

**Details of Shareholders holding more than 5 percent shares in the Company (based on legal ownership)**

Particulars	March 31, 2015	
	No. of Shares held	% of Holding
Polaris Banyan Holding Private Limited (formerly known as Polaris Holding Private Limited)	22,465,298	22.42

Table No. 4.9

**Stock option plans:**

The Scheme of Arrangement (Demerger) entered into by the Company with Polaris Consulting & Services Limited (Demerged Company) provided for the following in respect of Employee Stock Option Schemes:

- (i) The Company has adopted three stock option plans (ASOP 2003, ASOP 2004 and ASOP 2011) from Polaris Consulting & Services Limited, as provided in the Scheme of Arrangement and has formulated one stock option plan (Intellect Stock Option Plan 2015).
- (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.

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. The option plans are summarized below:

**Associate Stock Option Plan 2003**

The Plan is effective from October 09, 2014 and the Company has received in principle approval from the National Stock Exchange on February 16, 2015 and from the Bombay Stock Exchange on March 3, 2015. The 2003 Plan provides for issuance of 2,603,850 options, convertible to equivalent number of equity shares of Rs 5 each, to the employees including directors of the Company. The options are granted at the market price on the date of the grant. The market price, in accordance with the Securities and Exchange Board of India (Share based employee benefits) Regulations 2014 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 36 months from the last vesting date.

No compensation cost has been recorded as the scheme terms are fixed and the exercise price equals the market price of the underlying stock on the grant date. A summary of the status of the options granted under 2003 plan as at March 31, 2015 is presented below:

Particulars	March 31, 2015	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	-	-
Granted during the year	1,092,900	51.69
Exercised during the year	(300,700)	58.01
Forfeited during the year	(36,600)	50.33
Expired during the year	(78,400)	50.22
Outstanding at the end of the year	677,200	55.51
Exercisable at the end of the year	615,900	49.03

Particulars	March 31, 2015
Range of exercise price (Rs.)	28.34 - 63.67
Weighted average remaining contractual life (in years)	3.11
Weighted average market price of shares on the date of exercise (Rs.)	118.88

Table No. 4.10

#### Associate Stock Option Plan 2004

The Plan is effective from October 09, 2014 and the Company has received in principle approval from the National Stock Exchange and the Bombay Stock Exchange on February 16, 2015. The 2004 Plan provides for issuance of 8,24,645 options, convertible to equivalent number of equity shares of Rs 5 each, to the employees, including directors. The options are granted at the market price on the date of the grant. The market price, in accordance with the Securities and Exchange Board of India (Share based employee benefits) Regulations 2014 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 36 months from the last vesting date.

No compensation cost has been recorded as the scheme terms are fixed and the exercise price equals the market price of the underlying stock on the grant date. A summary of the status of the options granted under 2004 plan at March 31, 2015 is presented as below:

Particulars	March 31, 2015	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the period	-	-
Granted during the year as part of the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited	379,100	57.57
Exercised during the year	(170,000)	61.90
Forfeited during the year	(4,200)	43.44
Expired during the year	(1,200)	48.68
Outstanding at the end of the year	203,700	107.49
Exercisable at the end of the year	190,500	54.97

Particulars	March 31, 2015
Range of exercise price (Rs.)	35.98 - 63.67
Weighted average remaining contractual life (in years)	2.51
Weighted average market price of shares on the date of exercise (Rs.)	123.57

Table No. 4.11

#### Associate Stock Option Plan 2011

The Plan is effective from October 09, 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 4,888,450 options, convertible to equivalent number of equity shares of Rs.5 each, to the employees. The plan shall be administered under 4 different schemes based on the following terms:

Particulars	Swarnam 11	Swarnam 21	Swarnam 31	Swarnam 41
Eligible employees	Senior and Key executives excluding non - executive directors	Members of Business leadership team or equivalent thereof excluding non - executive directors	Associates in the grade of Executive Vice president and above, excluding non executive directors	Non – Executive directors
Maximum number of options grantable	3,648,450 Less: Number of Options granted under Swarnam 21	1,736,000	1,240,000 Less: Number of Option granted under Swarnam 41	200,000

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. 4.12

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 intrinsic 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
<b>Service conditions</b>				
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%



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. 4.13**

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 2011 plan at March 31, 2015 is presented as below:

Particulars	March 31, 2015	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	-	-
Granted during the year as part of the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited	4,130,550	41.49
Granted during the year	485,000	-
Exercised during the year	(48,750)	36.54
Forfeited during the year	(193,050)	38.66
Expired during the year	(39,850)	37.05
Outstanding at the end of the year	4,333,900	46.25
Exercisable at the end of the year	404,600	36.82

Particulars	March 31, 2015
Range of exercise price (Rs.)	32.12-42.21
Weighted average remaining contractual life (in years)	7.22
Weighted average market price of shares on the date of exercise (Rs.)	117.81

**Table No. 4.14**

#### 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 Company is in the process of obtaining approvals from the stock exchanges. The 2015 plan provides for issuance of 6,000,000 options convertible into equivalent number of Equity shares of Rs.5/- each to employees but shall exclude independent directors, an employee belonging to the promoter group or a director holding more than 10% of the share capital. The tenure of the Scheme is for 12 years from the date of coming into effect and shall be extended by a period of not more than 5

years as the Board of Directors may decide. The plan shall be administered under 5 different schemes based on the following terms :

Particulars	Swarnam 101	Swarnam 201	Swarnam 301	Swarnam 401
<b>Grant price</b>				
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)	25% 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)

Particulars	Swarnam 501
<b>Grant price</b>	
Market price upto Rs. 49	Market price
Market price between Rs. 49 - Rs. 140	Upto 50% discount on market price. (Subject to being Not lower than Rs.49)
Market price greater than Rs.140	Upto 50% discount on market price. (Subject to being Not lower than Rs.49)

**Table No. 4.15**

The market price, in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 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 intrinsic 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
<b>Service conditions</b>					
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%

#### Performance Conditions

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	NA	NA	

**Table No. 4.16**

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, 2015 is presented below:

Particulars	March 31, 2015	
	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	-	-
Granted during the year as part of the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited	18,30,000	97.75
Exercised during the year	-	-
Forfeited during the year	(80,000)	97.75
Expired during the year	-	-
Outstanding at the end of the year	17,50,000	97.75
Exercisable at the end of the year	-	-

Particulars	March 31, 2015
Weighted average remaining contractual life (in years)	8.50

Table No. 4.17

#### Proforma Disclosure

The Company follows the intrinsic value model for valuation of its options under the various plans. In accordance with Securities and Exchange Board of India (Share based employee benefits) Regulations 2014, had the compensation cost for associate stock option plans been recognized based on the fair value at the date of grant in accordance with Black-Scholes model, the pro forma amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	March 31, 2015
Loss after tax	
- as reported	(8,299.33)
- proforma profit	(8,461.36)
Earnings Per Share (in Rs.)	
Basic & Diluted	
- As reported	(8.30)
- Proforma	(8.47)

Table No. 4.18

The fair value of options was estimated at the date of grant using the Black Scholes Model with the following assumptions:

Particulars	March 31, 2015			
Scheme	ASOP 2011	ASOP 2011	ASOP 2011	ASOP 2011
Grant ID	Swarnam-11	Swarnam-21	Swarnam-31	Swarnam-41
Grant date	07-Jan-15	07-Jan-15	07-Jan-15	30-Jan-15
Risk-free interest rate	8.04%	8.02%	8.02%	7.74%
Expected life (Years)	2.50 - 6.50	5.50 - 7.50	5.50 - 7.50	3.50 - 7.50
Expected volatility	61.05%	61.05%	61.05%	93.69%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

Table No. 4.19

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.

## 5. Reserves and Surplus

Particulars	March 31, 2015
<b>Securities premium account</b>	
Opening balance	-
Add: Reserves on account of demerger of Product business undertaking from Polaris Consulting & Services Ltd (Refer Note 33)	19,156.40
Add: Premium received on issue of shares under ASOP plans to employees & others	150.30
<b>Closing balance</b>	<b>19,306.70</b>
<b>General reserve account</b>	
Opening balance	-
Add: Reserves on account of demerger of Product business undertaking from Polaris Consulting & Services Ltd (Refer Note 33)	17,065.13
Add: Adjustment on account of additional options issued from September 30, 2014 to first record date (October 10, 2014) as per Scheme of Arrangement (Demerger)	(5.26)
<b>Closing balance</b>	<b>17,059.87</b>
<b>Foreign currency translation reserve account</b>	
Opening balance	-
Add: Reserves on account of demerger of Product business undertaking from Polaris Consulting & Services Ltd (Refer Note 33)	3,850.44
Add: Adjustment for the year	(228.75)
<b>Closing balance</b>	<b>3,621.69</b>
<b>Hedging reserve account</b>	
Opening balance	-
Add: Adjustment for the year	482.69
<b>Closing balance</b>	<b>482.69</b>
<b>Surplus in the statement of profit and loss</b>	
Reserves on account of demerger of Product business undertaking from Polaris Consulting & Services Ltd (Refer Note 33)	24,807.48
Add: Adjustment on account of aligning the useful life of fixed assets in accordance with Schedule II of the Companies Act, 2013, net of tax	(68.53)
Net Profit/(Loss) for the current year	(8,299.33)
<b>Closing balance of surplus in the statement of profit and loss</b>	<b>16,439.62</b>
<b>Total Reserves and Surplus</b>	<b>56,910.57</b>

Table No. 4.20

## 6. Deferred Tax Liabilities (Net)

Particulars	March 31, 2015
<b>Deferred Tax Liability</b>	
Fixed assets	1,301.33
<b>Deferred Tax Asset</b>	
Provision for doubtful debts	(111.38)
Others	(107.03)
<b>Total Deferred tax liabilities</b>	<b>1,082.92</b>

Table No. 4.21

## 7. Long - term provisions

Particulars	March 31, 2015
Provision for employee benefits	
- Provision for gratuity (Refer Note 30)	118.60
<b>Total Long - term provisions</b>	<b>118.60</b>

Table No. 4.22

## 8. Short - term Borrowings

Particulars	March 31, 2015
Unsecured	
Loans repayable on demand	
- from Banks*	771.18
<b>Total Short - term borrowings</b>	<b>771.18</b>

**Table No. 4.23**

\*The company has entered into an export financing arrangement with its bankers carrying an interest rate of LIBOR + 0.93% having a maturity period of 70 days. The facility can be rolled over on completion of the maturity term.

## 8A. Trade Payables#

Particulars	March 31, 2015
Creditors for expenses and goods	4,434.48
Provision for expenses	3,809.54
Accrued salaries & benefits	4,913.32
Others	478.25
<b>Total Trade Payables</b>	<b>13,635.59</b>

**Table No. 4.24**

# Refer note – 22. Related party transactions

## 9. Other current liabilities

Particulars	March 31, 2015
Superannuation payable	378.12
Customer and other advance received	201.72
Billings in excess of revenues	4,976.64
Payable to Related parties#	9,973.92
Capital creditors	96.69
Dues under contractual obligations	1.79
Statutory payable	1,298.43
<b>Total Other current Liabilities</b>	<b>16,927.31</b>

**Table No. 4.25**

# Refer note – 22. Related party transactions

## 10. Short-term provisions

Particulars	March 31, 2015
Provision for employee benefits	
- Provision for gratuity (Refer Note. 30)	463.04
- Provision for other employee benefit obligations	169.78
- Provision for leave benefits	725.63
Others Provisions	
- Provision for taxation	248.18
<b>Total Short-term provisions</b>	<b>1,606.63</b>

**Table No. 4.26**

**Intellect Design Arena Limited**

(Formerly known as Fin Tech Grid Limited)

**Notes to Financial Statements for the year ended March 31, 2015**

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

**11. FIXED ASSETS**

Sl. No	Description	Cost					Depreciation and Amortisation					Net Book Value
		Assets Acquired on Demerger #	Additions	Deletions	Other adjustment *	March 31, 2015	Depreciation on assets acquired on acquisition	For the period	Deletions	Other adjustment *	March 31, 2015	March 31, 2015
<b>A</b>	<b>TANGIBLE ASSETS</b>											
1	Land	2,819.97	6.83	-	74.15	2,900.95	-	-	-	-	-	2,900.95
2	Buildings	7,604.46	72.36	-	(13.40)	7,663.42	1,602.59	247.06	-	(4.52)	1,845.13	5,818.29
3	Plant & Machinery (including Computer Equipment and accessories)	6,448.56	672.45	110.35	13.44	7,024.10	4,898.66	664.82	98.87	54.75	5,519.36	1,504.74
4	Electrical fittings	1,156.76	28.08	-	-	1,184.84	418.90	110.28	-	-	529.18	655.66
5	Furniture and fixtures	2,497.97	88.25	102.64	2.14	2,485.72	1,153.62	225.04	85.67	(25.57)	1,267.42	1,218.30
6	Office Equipments	1,213.09	92.37	-	(1.09)	1,304.37	605.54	200.28	-	52.73	858.55	445.82
7	Vehicles	1,310.19	359.50	228.71	1.38	1,442.36	659.83	320.29	190.91	0.50	789.71	652.65
8	Leasehold improvement	420.69	-	-	9.23	429.92	400.64	8.48	-	9.70	418.82	11.10
	<b>ASSETS UNDER LEASE</b>											
1	Land	270.63	9.84	-	-	280.47	26.80	1.05	-	-	27.85	252.62
	<b>Subtotal - A</b>	<b>23,742.32</b>	<b>1,329.68</b>	<b>441.70</b>	<b>85.85</b>	<b>24,716.15</b>	<b>9,766.58</b>	<b>1,777.30</b>	<b>375.45</b>	<b>87.59</b>	<b>11,256.02</b>	<b>13,460.13</b>
<b>B</b>	<b>INTANGIBLE ASSETS</b>											
1	Computer Software	1,617.71	63.28	-	4.51	1,685.50	1,382.16	123.97	-	2.82	1,508.95	176.55
2	Intellectual property rights											
	Banking	6,636.62	-	-	-	6,636.62	6,636.62	-	-	-	6,636.62	-
	Insurance	777.27	-	-	(40.91)	736.36	777.27	-	-	(40.91)	736.36	-
	Retails	256.89	-	-	-	256.89	256.89	-	-	-	256.89	-
	Stock Broking	603.05	-	-	-	603.05	603.05	-	-	-	603.05	-
	<b>Subtotal - B</b>	<b>9,891.54</b>	<b>63.28</b>	<b>-</b>	<b>(36.40)</b>	<b>9,918.42</b>	<b>9,655.99</b>	<b>123.97</b>	<b>-</b>	<b>(38.09)</b>	<b>9,741.87</b>	<b>176.55</b>
	<b>Total (A + B )</b>	<b>33,633.86</b>	<b>1,392.96</b>	<b>441.70</b>	<b>49.45</b>	<b>34,634.57</b>	<b>19,422.57</b>	<b>1,901.27</b>	<b>375.45</b>	<b>49.50</b>	<b>20,997.89</b>	<b>13,636.68</b>

Table No. 4.27

\* Other adjustment represents foreign exchange gain / loss on account of translation of foreign operations.

\* In accordance with the requirement of Schedule II to Companies Act, 2013, the Company has re-assessed the useful lives of the fixed assets and revised the same in line with the life of fixed assets specified under Schedule II. Consequently, an amount of Rs. 68.53 lakhs (net of taxes) has been charged to the opening balance of the retained earnings in respect of assets whose useful lives are Nil as at April 01, 2014, upon aligning the same with Schedule II.

# Pursuant to the Scheme of Arrangement (Demerger), assets amounting to Rs.33,633.86 lakhs and Depreciation amounting to Rs.19,422.57 lakhs has been included within the company's financial statements, with effect from April 1, 2014, although the physical ownership and legal title of the same is in the process of being transferred.

## 12. 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, 2015.

Goodwill on consolidation as at March 31, 2015 stood at Rs. 7,633.70 lakhs. Significant acquisitions over the years which resulted in goodwill were Laser Soft Infosystems Ltd, SFL Properties Private Limited, Indigo TX Software Private Ltd and Intellect, USA and the details of the same are given below:

- (a) The company acquired 51% equity share stake in Indigo TX Software Private Limited ('Indigo TX'), a SAAS Software developer for Rs.800.75 lakhs on May 10, 2010. The balance 49% equity stake in Indigo TX Software Private Limited was acquired on November 22, 2011 for a consideration of Rs. 902.22 lakhs. Consequently, Indigo TX became a 100% subsidiary of the Company. The excess purchase consideration paid over the net asset taken over to the extent of Rs.1,186.66 lakhs is recognized as goodwill.
- (b) Lasersoft Infosystems Limited ('Lasersoft'), a leading banking software services company specializing in serving the unique needs of India & emerging markets, is a wholly owned subsidiary of the company with effect from November 16, 2009. The total consideration for the acquisition was Rs. 5,201.05 lakhs. The excess purchase consideration paid over the net assets taken over to the extent of Rs. 3,069.83 lakhs is recognised as goodwill.
- (c) The company acquired the entire interest of SFL Properties Private Limited ('SFL Properties'), an Indian company engaged in the business of Real estate promotion and construction, on December 1, 2010. The total consideration for acquisition was Rs.981.12 lakhs. The excess of purchase consideration paid over the net assets of SFL properties to the extent of Rs 865.56 lakhs is recognized as goodwill.
- (d) The company acquired the entire interest in Intellect, 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, USA. to the extent of Rs. 2,511.66 lakhs is recognised as goodwill.

## 13. Non-current investments

Particulars	March 31, 2015
<b>I. Trade Investments - (Unquoted)</b>	
<b>Investments in Equity Instruments - Associates (At cost, less provision)</b>	
<b>NMS Works Software Private Limited</b>	415.26
A company incorporated in India	
726,256 equity shares of Rs.10 each fully paid up	
Add/(Less): Share of accumulated Profit/(loss) on Associate Companies	167.95
	<b>583.21</b>
<b>Adrenalin eSystems Limited</b>	
A company incorporated in India	833.88
13,078,080 equity shares of Rs.5 each fully paid up	
Add/(Less): Share of accumulated Profit/(loss) on Associate Companies	(833.88)
	-
<b>Intellect Design Arena Limited, Thailand</b>	
A Company incorporated in Thailand	
303,800 equity shares of THB 5 each fully paid up	28.46
<b>Intellect Polaris Design LLC</b>	
A company incorporated in USA	153.42
5 Shares of USD 50,000 each fully paid up	
Add/(Less): Share of Profit/(loss) on Associate Companies	(5.12)
	<b>148.30</b>
	<b>759.97</b>
<b>Investments in Preference shares - Associates (At cost)</b>	
<b>Adrenalin eSystems Limited</b>	760.00
15,200,000- 7% Cumulative Preference shares of Rs.5/- each	
<b>NMS Works Software Private Limited</b>	
378,614-12 % optionally convertible cumulative preference shares of Rs. 10 each fully paid up	233.04
	<b>993.04</b>
<b>Total Trade Investment</b>	<b>1,753.01</b>
<b>II. Non - Trade Investments</b>	
<b>Investments in Equity Instruments (At cost)</b>	
<b>Equity Shares - (Quoted)</b>	
Andhra Bank - 237 equity shares of Rs.10/- each	0.21
	<b>0.21</b>
<b>Equity Shares - (Unquoted)</b>	
Catholic Syrian Bank - 100 equity shares of Rs.10/- each	0.24
	<b>0.24</b>
<b>Investments in bonds (At cost)</b>	
<b>Bonds - (Quoted)</b>	
<b>State Bank of India Bond</b>	1,047.12
10,000 Bonds at Face Value of Rs 10,000 each	
	<b>1,047.12</b>
<b>Grand Total</b>	<b>2,800.58</b>
Aggregate amount of unquoted investments	1,753.25
Aggregate amount of quoted investments	1,047.33
Market Value of quoted investments	1,084.70

Table No. 4.28

#### 14. Deferred tax assets (Net)

Particulars	March 31, 2015
Provision for doubtful debts	186.95
Others	382.51
<b>Total Deferred tax assets (net)</b>	<b>569.46</b>

Table No. 4.29

#### 15. Long-term loans and advances

Particulars	March 31, 2015
<b>Unsecured, considered good</b>	
Capital Advances	255.07
Security Deposits	824.49
Advances recoverable in cash or in kind or for value to be received	8.82
Loans to employees	247.36
Advance income tax	3,582.90
MAT credit entitlement	141.33
<b>Total Long-term loans and advances</b>	<b>5,059.97</b>

Table No. 4.30

#### 16. Other non-current assets

Particulars	March 31, 2015
Balance with Banks as Margin money or security against borrowings, guarantees or other commitments	1,708.61
Forward cover receivable, Net*	10.87
<b>Total Other non-current assets</b>	<b>1,719.48</b>

Table No. 4.31

\*As per the accounting policy specified in note 3(j), cumulative gain on remeasurement of hedging instruments as on March 31, 2015 has been segregated in to current and non-current as per Schedule III of the Companies Act, 2013. Consequent to this, the current portion gain of Rs.471.81 lakhs has been recorded as forward cover receivable under other current assets and non-current portion gain of Rs.10.87 lakhs has been recorded as forward cover receivables under other non-current assets.

#### 17. Current Investments

	Face Value Rs.	As at March 31, 2015	
		Units	Amount
<b>Non-Trade Investments</b>			
<b>Investments in Mutual Funds (Unquoted)</b>			
(At Cost or Market price whichever is Lower)			
<b>Dividend Schemes</b>			
ICICI Pru FMP Series 72 366D Plan M Reg-G	10.00	3,023,104	302.31
ICICI Pru FMP Series 73 391D Plan G Direct-G	10.00	5,000,000	500.00
Religare Invesco FMP Series 23 Plan E (382D) Direct-G	10.00	2,000,000	200.00
Birla SL Dynamic Bond Ret-DM	10.00	5,009,339	526.34
ICICI Pru Banking & PSU Debt Reg-DD	10.00	10,813,738	1,088.64
Birla SL Short Term-DM	10.00	8,047,962	940.90
HDFC Short Term Opportunities-DF	10.00	9,284,385	933.97
IDFC SSI ST Plan B-DM	10.00	6,243,633	639.54
IDFC SSI ST Reg-DM	10.00	4,490,312	457.77
Kotak Bond Short-term-DM	10.00	3,403,504	345.59
Reliance Short-term-DM	10.00	5,112,136	557.71
Reinvestment DWS Ultra Short Term-DD	10.00	9,443,578	946.05
Franklin India Ultra Short Bond Super Inst-DD	10.00	34,558,690	3,468.61
HDFC Floating Rate Income LT-DW	10.00	10,003,685	1,020.64
IDFC Ultra Short Term-DD	10.00	1,465,830	146.86
Kotak Flexi Debt Plan A-DD	10.00	16,673,558	1,675.28
Reliance Money Manager Direct -DD	1,000.00	32,800	328.70
Religare Invesco Ultra Short Term-DD	1,000.00	60,299	604.03
UTI Floating Rate ST Reg-DD	1,000.00	42,604	458.80
<b>Total Current Investments</b>			<b>15,141.74</b>
Aggregate amount of unquoted investments			15,141.74
Provision on diminution in value of investments			6.23

Table No. 4.32

#### 18. Trade receivables

Particulars	March 31, 2015
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	
- Unsecured considered good	2,902.69
- Doubtful	940.11
Less: Allowance for bad and doubtful debts	(940.11)
	<b>2,902.69</b>
Other debts	
- Unsecured considered good	13,804.85
<b>Total Trade receivables</b>	<b>16,707.54</b>

Table No. 4.33

#### 19. Cash and bank balances

Particulars	March 31, 2015
<b>Cash and cash equivalents</b>	
Cash on hand	11.26
Balances with banks	
- On current accounts	6,410.65
- On deposit accounts*	4,199.96
<b>Total Cash and bank balances</b>	<b>10,621.87</b>

Table No. 4.34

\*The balance on deposit accounts includes Rs.358.50 lakhs out of total of Rs.2,067.11 lakhs (Rs.1,708.61 lakhs grouped under Non-current assets) which has been pledged as a security by the company for availing non-fund based facilities.

#### 20. Short-term loans and advances

Particulars	March 31, 2015
<b>Unsecured, considered good</b>	
Loans and advances to related parties	3,186.21
(Also Refer Note – 22. Related parties transactions)	
Other loans and advances	
Advances recoverable in cash or in kind or for value to be received	1,098.90
Loans to employees	514.24
Salary advances	44.32
Input tax credit receivable	366.18
Security Deposits	5.00
<b>Total Short-term loans and advances</b>	<b>5,214.85</b>

Table No. 4.35

#### 21. Other current assets

Particulars	March 31, 2015
Revenues accrued and not billed	10,971.29
Other receivables	106.36
Forward cover receivable, Net*	471.81
<b>Total Other current assets</b>	<b>11,549.46</b>

Table No. 4.36

\* Refer Note 16

## 22. Related party transactions

### List of related parties:

#### Associates

1. NMS Works Software Private Limited, India ('NMS')
2. Adrenalin eSystems Limited, India ('Adrenalin eSystems')
3. Intellect Design Arena Limited, Thailand ('INTIN-Thailand')
4. Intellect Polaris Design LLC, USA, ('IPDLLC USA')

#### Others

(a) Enterprises that directly or indirectly through one or more intermediaries, over which Key Management Personnel is able to exercise significant influence, "Others"

1. Polaris Banyan Holding Private Ltd, India ('Polaris Banyan')
2. Polaris Consulting & Services Pte Ltd, Singapore ('PCSL Singapore')
3. Polaris Consulting & Services Inc, Canada ('PCSL Canada')
4. Polaris Consulting & Services Limited, United Kingdom ('PCSL UK')
5. Polaris Consulting & Services GmbH, Germany ('PCSL Germany')
6. Polaris Consulting & Services Pty Ltd, Australia ('PCSL Australia')
7. Polaris Consulting and Services Japan K.K, Japan ('PCSL Japan')
8. Polaris Consulting & Services Limited, India ('PCSL India')
9. Polaris Consulting & Services Ireland Ltd, Ireland, ('PCSL Ireland')
10. Polaris Consulting & Services B.V, Netherlands ('PCSL Netherlands')
11. Polaris Software (Shanghai) Company Limited, China ('PSL China')
12. Polaris Software Consulting & Services Sdn, Bhd, Malaysia ('PCSL Malaysia')
13. Polaris Consulting & Services KFT, Hungary ('PCSL Hungary')
14. Optimus Global Services Limited, India ('Optimus')

#### (b) Key Management Personnel

1. Mr. Arun Jain, Chairman and Managing Director
2. Mr. S Swaminathan, Chief Financial Officer
3. Mr. Naresh VV, Company Secretary
4. Mr. Anil Kumar Verma, Executive Director

## 22. Related party transactions (Continued)

Particulars	Associates	Others	Key Management Personnel
	01-Apr-14 to 31-Mar-15	01-Apr-14 to 31-Mar-15	01-Apr-14 to 31-Mar-15
<b>TRANSACTIONS DURING THE PERIOD</b>			
<b>Advances given</b>			
PCSL Germany	-	1.41	-
	-	<b>1.41</b>	-
<b>Software development service income</b>			
PCSL India	-	2,347.50	-
PCSL Australia	-	52.95	-
PSL China	-	161.11	-
PCSL Malaysia	-	71.37	-
PCSL Canada	-	2,067.94	-
PCSL UK	-	139.10	-
	-	<b>4,839.97</b>	-
<b>Software development expenses</b>			
PCSL India	-	3,417.41	-
PCSL Singapore	-	1,085.64	-
PCSL Canada	-	1,443.41	-
PCSL UK	-	239.69	-
	-	<b>6,186.15</b>	-
<b>Remuneration to Key Managerial Personnel*</b>			
Remuneration & other Benefits	-	-	158.00
			<b>158.00</b>

<b>Reimbursement of expenses to the Company</b>			
PCSL India	-	1,031.48	-
PCSL Australia	-	10.01	-
PSL China	-	24.50	-
PCSL Malaysia	-	57.12	-
PCSL Germany	-	13.13	-
Adrenalin eSystems	20.68	-	-
	<b>20.68</b>	<b>1,136.24</b>	-
<b>Reimbursement of expenses by the Company</b>			
PCSL India	-	2,958.84	-
PCSL Canada	-	23.76	-
Adrenalin eSystems	181.05	-	-
	<b>181.05</b>	<b>2,982.60</b>	-
<b>Rental Income</b>			
PCSL India	-	192.30	-
	-	<b>192.30</b>	-
<b>Rental Expenses</b>			
PCSL India	-	120.91	-
	-	<b>120.91</b>	-
<b>Dividend Paid</b>			
PCSL India	-	1,304.38	-
	-	<b>1,304.38</b>	-

Table No. 4.37

\* Remuneration indicated above includes full year salary.

Particulars	Associates	Others
	31-Mar-15	31-Mar-15
<b>BALANCE DUE FROM RELATED PARTIES</b>		
<b>Receivables &amp; Loans and Advances</b>		
Adrenalin eSystems	381.63	-
IPDLLC USA	-	1.23
PCSL Australia	-	62.02
PCSL Germany	-	1.34
PCSL Hungary	-	142.87
PCSL Ireland	-	1.32
PCSL Japan	-	0.52
PSL China	-	119.84
	<b>381.63</b>	<b>329.14</b>
<b>Payables &amp; Current Liabilities</b>		
PCSL Canada	-	880.43
PCSL India	-	2,135.78
PCSL Malaysia	-	50.22
PCSL Singapore	-	3,617.22
PCSL UK	-	1,331.52
	-	<b>8,015.17</b>
<b>Investments</b>		
Adrenalin eSystems	1,593.88	-
NMS	648.30	-
INTIN Thailand	28.46	-
IPDLLC USA	153.42	-
	<b>2,424.06</b>	-

Table No. 4.38

### 23. Capital commitments and contingent liabilities

- (i) The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2015 is Rs.647.77 lakhs.
- (ii) Claims against the Group, not acknowledged as debts include:
- Demand from Indian income tax authorities as at March 31, 2015 is Rs.890.09 lakhs.
  - Sales Tax demand from Commercial Tax Officer, Chennai is Rs.79.02 lakhs as at March 31, 2015. Against the said liability the Company has made a deposit of Rs.7.90 lakhs.
  - Service tax demand from Commissioner of Central excise, Chennai as at March 31, 2015 is Rs 28.42 lakhs

The Company is contesting the demands raised by the respective tax authorities and the management, based on internal assessment and per its tax advisers, 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.

### 24. Derivative instruments

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted revenue receivable 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 March 31, 2015 including forward cover taken for forecast revenue receivable transactions:

Particulars (USD & INR in Lakhs)	As at March 31, 2015
Number of contracts	40
USD Equivalent	400
INR Equivalent	27,314

Table No. 4.39

### Unhedged Foreign Currency Exposure

The year- end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	As at March 31, 2015	
		Amount in Foreign currency	INR Equivalent
Amounts receivable in foreign currency	USD	121.38	7,586.46
	EUR	8.89	597.45
	AUD	0.74	35.27
	SGD	1.06	48.43
	CAD	28.03	1,374.17
	VND	1,30,049.00	390.15
	MYR	4.13	69.72
	CNY	11.68	119.85
	JPY	1.00	0.52
	HKD	1.76	14.15
Bank Balances	USD	31.80	1,987.67
Amounts payable in foreign currency	USD	27.01	1,687.94
	GBP	0.07	6.29
	EUR	3.32	222.93
	CAD	29.74	1,458.29
	CNY	0.14	1.40
	AUD	1.91	90.97
	SGD	0.14	6.41
	JPY	1.50	0.78
	MYR	5.25	88.68

Table No. 4.40

### 25. Other Income

Particulars	March 31, 2015
<i>Interest Income</i>	
Interest received on deposits with banks	199.00
Interest on others	153.67
<i>Dividend Income</i>	
Dividends received on current investments - mutual funds	1,349.09
<i>Net gain/(Loss) from sale of investments</i>	
Profit on sale of current investments, net	279.61
Reversal Provision for diminution in value of investments	69.34
<i>Other non-operating Income</i>	
Miscellaneous Income, Net	450.68
Profit / (loss) on sale of Fixed assets, net	6.56
Net Gain on foreign currency transaction and translation (other than considered as finance cost)	244.86
<b>Total Other Income</b>	<b>2,752.81</b>

Table No. 4.41

### 26. Employee Benefit Expenses

Particulars	March 31, 2015
Salaries and incentives	
Salaries and bonus	44,780.92
Cost of technical sub-contractors	5,016.82
Contribution to	
Provident fund	934.34
Superannuation scheme	357.47
Other funds	83.38
Gratuity contribution scheme	469.51
Social security and other benefit plans for overseas employees	127.87
Staff welfare expenses	1,353.18
<b>Total Employee benefit Expenses</b>	<b>53,123.49</b>

Table No. 4.42

### 27. Other Expenses

Particulars	March 31, 2015
Cost of software packages, consumable and maintenance	1,312.75
Travelling expenses	5,078.71
Communication expenses	768.84
Professional and Legal charges	1,836.97
Power and fuel	718.93
Rent	1,421.37
Repairs - Plant and machinery	439.85
Repairs - Building	23.46
Repairs - Others	375.62
Business Promotion	1,436.66
Office maintenance	518.07
Provision for doubtful debts	677.38
Insurance	58.70
Printing and stationery	149.38
Rates and taxes excluding Taxes on Income	309.31
Donations	19.51
Payment to the auditors	
- statutory audit	20.00
- Interim audit	11.00
- for reimbursement of expenses	0.43
Directors' sitting fees	10.83
Bank charges & commission	45.48
Miscellaneous expenses	548.90
<b>Total Other Expenses</b>	<b>15,782.15</b>

Table No. 4.43



## 28. Finance Cost

Particulars	March 31, 2015
Interest expenses	80.78
<b>Total Finance Cost</b>	<b>80.78</b>

Table No. 4.43

## 29. Segment Reporting

The Company has only one reportable segment 'Software product licence and related services' in terms of Accounting Standard 17 'Segment Reporting' mandated by Section 133 of Companies Act, 2013 read with General Circular 8/2014 issued on April 4, 2014. Secondary segmental reporting is based on the geographical location of customers.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments.

### Secondary segment information

Customer relationships are driven based on the location of the respective client. The geographical segments comprise:

- India, Middle East & Africa
- Asia Pacific
- Europe
- Americas

March 31, 2015	India, Middle East & Africa	Asia Pacific	Europe	Americas	Eliminations	Total
<b>Revenue</b>	56,500.30	4,131.23	16,843.71	7,838.71	(24,439.00)	<b>60,874.95</b>
<b>Other segment information</b>						
Total assets	80,457.24	8,976.32	11,802.45	7,143.37	(12,314.98)	<b>96,064.40</b>
<b>Capital expenditure</b>						
Tangible fixed assets & intangible assets	1,339.87	5.15	39.86	8.08	-	<b>1,392.96</b>

Table No. 4.45

Revenues by geographic area are based on the geographic location of the customer.

## 30. 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 "Polaris Software Lab group gratuity trust" has been constituted to administer the gratuity fund.

The following table summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Particulars	March 31, 2015
<b>Obligations at the beginning of the year</b>	<b>1,118.49</b>
Obligations at the beginning of the year for the subsidiary acquired during the year	86.61
Current service cost	35.92
Interest cost	360.20
Actuarial (gain) / losses	(77.26)
Benefits paid	-
<b>Obligations at the year end</b>	<b>1,523.96</b>
<b>Change in plan assets</b>	
Plan assets at year beginning, at fair value	970.89
Expected Return on plan assets	21.48
Actuarial gain / (loss)	(8.26)
Contributions	35.47
Benefits paid	(77.26)

<b>Plan assets at year end, at fair value</b>	<b>942.32</b>
Fair Value of plan assets at the end of the year	942.32
Present value of defined benefit obligations at the end of the year	(1,523.96)
<b>Asset/(Liability) recognized in the balance sheet</b>	<b>(581.64)</b>
<b>Gratuity cost for the year</b>	
Current service cost	86.61
Interest cost	35.92
Expected return on plan assets	(21.48)
Actuarial (gain) / losses	368.47
<b>Net gratuity cost</b>	<b>469.51</b>
Experience adjustments on plan liabilities	360.21
Experience adjustments on plan assets	(17.98)
Actual return on plan assets	13.22
<b>Assumptions:</b>	
Discount rate	7.78%
Estimated return on plan assets	4.80%
Employee turnover	16.27%

Particulars	March 31, 2015
The present value of defined benefit obligation	(1,523.96)
Fair value of plan assets	942.32
Surplus/(deficit)	(581.64)
The experience adjustment on plan asset	(17.98)
The experience adjustment on plan liabilities	360.21

Table No. 4.46

The amount expected to be contributed to the gratuity fund in the next financial year is Rs.463.04 lakhs.

The funds are invested in the form of a prescribed insurance policy with ICICI Prudential and Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## 31. Exceptional Items

Particulars	March 31, 2015
Re-structuring Expenses	976.63
<b>Total Exceptional Items</b>	<b>976.63</b>

Table No. 4.47

The Company restructured the organization in terms of structure, people, processes and systems to orient around the customer with specific focus towards the services segments of its business. Due to the significance of the amount and its non-routine nature, the same has been disclosed separately as an exceptional item.

## 32. Leases

The Group has taken certain offices and other premises under operating leases, which expires at various dates in future years. The minimum lease rental payments to be made in respect of these non cancellable leases are as follows:

Particulars	March 31, 2015
Lease payments for the year	1,149.37
<b>Minimum Lease Payments :</b>	
Not later than one year	1,058.44
Later than one year and not later than five years	931.04
Later than five years	-
<b>Total</b>	<b>1,989.48</b>

Table No. 4.48

### 33. Scheme of Arrangement (Demerger) between the Company and Polaris Consulting & Services Limited

The Company ('Resulting Company') had entered into a Scheme of Arrangement with Polaris Consulting & Services Limited ('demerged company', 'Polaris Consulting'). The "Scheme of Arrangement" ('the Scheme') involved vesting of the Product Business Undertaking of the demerged company into Intellect Design Arena Limited. In consideration for the vesting of the Product business undertaking in the Company as per the terms of the Scheme, each member of the demerged company shall receive one equity share of Rs.5/- each in the Resulting Company for every one equity share of Rs.5/- each held in the demerged company.

The Scheme was approved by the Honorable High Court of Madras on September 15, 2014. The Company has filed the order approved by the High Court with the Registrar of Companies, Chennai (ROC) on September 24, 2014. The ROC had approved the said demerger on September 25, 2014. The Scheme has accordingly been given effect to in these financial statements with retrospective effect from April 1, 2014.

Further, the Scheme also provided that the shareholders could elect to receive one Non-Convertible Debentures of Rs.42 each in the Company for one equity share of Rs.5/- each being issued and allotted to the shareholders. The option to receive the Non-Convertible Debentures was to be offered within 12 days from the Second Record Date (which was determined by the management of the Company as January 19, 2015). None of the shareholders have opted for the conversion to Non-Convertible Debentures.

The following assets and liabilities have been divested into the Company from Polaris Consulting & Services Limited with effect from April 1, 2014 pursuant to the Scheme:

Particulars	April 1, 2014
<b>LIABILITIES</b>	
Minority Interest	0.49
<b>Non-Current Liabilities</b>	
Deferred tax liabilities (Net)	1,363.27
<b>Current Liabilities</b>	
Short-term borrowings	403.15
Trade payables	6,992.60
Other current liabilities	7,363.37
Short-term provisions	1,623.52
<b>Total liabilities (A)</b>	<b>17,746.40</b>
<b>ASSETS</b>	
<b>Non-Current Assets</b>	
Fixed assets	
- Tangible assets	13,890.39
- Intangible assets	320.89
- Capital work-in-progress	3,483.90
- Intangible assets under development	973.93
	<b>18,669.11</b>

Particulars	April 1, 2014
Goodwill on consolidation	7,530.02
Non-current investments	2,504.44
Deferred tax assets (net)	560.91
Long-term loans and advances	3,052.80
Other non-current assets	1,802.00
<b>Current Assets</b>	
Trade receivables	13,445.76
Cash and bank balances	28,702.36
Short-term loans and advances	3,506.41
Other current assets	9,143.63
<b>Total assets (B)</b>	<b>88,917.43</b>
<b>Net assets (B-A)</b>	<b>71,171.03</b>

Table No. 4.49

The Net Assets relating to the Product Business undertaking amounting to Rs 71,171.03 lakhs divested into the company as at April 1, 2014, pursuant to the scheme of arrangement has been adjusted as per the terms of the Scheme against the Reserves and Share Capital of the Company as under:

(i) Securities Premium Account	19,156.40
(ii) General Reserve	17,065.13
(iii) Foreign currency translation reserve account	3,850.44
(iv) Surplus from the Statement of profit & loss*	26,111.86
(v) Share Capital	4,987.20
<b>Total</b>	<b>71,171.03</b>

\* Amounts transferred to Surplus in the Statement of Profit and Loss (Refer Note 5), excludes payments made to erstwhile shareholders of a subsidiary (Rs.1304.38 lacs) on account of dividend declared before the regulatory approval of the demerger, out of the profits relating to the period prior to demerger.

### 34. Earnings per Share ("EPS")

#### Reconciliation of basic shares used in computing EPS:

Particulars	March 31, 2015
(i) Weighted average number of Equity shares outstanding during the year - For Basic and Diluted EPS	99,955,231
(ii) The net profit for the period attributable to Equity shareholders - For Basic and Diluted EPS	(8,299.33)
Basic & Diluted earnings per share (ii)/(i)	(8.30)

Table No. 4.50

### 35. Additional Disclosure requirement under Section 129 of the Companies Act, 2013

Name of the entity	Net Assets		Share in Profit or Loss	
	As a % of the Consolidated net assets	Amount (Rs.in Lakhs)	As a % of the consolidated profit or loss	Amount (Rs.in Lakhs)
<b>Parent</b>				
Intellect Design Arena Limited	75%	52,156.69	85%	(7,117.55)
<b>Subsidiaries</b>				
<b>Indian</b>				
Polaris Enterprise Solutions Limited	1%	368.41	1%	(115.06)
Laser Soft Infosystems Limited	4%	2,506.98	12%	(1,016.86)
SFL Properties Private Limited	1%	654.21	0%	(26.20)
Indigo TX Software Private Ltd	1%	363.85	0%	18.07
<b>Foreign</b>				
Intellect Design Arena Limited., United Kingdom	6%	4,431.60	-7%	554.10
Intellect Design Arena SA, Switzerland	4%	2,865.07	-8%	682.66
Intellect Design Arena Pte Ltd., Singapore	4%	2,588.45	3%	(229.69)
Polaris Software Lab Chile Limitada, Chile	0%	73.15	0%	11.93
Intellect Design Arena Inc., USA	0%	341.12	31%	(2,577.86)
Intellect Design Arena PT, Indonesia	0%	125.95	0%	(11.55)
Intellect Design Arena Co. Ltd, Vietnam	0%	(57.65)	0%	33.97
Intellect Design Arena Philippines, Inc.	0%	(2.86)	-1%	48.32
Intellect Design Arena FZ - LLC, Dubai	7%	4,768.41	-28%	2,335.18
Sonali Polaris FT Ltd, Bangladesh	-2%	(1,256.25)	12%	(1,001.87)
FT Grid Pte Ltd, Singapore	0%	(1.28)	0%	-

Table No. 4.51

### 36. Prior Year Comparatives

The Company has prepared the financial statements for the first time under Accounting Standard 21 as it had no subsidiaries or associates in the previous year. Hence the Company has not reported comparative information.

As per our report of even date

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration number: 101049W

For and on behalf of the Board of Directors of

**Intellect Design Arena Limited**

**per Bharath N S**

Partner

Membership No. 210934

Chennai

April 27, 2015

**Arun Jain**

Chairman & Managing Director

**Ashok Jhunjunwala**

Director

**S.Swaminathan**

Chief Financial Officer

**V.V.Naresh**

Vice President & Company Secretary

Chennai

April 27, 2015

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## **MANAGEMENT DISCUSSION & ANALYSIS**

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## SECTION A

### i. INTELLECT AS AN INDEPENDENT BUSINESS ENTITY

On 18th March, 2014, the Board of Polaris Consulting & Services Limited (then called Polaris Financial Technology Limited) approved a Scheme of Demerger through which its Product Business would get divested into our Company. The Scheme, after receiving regulatory clearances and shareholders' endorsement, was approved by the Madras High Court vide its Order dated 15th September 2014 with an effective date of 1st April 2014. The Company took necessary steps to give effect to the Order, including allotment of shares and formation of a Board of Directors, followed by listing in the National Stock Exchange and the Bombay Stock Exchange on 18th December 2014.

This transition phase was an extremely demanding one, during which we needed to effect movement of Associates (Employees), transfer Customer and Vendor contracts, transfer Assets & Liabilities, create separate set of Books of Accounts, get them audited and publish financial results. All these transfers have been executed while complying with stringent regulatory requirements.

We would like to thank the Leadership team and Associates who have invested substantial time and efforts to make this transition seamless to all stakeholders and to complete it in record time. A major transformation, such as the Demerger carries its own challenges and thus, quite naturally, required time and energy to plan and execute successfully. The pace of the transition, which included compliance and full-disclosure procedures as well as ensuring no negative impact to client deliverables, has to be appreciated. The Intellect leadership team and over 3500 associates have been energized with the demerger.

Stepping back a little, the Intellect business itself was incubated under the Polaris entity and thus, accrued various benefits including funding, deep domain expertise, initial client tractions as well as management insights and support. These have been critical towards product development and the product growth journey. The Management expresses its gratitude to the Board and the Organization for their conviction in the Intellect promise and in supporting Intellect's journey steadfastly.

We are now a \$100 million independent product company with the largest suite of products for the banking and insurance verticals.

### ii. OUR BENCHMARKS FOR SUCCESS

There are four benchmarks we had set for the product business. Let us look at how we have performed thus far against these measures.

1. **Visible proof points to establish that our products are globally competitive and thus can aspire for Leadership position.**  
It is heartening to note that almost 47% of our revenue comes from the most sophisticated markets in the world - Americas and Europe. 53% of our revenues come from growth markets.
2. **We must demonstrate delivery capabilities and build a solid referable installed base.**  
We have a creditable base of 200 live installations covering over 100 customers across Consumer Banking, Transaction Banking, Risk and Treasury Management and Insurance. References include, but are not restricted to, financial institutions such as Riksbank in Sweden, WalMart in Chile, HSBC, Barclays, Mashreq Bank in UAE, JPMC, Citi, Reserve Bank of India, St. James Place in the UK and Royal Bank of Scotland.
3. **We need to deliver high margins that reflect both product maturity and our engineering efficiencies.**  
Over the last four quarters we have been consistently delivering 50% plus gross margins on our revenue earnings.
4. **We need to increase brand visibility in the global market space.**

The Intellect suite of products has been cited in over 50 Analyst reports including those of Gartner, Forrester, Aite Group, Celent and others. Our implementations have been recognized and awarded by well known Global Analyst & Research firms.

Over the past year, we have received multiple awards. Intellect's "remarkable technology" was lauded as the common innovator in Central Banks across four countries, earning it the 'Technology Provider of the Year' Award by Central Banking.

Our implementation prowess was recognised at the 2015 Asian Banker Awards in which we won awards for three categories: Best Single Country Core Banking Implementation in the Middle East, Best Single Country Core Banking Implementation in Africa, and Best Multi-Channel Implementation in the Middle East.

Intellect also won two XCelent Awards for Advanced Technology and Breadth of Functionality. These awards have clearly placed us as a Partner for digital transformation of banks & financial institutions

Over the past year, 8012 FT Design Center was the venue for over 70 visits, workshops and signature events attended by prospects and clients.

Intellect has participated in several key industry events. A summary of our marketing & branding activities is given under the topic 'Strengthening Our Brand Equity' in this section.

Thus, the Management is enthused by the progress against the set benchmarks giving us a strong foundation for the next stage of our growth journey.

### iii. ALIGNING INVESTMENTS TO THE GROWTH STRATEGY

In our first year as an independent entity, we had to make focused investments and align our structure and staffing to the chosen strategy.

1. **Business Leadership Structures:** Intellect has been structured into four Lines of Business (LOB). These businesses are Intellect Global Consumer Banking (iGCB), Intellect Global Transaction banking (iGTB), Intellect Risk & Treasury (iRTM) and Insurance products (IntellectSEEC). Each LOB is staffed with a dedicated Leadership team headed by its respective CEO. Jaideep Billa heads iGCB and is based in Singapore. Manish Maakan heads iGTB and is based in London. iRTM is headed by Venkatesh Srinivasan who is based in Mumbai. Pranav Pasricha is the CEO for Insurance and is based in New Jersey. This structure has been a big step towards creating a customer-centric organisation.
2. **Sales & Marketing:** We made focused investments towards increasing sales and marketing bandwidth and have invested \$10 million incrementally towards this purpose. The businesses have been structured aligned to four main geographies - the Americas that is led by Alfred Carpetto, Europe is helmed by Mark Wilson, Asia Pacific region (APAC) is led by Reid Warren and the high potential growth markets of India, Middle East and Africa (IMEA) is led by K Srinivasan. The potential and promise of Intellect is visible in the calibre of its senior leadership who have joined the organization from client organizations and global competition.
3. **Digital:** The biggest wave global markets are facing is around Digital. Indeed, this is the "experience" economy and the past year has reinforced how pervasive 'digital' has become in the vocabulary of the customer. As Banks and Insurance companies embrace digital for competitive advantage, they focus on the same goal - to provide their customers the same experience at every touch point. However, their big challenge is that while making the bank agile, they must also run very lean operations. The Bank must have a holistic view of Risk. The Bank must comply with ever tightening regulatory and compliance norms. Banks have begun their journey of choosing the right digital strategies and road map to manage not just the experience layer, but also their operations, risk and compliance. Your

company approaches the Digital paradigm through a holistic Digital 360 framework that integrates Digital Outside (Customer Experience) and Digital Inside (Operations Excellence).

While Intellect's Canvas Technology drives Digital Out strategies that enable consistent superior experience and engagement with the bank's customers, its Hub Technology enables lean operations and holistic risk management. With the powerful combination of these proprietary digital technologies, your company is being sought out for Digitalisation initiatives in Banking & Insurance. With a Digital 360 approach, our clients can be assured of driving holistic digital outcomes, rather than piecemeal digital initiatives.

4. **Cloud Infrastructure:** In order to enable chosen products on the cloud, our company has made investments in gearing up with the right infrastructure. We have started seeing demand and traction for a few chosen products on a cloud infrastructure. Our Company has already notched successful implementations on the cloud for Core Banking and Wealth in growth markets.

The management has been taking prudent decisions on investments along with stipulated milestones / gates that would facilitate the next round of investments.

We are gearing to double the revenue in three to four years. With these investments as well as opportunities across the four Lines of Businesses, we are confident of achieving this goal.

#### iv. A FEW CHALLENGES

We are seeing very good opportunities for our products in both advanced and growth markets. The business is also learning to navigate the following challenges.

1. Taking the right product to the right market. This includes making strategic choices to not only conserve energies, but also to make sure that as a product company we make conscious choices and fully invest in the chosen markets.
2. With deep domain expertise and strong momentum, we take on not just a complex market landscape, but also a few established behemoths. Branding becomes a vital function in ensuring the visibility and reach of our product suite. Marketing and Branding investments are crucial to ensure power play at major industry events and to deploy and leverage the right channels in the right markets. The company is working on a holistic approach for adequate market coverage, product leadership as well as gaining the mind share of key accounts and influencers, including Global Analysts & Media. This brand air cover is essential to establish Intellect as a robust and reliable partner of choice towards digital transformation in banks, financial institutions and insurance.
3. The nature of decision making in choosing a banking or insurance product is complex; the sales cycle is often prolonged running from 18–24 months or even more at times. The company is working on addressing the challenge of moving towards a predictable revenue margin model in an inherently lumpy business.

#### v. DESIGN FOR DIGITAL

This is the 'Experience' Economy. There is no doubt that Digitalisation is the next big wave for Banks, Financial Institutions and Technology companies alike. On one side there is tremendous pressure to drive same experience at all touch points (Digital Outside). On the other side, there is equal pressure from the compliance and cost angles, leading to extraordinary focus on holistic Risk Management and leaner operations. To deal with this mammoth mission, Banks are taking a deep look at their transformation approaches and their transformation partners.

The genesis of Intellect's approach to Digital transformation comes from three dimensions.

1. **Complexity Reduction:** Banking that we observe today has serious complexity arising from globalisation, multiple products, rampant

innovation, multiple generations of technologies and conflicts in priorities between Business, Technology and Operations. As a Technology partner for transformational initiatives, Intellect is sharply focused around complexity reduction, in order to meet the twin goals of a financial institution - agile, yet lean! To unravel this nature of complexity, the company has chosen Design as a paradigm, moving away from mere functionality. The products are designed on sound architectural principles besides a unique customer-in-the-center approach!

2. **Design Thinking:** From 2012, the company has been a Practitioner and Evangelist for deploying Design Thinking as the fulcrum to connect Business, Technology and Operations and to bring about serious performance and cost benefits. The company has been working on institutionalising the Design Paradigm - both in thinking and execution. Over 2000 employees have actively engaged in Design Workshops, anchored and led by Chairman and Managing Director, Arun Jain. The company has set up indigenous Design Centres in Chennai in 2013 and in Mumbai in 2014. Each centre spreads 30,000 square feet and contains a treasure trove of intellectual property, besides housing resident designers and engineers specialising in Customer Experience, Operations, Performance, Analytics, Risk, Integration and Security. The Design paradigms in the above mentioned areas are deployed across Business, Technology and Operations in a Banking scenario. The Chief Design Officer and his team play a pivotal role in evangelising design across the company. We are enthused with the participation of diverse stakeholders, who are beginning to leverage the design center for aligning, ideating and executing complex programs in record time. Over the past year the centre hosted over 70 clients and other key stakeholders such as Investors, Analysts, Media and Influencers. Design workshops with clients and prospects are gaining traction and the company is working towards running design workshops for critical stages in product implementation from the above mentioned design centres. Intellect is poised to launch a Design Centre in the US next year.
3. **Digital 360:** Industry Analysts are quoting a whopping figure of over \$50 billion spend on Digital transformation by the Banks this year alone. And this is just the beginning! Gartner has forecast that by 2015, 25% of businesses will employ a Chief Digital Officer. It has gone on to predict that 20% of CIOs have already begun to take the role of a Chief Digital Officer. Thus, the digital wave would be the largest disruptor in the financial spectrum.

We spotted the green shoots of this trend five years ago and started investing diligently to build two radical technologies. Canvas Technology, a transformative distribution technology for channel solution design, development and deployment, is an 'ahead-of-trends' product that enables the financial institutions to offer a unique omnichannel platform for end customers as well as internal users, thereby creating an integrated and continuous experience at all touch points. Banks are beginning to refer to this as 'Digital Outside'.

Drawing inspiration from the Airline hub, our Hub Technology addresses the needs of a dynamic business environment facilitating seamless interactions among the various stakeholders along with end-to-end process orchestration and centralised risk management. This is grabbing the attention in Banking circles as an enabler for their agile operations, also known as 'Digital Inside' strategy.

Both Canvas Technology and Hub Technology are serious external validations of not just the strength of our R&D capabilities, but also of our ability to spot futuristic trends well ahead of time. Intellect brings the Power of Digital 360 with a potent combination of Digital Outside and Digital Inside.

Thus, Intellect is well prepared to leverage opportunities emanating in the Digital transformation programs in banks, financial institutions and insurance majors.

## vi. STRENGTHENING OUR BRAND EQUITY

During a time of significant change, the primary thrust of our brand efforts has been towards ensuring that the Intellect brand is on 'top of the mind' recall in our chosen markets.

Leveraging our rich and comprehensive portfolio, we have established distinct identities through sub-brands for each of our four lines of business while anchoring them firmly to the Intellect brand. To this end, we deployed varied brand levers, including power play at industry events, key engagements with media including print ads in industry magazines, and signature events such as Convergence and Advisory programmes.

Over the past year, the company has witnessed significant participation in industry events such as Sibos and BAI that bring market visibility to our products. At signature Convergence events across geographies, Intellect hosts regional movers who help bring a deeper understanding of the unique requirements of the region. Also, such events help showcase our expertise through innovative products to the right market segments.

To help create better visibility in the market, the businesses are creating forums such as Advisory Boards and niche user groups. These groups are active in dominant regions and will further expand into new geographies. Besides, our ongoing relationship with analysts has solidified our identity among Gartner, Forester, Aite and others, as the "most comprehensive suite of products for the banking and financial services".

In the coming years, Intellect will build on and strengthen the existing brand equity as well as invest in brand proliferation - not just in chosen markets, but also in chosen accounts, through 'Account-based Marketing'. This channel is based not only on established familiarity with the client, but also on deep dives into newer unexplored areas where Intellect could add significant value.

Keeping pace with significant advancements in the virtual world, the Intellect brand will also be strengthened across our exclusive websites and social media channels with a combination of powerful SEO and SEM strategies.

## vii. NURTURING LEADERSHIP AND TALENT

The top two people issues organizations are facing today are 'leadership' and 'retention' according to the 'Human Capital Trends 2014' report by Forbes. In this context, Intellect's unique work culture is one of its greatest assets. On the one side, we have been able to attract top talent from around the globe. On the other, Intellect's time-honed people practices and training methodologies ensure that our associates have not just careers, but exciting and beneficial opportunities. For Intellect, these factors establish a profitable synergy between Business, Technology and Operations.

The talent we are able to attract is an important indicator of the success of a new organisation. CEB data reveal that firms with stronger leaders enjoy twice the revenue and twice the profit growth. We have built a strong sales leadership pipeline that includes senior leadership from our global competition and global banks.

Building world-class products in Digital technology needs specialists at every level of the enterprise. Intellect boasts a robust training infrastructure with extensive internal resources as well as structured access to a range of Massive Open Online Courses. However, access to training is by itself insufficient, considering that in the industry less than half the investment on training pays off (CEB report on productive learning). The reason is the lack of a learning culture. Intellect has an enterprise-wide learning culture, enhanced by Design Thinking, evangelized by the Chairman himself. This is enforced through training and certification programmes on Design Thinking and initiatives such as the annual awards for 'Design for Change', recognizing Design as a culture.

Intellect also believes in the concept of the evolving workplace or Workplace Next, which includes creating highly collaborative and agile teams, and moulding the physical work environment itself to improve productivity. The Edison and Deming floors at the Nxt Lvl campus in Chennai are a pioneering initiative in this direction.

A recent MIT Sloan report shows that 57% of workers now consider 'social business sophistication' to be an important factor when choosing an employer. Rather than resist the social media wave, Intellect leverages appropriate aspects of the phenomenon. For instance, part of Intellect's talent acquisition process is itself socially driven. And in the work environment, much of the cutting edge activity happens over its enterprise social network, which includes revolutionary features such as document sharing capabilities, collaborating socially, social learning, and external product integration, to name a few.

## viii. RIDING THE DIGITAL WAVE

Intellect is emerging as a Partner of Choice for Digital Transformation in banks and insurance companies on the strength of our Truly Digital Technologies. Customers are benefitting from Digital 360, our integrated approach, supported by our domain expertise, design expertise and reliable delivery. The Company has carefully invested in four lines of business such as Consumer Banking, Transaction Banking, Risk & Treasury Management and Insurance.

With the dedicated leadership team, the \$100 million Intellect Design Arena has the maturity of an established specialist in designing advanced technology products for global financial institutions.

We are trying to carefully balance the dynamics between our investments in digital, market opportunities and long sales cycles. Our investments in the digital space have been validated through results by way of active pursuits.

We are doing all the right things in preparing us for riding the 'digital wave' and are confident of meeting our growth expectations as we move forward.

# SECTION B

## Financial Position

### Highlights

- FY15 revenue stood at Rs. 609 Cr resulting in a growth of 14% over last year  
(Compared with erstwhile product business under Polaris)
- Intellect's digital products find ready acceptance in advanced markets, reflected in 47% of the Company's revenue generated from US and Europe
- Gross Margin is sustained at around 50%
- Investments during 2014-15:
  - \$10 Mn incremental for Sales & Marketing
  - \$5.6 Mn additional investments in R&D to drive Digital edge to products
- EBITDA stood at Rs. 38 Cr
- Based on the NSE prices, market capitalization was Rs. 1,074 Cr as on 31st Mar '15
- Winning 56 new deals during the year established the credentials of our products in the market place: iGCB – 21, iGTB – 22, iRTM – 9, iSEEC – 4



## Sources of Funds

### 1. Share Capital

As at 31st Mar '15, we have an Authorized share capital of Rs.55 Cr comprising of 11 Crore Equity shares of Rs.5/- each.

The issued, subscribed & paid-up capital stands at Rs.50.10 Cr (100,198,474 equity shares of Rs 5 each).

Associates were allotted 349,450 equity shares under Associate Stock Option Plans during 2014-15. (The details of the options granted, outstanding and vested are provided in the notes to the consolidated financial statements in this Annual Report.)

### 2. Reserves and Surplus

The balance in Reserves & Surplus stood at Rs.569.10 Cr as at 31st Mar'15, comprising of General Reserve at Rs.170.60 Cr, Foreign currency translation reserve at Rs.36.22 Cr, Securities Premium account at Rs. 193.07 Cr, Hedge reserve account at Rs.4.82 Cr and retained earnings at Rs.164.39 Cr

#### 2.1 Shareholder funds

The total shareholders' funds stood at Rs.619.20 cr including Reserves & Surplus amounting to Rs. 569.10 Cr

### 3. Deferred Tax Assets / Liability

As on March 31, 2015, the company recorded net Deferred Tax Liability aggregating Rs. 5.13 Cr. Deferred tax assets/ liabilities represent timing differences between the financial and tax books arising out of depreciation on assets, carry forward losses and provisions for sundry debtors.

### Application of Funds

#### 4. Fixed assets

Most of the infrastructure facilities are owned by us in the form of Engineering and Design centers.

During the year, we have incurred a capital expenditure of Rs.13.93 cr.

Additions of Rs.13.93 Cr to our gross block of Fixed Assets comprise the following:

- Rs. 0.89 Cr for land & buildings
- Rs. 8.82 Cr for plant, machinery, Office equipments, furniture & electrical fittings
- Rs. 0.63 Cr for intangible assets
- Rs. 3.59 Cr for vehicles

#### 5. Goodwill on Consolidation

Goodwill as at 31st March, 2015 stood at Rs. 76.34 Cr.

The above represent goodwill recorded in our books consequent to the acquisition of SEEC, Laser soft, Indigo Tx & SFL Properties by then Polaris Financial Technologies Ltd, prior to de-merger and now vested into our Company.

#### 6. Sundry Debtors

As on 31st Mar'15, the company has Billed Receivables of Rs. 167.07 Cr representing 88 days of sales outstanding against the revenue.

Sundry debtors amount to Rs. 167.07 Cr is net of provision for doubtful debts amounting to Rs. 9.40 Cr as at 31st Mar'15.

#### 7. Cash & Cash Equivalents

Company has Cash & Cash Equivalents for Rs. 285.19 Cr as at 31st Mar'15. (Net cash estimated around Rs.220 Cr after giving effect to demerger impact and settlements)

Cash and Cash equivalents include the Bank balances, Fixed Deposits & Bonds both rupee accounts and foreign currency accounts and mutual fund investments.

Through our effective treasury management of investible cash available, the Company has also earned a treasury income of Rs. 13.49 Cr

### 8. Loans & Advances

As on Mar'15, Loans and advances were Rs. 102.74 Cr which majorly consists of

- Advance Tax (Net of provisions) and MAT Credit entitlements of Rs.37.24 Cr
- Loans & Advances of Rs.31.86 Cr
- Advances & Loans to Employees of Rs.21.69 Cr
- Secured Deposits of Rs.8.29 Cr

### 9. Current Liabilities

Current liabilities stood at Rs. 313.34 Cr in FY15. The details of the same are here under.

- Short term Borrowings Rs.7.71 Cr.
- Trade Payables Rs. 136.35 Cr
- Other Current Liabilities Rs. 169.27 Cr.

### 10. Provisions

Provision at the year-end stood at Rs. 17.25 Cr mainly consists of provision for Gratuity Rs.5.82 Cr, provision for other employee benefit obligations Rs.1.70 Cr and Leave encashment Rs. 7.25 Cr.

### 11. Net Current Assets

As at March 31, 2015, the net current assets were Rs.262.94 Cr including unbilled revenue of Rs.109.71 Cr.

### 12. Cash Flow Analysis

Cash flows are reported by adjusting net profit before tax for effect of non-cash transactions, changes in working capital, income taxes paid, cash transactions of capital nature and cash transactions relating to investing and financing activities. Cash flows from operating, investing and financing activities of the Company are identified and reported separately.

#### Cash Flow from operating activities

Net Cash of Rs. 17.55 Cr was used by the company on operating activities in FY15. Net cash provided by operating activities was after utilization of cash for tax and working capital requirements, driven by business needs in the current year.

#### Cash Flow from investing activities

In FY15, the company generated Rs.85.16 Cr on investing activities. The significant items of cash flow from investing activities were disposal of the investment in non trade securities, interest & dividend received, net off the cash used on purchase of fixed assets.

#### Cash Flow from financing activities

In FY15, the Company used Rs.8.49 Cr in financing activities. The substantial items of cash used from financing activities are for the payment of the dividend and tax on dividend during the current year.

Cash equivalents of Rs.285.19 Cr are reported as of 31st Mar '15 after considering the cash flow from operating activities, financing activities and investing activities and the short term investment balances.

## SECTION C

### Results of operations

#### 1. Revenue

With 82.22% revenue from export business and 17.78% revenue from domestic market, the total revenue for the year ended March 31, 2015 stands at Rs. 609 Cr.

#### 2. Other income

The Company's other income amounts to Rs. 27.53 Cr which comprises mainly of

- Rs. 3.53 Cr from interest on bank deposits and others
- Rs. 13.49 Cr from dividend received on mutual funds
- Rs. 4.51 Cr through miscellaneous income
- Rs. 3.49 Cr from profit on sale of Investments

#### 3. Expenditure

##### 3.1 Employee benefit expenses

During the year our employee expenses were Rs. 531.23 Cr at 83.49% of total revenue

Employee expenses primarily consist of:

- Salaries & Bonus
- Contribution to Provident Fund, Superannuation and other funds, Group Gratuity scheme.
- Social security and other benefit plans for overseas employees.
- Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP)
- Staff welfare expenses

##### 3.2 Other Expenses

Other expenses include Operating, General & Other Administrative expenses. General and administrative expense primarily consists of rent, power & fuel, repairs & maintenance, travelling & communication expenses, rates & taxes, professional & legal charges, communication expenses, travel, power & fuel and repairs and maintenance costs.

#### 4. Depreciation & Amortization

Depreciation on fixed assets is provided using the straight-line method based on rates specified in Schedule II of the Companies Act, 2013, or on estimated useful lives of assets, whichever is higher.

We have provided Rs. 19.01 Cr for March 31, 2015 as depreciation for the year representing 2.99% of total revenues.

#### 5. Research and Development

Research and Development expenditures came in at 20.05% of Revenue in FY 2014-15

We have our own R&D centre in Siruseri, approved by DSIR and in Goregaon, Mumbai which is being approved by DSIR.

The Company is incurring expenses on various Research and Development activities consisting primarily of salaries and related expenses for our research and development staff, outsourcing cost and allocated overhead. We continue to focus our research and development efforts on adding new features & technology, developing new delivery methodology and frameworks that would lead to delivery efficiencies, increasing product functionality and enhancing the ease of use of our products & technology.

#### 6. Income Taxes

Income tax for the year amounts to Rs 1.76 Cr. We have provided for tax liability for our overseas entities though we reported loss on a consolidated basis.

#### 7. Profit after tax

This being the first year of our journey, the Net Profit/(Loss) after tax for the year 2014-15 stood at Rs. (82.99) Cr.

#### 8. Capital Markets

The Company got listed in NSE and BSE on 18th Dec 2014 .

The Capital Market Information relating to the company's shares such as stock exchanges in which they are listed/traded, trading volume, stock price movements etc., has been provided in the Report on Corporate Governance (under the heading "General Shareholder Information") which forms part of the Annual Report 2014- 15

#### 9. Subsidiary Companies

For subsidiary details refer the Report on Subsidiaries Pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014, mentioned elsewhere in the report.

## SECTION D

### Strengths

The Demerger of the products division from Polaris has resulted in the birth of the new company Intellect Design Arena Limited. As a corporate entity, it may be a new company, but it comes with a rich industry experience of over 28 years in the Banking, Financial Services and Insurance segment. This valuable experience has given us a lot of strengths, a few of which are given below:

- a) Intellect is among the very few companies, which has a full spectrum of technology products for banking, financial services & insurance. Most others in this space are niche players with a narrow product range. This width allows us to bring design thinking as we can span across different functionalities. This also allows us to manage the cyclicity of the sub segments in BFSI much better since we are not dependent on any single sub-segment. These are big differentiators for us.
- b) A deep understanding of the BFSI vertical that has huge complexity embedded in technology. Thus, we can connect the dots between Business (Products), Operations (Process) and technology.
- c) Near Zero debt and available reserves to fuel growth ambitions
- d) Digital Transformation is the next big wave in banking technology. Our products are designed to enable this Digital transformation in a progressive manner because the architectural design of the Intellect suite of products has digital transformation capabilities built in it.
- e) Intellect uses the India Engineering Centers in a big way. This ensures availability of the best technologists in a steady manner besides affording us a competitive advantage in costs.
- f) Continuous investment in R&D to keep our product offerings updated, relevant and competitive in the market place
- g) A dedicated Design Center, FT 8012, the world's first design center focused on Financial Technology, reflecting the company's commitment to continuous and impactful innovation.
- h) Intellect has been cited in over 50 Analyst reports every year, reflecting rich functionality and global market acceptance of the product suit

- i) Proven track record of implementing global roll outs of Products in both developed markets and Growth markets. Several of these are Marquee customer accounts that serve as a role model for other banks to emulate and bring in the global best practices.
- j) Significant investment in Sales and Marketing to have take the competition and create that push for our products

### Competition

As mentioned above, Intellect suite is a full spectrum banking technology product for banking, financial services & insurance. Intellect's spread spans across Global Transaction Banking (GTB), Global Consumer Banking (GCB), Risk and Treasury (RTM) and Insurance.

As a broad level, Intellect products compete with global players such as Temenos, Oracle Financial Services, Mysis, SAP, FIS, Fundtech, ACI Worldwide and Indian competitors such as Infosys, TCS and Nucleus along with few regionally available solutions providers in different geographies. The competition is spread across various sub-segments of the BFSI segment based on the offerings. A segment wise analysis is given below:

1. GTB (Global Transaction Banking) - iGTB is a complete transaction banking platform. The integrated and vertical solution enables bank to support the corporate customer's needs and complexity. With banks being focused to improve the transaction banking space increased spends in this area also have increased the competition.  
Competitors for iGTB are Fundtech and ACI worldwide.
2. GCB (Global Consumer Banking) - iGCB spans across the entire consumer banking spectrum from Retail Banking, Private Banking to Capital Markets and Asset Management.  
The iGTB is powered by Digital technologies. The Omni channel banking feature enables the consumer experience at all the touch points (Digital Outside), it can also drive the lean operations strategy at the bank (Digital Inside).  
Competitors for iGCB are Temenos (T24), Infosys (Finacle), Oracle Financial (Flex cube)
3. RTM (Risk and Treasury Management) - iRTM is a complete front to back, cross assets solution with embedded straight through processing (STP). A boon for the trader to make best judgment of the trades with in –build risk-monitoring capability.  
The iRTM space has
  - Intellect Treasury for running large treasury operations,
  - Basel III with Zf Risk Visualization for proactive risk management,
  - Intellect Custody delivering web based, custody,
  - Intellect Brokerage enables investment services in multiples markets and exchanges ,
  - Intellect MFX for Mutual funds purchase and redemption
 Competitors for iRTM are Mysis, SunGard and Murex.
1. INSURANCE- Intellect SEEC provides differentiated solutions in Claims, Life Claims, Distribution, Underwriting Work Station, Business Apps and Components. Our geographical for this product is the developed markets like US and UK.  
Competitors for Intellect SEEC are Guidewire and Fineos.

### Threat

The global financial industry continues to pass through uncertain times. The tighter regulation to combat this uncertainty has led to a number of laws in different our markets. It may pose the entry barrier of localization in some of our products to incorporate these local regulations. New projects continue to face budget constraints for IT investments as the focus is still on regulatory compliance.

The operations and execution teams continuously watch for such developments and constraints to business strategy and plans. Strategy and

operational plans are continuously recalibrated to minimize the impact of such threats to business objectives and goals.

The other threat is from disruptive technologies from start ups. Though our technology is quite contemporary and we continuously keep upgrading our technology, this is a threat that every technology company, especially in the products space, has to monitor and take mitigating action on a continuous basis.

### Risks & Concern

Risks are evaluated under the following six categories:

- a) Market risk
  - i) Global Economic Scenario
  - ii) Business Model Change
- b) Exchange risk
- c) Compliance risk
- d) Intellectual Property Risk
- e) Liability Risk
- g) Tax regime changes

Risk	Impact	Mitigation
Market Risk	<ul style="list-style-type: none"> <li>Global Economic Scenario -Technology investment are linked to country GDP and depressed economic outlook in our key operational markets can effects the growth</li> </ul>	<ul style="list-style-type: none"> <li>Intellect has four lines of business to de-risk its product portfolio</li> <li>The intellect products cater to different markets from highly developed to developing markets thereby de risking the geographical dependence too</li> </ul>
	<ul style="list-style-type: none"> <li>Business Model Changes- Disruptive technologies such as Cloud, big data, social and smart devices can change way business is done</li> </ul>	<ul style="list-style-type: none"> <li>Focused investment in R&amp;D will make the products relevant and competitive in market place</li> <li>Creating products with Digital technologies</li> </ul>
Exchange Risk	<ul style="list-style-type: none"> <li>Fluctuation is exchange risk</li> </ul>	<ul style="list-style-type: none"> <li>Quotations in local currencies have been highly controlled.</li> <li>We have hedged a portion of our Forex earnings.</li> </ul>
Compliance Risk	<ul style="list-style-type: none"> <li>IT Security requirements of our customers</li> <li>Government regulations</li> </ul>	<ul style="list-style-type: none"> <li>We have strengthened our ISAG team which can pass the audit of the most stringent customers.</li> <li>We have strengthened our legal and Compliance team so that any unintended lapse is avoided.</li> <li>Statutory Compliance of international Subsidiaries is strongly monitored by internal tool and reported in timely manner</li> </ul>

Intellectual property Protection Risk	<ul style="list-style-type: none"> <li>Difficulties in protecting our IP in some countries that are pivotal for generating revenues</li> </ul>	<ul style="list-style-type: none"> <li>Registration of the IP in countries that have safe IP protection laws</li> </ul>
Liability Risk	<ul style="list-style-type: none"> <li>Implementation failures can trigger huge liability as compensation is based on the terms of the contract</li> </ul>	<ul style="list-style-type: none"> <li>Invested in Quality management tool, process so that delivery is monitored rigorously</li> <li>Adequate insurance cover to manage any contingency</li> </ul>
Tax regime changes	<ul style="list-style-type: none"> <li>Tax rates, TP policies, and concessions for this new emerging area may see changes, having impact on profitability</li> </ul>	<ul style="list-style-type: none"> <li>Represent to the government through industry and trade body for a stable IP tax regime. Investing in R&amp;D that is the essence of IP creation and claiming tax benefits</li> </ul>
Larger cash cycle	<ul style="list-style-type: none"> <li>Larger working capital requirement</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring the DSO tightly and plan for a realistic working capital well in advance</li> </ul>
Long gestation period- from IP creation to Revenue	<ul style="list-style-type: none"> <li>IP lead business has a larger cash cycle hence it requires investments</li> </ul>	<ul style="list-style-type: none"> <li>Plan and monitor CAPEX budget for IP creation meticulously</li> </ul>

Table No. 5.1

#### Internal Financial Control and their Adequacy

The Company has disclosure controls and procedures in place that are designed to provide reasonable assurance that material information relating to Intellect is disclosed on a timely basis. Management has reviewed the Company's disclosure controls and concluded that they were effective during the reporting period.

The Managing Director and the Chief Financial Officer (CFO) have evaluated the effectiveness of the Company's disclosure controls and procedures related to the preparation of Management's Discussion and Analysis and the consolidated financial statements. They have concluded that the Company's disclosure controls and procedures were effective, at

a reasonable assurance level, to ensure that material information relating to the Company and its consolidated subsidiaries would be made known to them by others within those entities, particularly during the period in which the management's discussion and analysis and the consolidated financial statements contained in this report were being prepared.

The Company's management, with the participation of its MD and CFO, are also responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian GAAP. Under the supervision of the MD and CFO, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Indian GAAP.

There have been no changes in the Company's disclosure controls or internal controls over financial reporting during FY2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company's MD and CFO expect to certify Intellect's annual filings with the Indian securities regulatory authorities.

The company has a robust financial control in place through a combination of internal control and processes. The controls ensure that transactions are recorded in timely manner, they are complete in all aspects, effectively utilizes the resources of the company and safeguarding the assets.

The Company has appointed a well reputed firm as the Internal Auditor. The internal Audit scope includes review of the procedure and policies in place as designed by the management across all functional areas, and assessing the internal control strength in all areas.

Also the Internal Auditor findings are discussed with the process owners and corrective action is taken as necessary.

## Notice

**NOTICE IS HEREBY GIVEN THAT THE FOURTH ANNUAL GENERAL MEETING OF MEMBERS OF THE COMPANY WILL BE HELD ON TUESDAY, 28th JULY 2015 AT 03:00 PM AT "RANI SEETHAI HALL", NO. 603, FIRST FLOOR, ANNA SALAI, THOUSAND LIGHTS, CHENNAI-600 006, TAMIL NADU, INDIA TO TRANSACT THE FOLLOWING BUSINESSES:**

### Ordinary Business

#### Item No.1. – Adoption of Financial Statements

To receive, consider and adopt :

- (i) the audited financial statements of the Company for the financial year ended 31st March, 2015 and the reports of the Board of Directors and Auditors thereon.
- (ii) the audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2015.

#### Item No.2 – Ratification of Appointment of Auditors

To ratify the appointment of Auditors of the Company, who were appointed at the Third Annual General Meeting to hold office for a period of five years till the conclusion of the Annual General Meeting of the company to be held in the calendar year 2019 and to authorize the Board of Directors to fix their remuneration and to pass the following resolution thereof as an **Ordinary Resolution**.

**"RESOLVED THAT**, pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act 2013, the appointment of M/s.S.R.Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W), who were appointed as Auditors of the company at the third Annual General Meeting to hold office till the conclusion of the Annual General Meeting of the company to be held in the calendar year 2019, be and is hereby ratified, and that they shall be paid a remuneration as fixed by the Board of Directors of the Company".

### Special Business

#### Item No. 3 – Appointment of Executive Director

To appoint Mr.Anil Kumar Verma (DIN:01957168) as an Executive Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Mr.Anil Kumar Verma (DIN:01957168), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30th September 2014 and as Executive Director of the Company with effect from 1st February 2015 and who holds office until the date of the ensuing AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from the director himself under Section 160 of the Companies Act, 2013 signifying his intention to propose himself as a candidate for the office of a director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

**"RESOLVED FURTHER THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the Company be and is hereby accorded for the appointment of Mr.Anil Kumar Verma (DIN:01957168) as Executive Director of the Company, for a period of 3 (three) years with effect from 1st February 2015 with the remuneration as detailed in Item No.3 of the Explanatory Statement with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or

remuneration as it may deem fit and as may be acceptable to Mr.Anil Kumar Verma, subject to the same not exceeding the limits specified under Section 197 read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**"RESOLVED FURTHER THAT**, notwithstanding anything herein above stated, where, in any financial year during the tenure of his appointment as Executive Director of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr.Anil Kumar Verma, the above remuneration by way of Base Salary, Variable Pay, and other allowances not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration and if it is not able to comply with such provisions, with the previous approval of the Central Government".

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013".

#### Item No.4 – Enhancement of investments of the Company in the Share Capital of Intellect Polaris Design LLC, USA.

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

**"RESOLVED THAT** the approval of the Company be and is hereby accorded for investment upto US\$ 2.25 Million at face value, representing additional 45% stake be made in the Share Capital of Intellect Polaris Design LLC, USA by acquiring the shares from Polaris Consulting & Services Limited, India".

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all acts, deeds and things to give effect to this resolution".

By Order of the Board  
For Intellect Design Arena Limited

**V.V.Naresh**  
Vice President - Company Secretary & Compliance Officer

Place: Chennai  
Date: May 21, 2015

## Notes

1. The Statement pursuant to Section 102(1) of the Companies Act 2013 with respect to the special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS A PROXY TO ATTEND AND VOTE ON HIS BEHALF IN THE MEETING AND SUCH PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS OF THE COMPANY NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARES. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. The instrument appointing the Proxy, duly completed must be deposited at the Company's Registered Office not less than 48 hours before the commencement of the meeting. A Proxy form for the Annual General Meeting is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members/Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
8. The certificate from the Auditors of the Company certifying that the Company's Associate Stock Option Plan(s) are being implemented in accordance with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and SEBI (Employee Share Benefits) Rules, 2014 as applicable and in accordance with the resolution of the Members in the General Meeting is available for inspection by the Members at the Annual General Meeting.
9. The Register of Members and Share Transfer Books of the Company will remain closed from **17th July, 2015 to 28th July, 2015** (both days inclusive) for the purpose of the Annual General Meeting.
10. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective Depository Participant(s). Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
11. Members are requested to quote their Registered Folio Number or Demat Account number & Depository Participant (DP) ID number on all correspondences with the Company. The transfer deeds, communication for change of address, bank details, ECS details, mandates (if any), should be lodged with Registrar & Share Transfer Agents (RTA) of the Company, M/s.Karvy Computershare Private Limited, Hyderabad. Members whose shares are held in the electronic mode are requested to intimate the same to their respective Depository Participants.
12. The Company is concerned about the environment and utilizing natural resources in a suitable way. We request you to update your email address with your Depository Participant to enable us to send you the quarterly reports and other communications via email. Annual Report 2015 with Attendance Slip and Proxy form are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for 2015 are being sent by the permitted mode.
13. Members may also note that the Notice of the 4th Annual General Meeting and the Annual Report 2015 will also be available on the Company's website [www.intellectdesign.com](http://www.intellectdesign.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [shareholder.query@intellectdesign.com](mailto:shareholder.query@intellectdesign.com)/ [company.secretary@intellectdesign.com](mailto:company.secretary@intellectdesign.com).
14. Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment at the Annual General Meeting are furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / reappointment.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
16. Evoting commences on Saturday, 25th July 2015 at 9 AM and will end at Monday, 27th July 2015 at 5 PM. Evoting instruction slip is enclosed along with the Annual Report.

### Statement pursuant to Section 102 (1) of the Companies Act, 2013

#### Item No.3

Mr.Anil Kumar Verma joined the Board of Directors of the Company on 30th September 2014 as Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 and later appointed as Executive Director in the meeting held on 30th January 2015 effective 1st February 2015. Mr.Anil Kumar Verma is also a member of the Audit Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Board of Directors of the Company.

Mr.Anil Kumar Verma holds 21,000 number of shares in the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr.Anil Kumar Verma will hold office upto the date of the ensuing AGM. In terms of Section 149 read with Schedule V and all other applicable provisions of the Companies Act, 2013, Mr.Anil Kumar Verma (DIN: 01957168) is proposed to be appointed as Executive Director for a term of 3 years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from the Director himself along with a deposit of Rs.1,00,000/- proposing his candidature for office of Director.

The Company has received from Mr. Anil Kumar Verma (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Anil Kumar Verma as Executive Director for a term of 3 (three) years with effect from 1<sup>st</sup> February 2015 upto the conclusion of 6th Annual General Meeting in the calendar year 2017 pursuant to Section 149, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is liable to retire by rotation.

A copy of the draft letter for appointment of Mr. Anil Kumar Verma as Executive Director setting out terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Anil Kumar Verma as an Executive Director.

#### **Brief Terms of Appointment of Mr. Anil Kumar Verma as Executive Director**

1. The appointment of Anil Kumar Verma (a Non-resident Indian within the meaning of Foreign Exchange Management Act, 1999) as Executive Director is with effect from 1<sup>st</sup> February 2015 and his term of office shall be liable to be determined by rotation, and shall be for a period of 3 years with effect from 1<sup>st</sup> February 2015 upto the conclusion of the 6<sup>th</sup> Annual General Meeting. He will be a member of the Board of Directors of the Company entrusted with substantial powers of management having control on general conduct and management of the business affairs of the Company.
2. Anil Kumar Verma shall perform such duties and responsibilities as may be entrusted to him from time to time subject to the superintendence and control of the Board of Directors of the Company in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Chairman and/or the Board from time to time, by serving on the Boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.
3. No sitting fee shall be paid to Anil Kumar Verma as Director for attending the meetings of the Board of Directors or any Committees thereof.
4. Termination of Contract - May be terminated earlier by either Party by giving to the other Party three months' notice of such termination OR the Company paying three months' remuneration in lieu of such notice.

#### **Particulars of Remuneration of Mr. Anil Kumar Verma:**

1. **Base Pay:** Annual Base salary of Gross AUD 2,40,000/- p.a. to be paid monthly in accordance with the Company's normal payroll practices and subject to withholdings.
2. **Variable Pay:** Annual variable pay at a target level of Gross AUD 60,000/- p.a. (or such other sum as may be decided by the Board) each fiscal year, less applicable withholdings, subject to the Company's achievement of certain fiscal year milestones as determined by the Board (or its Committee) in its sole discretion. The Board (or its Committee) may reserve the authority to set such milestones on a GAAP or non-GAAP basis.
3. **Stock Options:** 200,000 Stock Options under ISOP 2015 Scheme.
4. **Employee Benefits:** During the term of office, he will be entitled to participate in the employee benefit plans currently and hereafter

maintained by the Company of general applicability to other Whole-Time Directors of the Company. The Company may reserve the right to cancel or amend the benefit plans and programs it offers to its Whole-Time Directors at any time.

5. **Vacation:** He will be entitled to paid vacation in accordance with the Company's vacation policy as applicable to its Whole-Time Directors.
6. **Expenses:** The Company will reimburse him for reasonable travel, entertainment or other expenses incurred by him in the furtherance of or in connection with the performance of his duties, in accordance with the Company's expense reimbursement policy for Whole-Time Directors as in effect from time to time.

#### **Information as required under Para B(iv) of Section II of Part II of schedule V of the Companies Act, 2013.**

##### **I. General Information**

1. Nature of Industry : **Software**
2. Year of commencement of commercial operations : **2014**
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : **Not Applicable.**
4. Financial performance based on given indicators –  
As per audited financial results for the accounting year ended March 31, 2015

Particulars	Amount (Rupees in Lakhs)
Turnover and other income	47,514.17
Net Profit After Tax / (Loss)	(7,117.55)

**Table No. 6.1**

5. Foreign investments or collaborations – Nil

##### **II. Information about the appointee:**

1. Background details :

Anil Kumar Verma is a key contributor to the strategic vision of the organization. A Bachelor of Electrical Engineering from IIT Delhi and Post-Graduate in instructional design from the University of Wollongong in Australia, Anil has rich and global professional experience of over 35 years in the industry.



Anil established and nurtured deep relationships for strengthening the Polaris brand in Australia. He was part of the core group that conceptualized and created FINDIT (Forum of Indian IT Companies) that later became NASSCOM Australia, an influential industry body that he led as founder President for four years. Living the spirit of deeper connect with the local community, Anil established long term relationship with the University of Western Sydney in Australia where he has been 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.

Mr. Anil Kumar Verma holds directorship in Polaris Banyan Holding Private Limited in India.

2. Past remuneration : Gross AUD 305,268
3. Recognition or awards :

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.

4. Job profile and his suitability :

The job profile involves providing leadership and direction to the Business Operations of Intellect Design Arena Limited. This includes managing the day to day operations and take complete ownership of the P&L of the company.

5. Remuneration proposed – Rs.12,08,000/- per month.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar top/senior level appointees in other companies.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr.Anil Kumar Verma is the relative of Mr.Arun Jain, Chairman and Managing Director

III. Other information:

1. Reasons of loss or inadequate profits

As this being the first year of operations of the company as a result of the demerger of the Products Business undertaking of Polaris into the Company, the Company has incurred loss as at March 31, 2015. The Board is of the opinion that the remuneration to be paid to the Executive Director, Mr. Anil Kumar Verma is to be commensurate with the compensation packages paid to similar top/senior level appointees in other companies.

2. Steps taken or proposed to be taken for improvement

The Company is taking adequate steps for improvement of the performance of the Company

3. Expected increase in productivity and profits in measurable terms. The Board expects that the Company will break-even before the end of the financial year.

No Director, Key Managerial Personnel, or their relatives, except Mr.Anil Kumar Verma to whom the resolution relates, and Mr. Arun Jain and their relatives is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.3 for the approval of the members.

Item No.4 :

The Company presently holds 5% stake in Intellect Polaris Design LLC, USA. Your company proposes to invest upto US\$ 2.25 Million at face value, representing additional 45% stake in the said entity, by acquiring shares from Polaris Consulting & Services Limited, India (Polaris).

Through this entity we (jointly with Polaris) have acquired a facility to house our offices as well as the proposed Design Center at USA. This facility is shared with Polaris offices & infrastructures.

Subsequent to this investment, the Company will hold 50% stake in Intellect Polaris Design LLC, USA.

As per provision of Section 179 read with Section 186 of the Companies Act 2013, the power to approve such investment is within the purview of the Board. However, the Directors, viz. Mr.Arun Jain, Mr.Anil Kumar Verma, Ms.Aruna Krishnamurthy Rao, and Dr.Ashok Jhunjhunwala hold shares in Polaris, and hence there is no disinterested quorum at a meeting of the Board to approve this investment. Hence, this resolution. The Directors, viz. Mr.Arun Jain, Mr. Anil Kumar Verma, Ms.Aruna Krishnamurthy Rao and Dr.Ashok Jhunjhunwala are interested or concerned in the resolution as they hold equity shares in Polaris.

By Order of the Board  
For Intellect Design Arena Limited

V.V.Naresh  
Vice President - Company Secretary & Compliance Officer

Place: Chennai

Date: May 21, 2015

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (IN PURSUANCE) OF CLAUSE 49 VII (E) OF THE LISTING AGREEMENT**

At the Annual General Meeting, Mr. Anil Kumar Verma (DIN 01957168) who was appointed as Additional Director by the Board of Directors on the 30th of September 2014 and who was re-designated as Executive director on the 1st of February 2015 to hold office till the Annual General Meeting and in respect of whom Company has received notice in writing under Section 160 of the Companies Act, 2013 from the member himself. The brief resume, experience and functional expertise and the membership on various Board and Committee of Directors proposed to be appointed/ re-appointed at serial number 3 of the Notice convening 4th Annual General Meeting, as per the Corporate Governance Code as defined under Clause 49 of the Listing Agreement are furnished below:

Name of the Director	Mr. Anil Kumar Verma
Date of Birth	05.07.1955
Age	59
Date of first appointment	30-09-2014
Experience in specific functional areas	Well experienced in the areas of accounting, finance, management, and corporate advisory services.
Number of shares held in the company	21,000
Qualification	A Bachelor of Electrical Engineering from IIT Delhi and Post – Graduate in instruction design from the University of Wollongong in Australia.
List of Companies in which directorship held	5
Chairman / Members of the Committee of the Board of Companies in which he is a director	Chairman – 1 Members – 2



**INTELLECT DESIGN ARENA LIMITED**

(Formerly known as Fin Tech Grid Limited)

(CIN:L72900TN2011PLC080183)

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

Email id : shareholder.query@intellectdesign.com, company.secretary@intellectdesign.com Website: www.intellectdesign.com;

Phone : 044 - 3984 3400, Fax: 044 - 2852 3280

**4th Annual General Meeting to be held on 28th July 2015 at 03:00 PM****"RANI SEETHAI HALL", NO. 603, FIRST FLOOR, ANNA SALAI, THOUSAND LIGHTS,  
CHENNAI – 600 006**

Registered Folio No : .....(or)

Demat Account No. ....D.P.ID.No.....

Name of Shareholder(s) .....

I/We certify that I am/we are the Member(s) / Proxy of the Member(s) of the Company holding \_\_\_\_\_ Shares.

.....  
Signature of Member(s) / Proxy

- A member or his duly appointed Proxy wishing to attend the meeting must complete this Admission Slip and hand it over at the entrance of the meeting hall.
- Name of the Proxy in BLOCK letters ..... (in case a Proxy attends the meeting)
- Those who hold shares in Demat form to quote their Demat Account No. and Depository Participant (D.P.) ID. No. ....

**Form No. MGT-11****Proxy Form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN:** L72900TN2011PLC080183**Name of the Company:** Intellect Design Arena Limited**Registered office:** 244, Anna Salai, Chennai – 600 006

Name of the Member (s)

Registered Address

E-mail ID

Folio No./ Client Id &amp; DP. ID

I/We being the Member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him \_\_\_\_\_
2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him \_\_\_\_\_
3. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Signature : \_\_\_\_\_

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on **Tuesday, the 28th July 2015 at 03.00 p.m. at "Rani Seethai Hall", 603, First Floor, Anna Salai, Thousand Lights, Chennai-600 006** and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution Nos.**

1. Adoption of Financial Statements.
2. Ratification of the appointment of Statutory Auditors
3. Appointment of Mr. Anil Kumar Verma as Executive Director
4. Enhancement of investments of the company in the share capital of Intellect Polaris Design LLC, USA.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Affix Revenue Stamp

Signature of shareholder(s)

Signature of Proxy holder(s)

Re.1  
Revenue  
stamp

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.

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The world's first app based platform for next generation banks



Digital 360 Core Banking Solutions from iGCB are the most efficient Core platforms for the digital age. **Designed for financial institutions at any stage of their lifecycle, this is Business Application Lifecycle Management at its best.** Running core systems in financial institutions across the world.

Outmoded architecture design results in inefficiencies at every stage from data management and multi-vendor scenarios to hardware, networks, operations and recon. Deciding on a core solution is particularly significant given the longevity of use and the risk of change. Intuitive new generation architecture design decomposes the complexity of core banking into a finite set of financial technology apps with pre-defined workspaces, enabling rapid adoption and scalability in line with strategic requirements.

Digital 360 Core Banking Solutions strike at the heart of inefficiency, offering you superior Core Banking functionality and user experience. Experience seamless omnichannel banking with lifecycle assurance. Leverage optimised first time cost of ownership and technology running costs.

**Expertise drives unprecedented productivity at 70% lower post implementation costs!**

Great digital design anticipates the evolving needs of an impatient generation of customers. Delivery on a customer centricity promise is only possible when you embrace digital transformation. The enterprise banking Digital 360 platform is specifically designed for new generation banks with ambitious growth plans, and that are conscious that competition is no longer the monolith legacy banks who have grown too large and complacent to adapt to the fast paced challenges of the digital age.



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iGTB is your platform to seize the tremendous global transaction banking opportunity, conservatively estimated at \$509bn by 2021. Experience never-before holistic views, decisioning and transactions coming together in the same place with 360Tx technology. Seamlessly integrate all transaction needs of corporate customers through a consolidated next generation portal for the corporate user leveraging the Corporate Banking Exchange.

Designed for complexity reduction between bank and corporate customer operations, superior Workspace Design technology assures enhanced operational productivity. While you deliver additive customer experience through agile architecture with banking services apps technology design.

With leading global transaction banks running on Intellect designed solutions, we are the authority progressive banks rely on to realize their GTB ambitions.



**RUN THE BANK. CHANGE THE BANK. DESIGN THE BANK.** iGTB is your platform to power your way to principal banker position. Designed for complexity reduction between banks and corporate customer operations, superior workspace design technology assures enhanced operational productivity, while you deliver additive customer experience through agile architecture with banking services apps technology. With 7 of the top 10 global transaction banks running on our solutions we are the authority progressive banks rely on to realize their GTB ambitions.