DRAFT LETTER OF OFFER
January 27, 2017
For Eligible Equity Shareholders of our Company Only

intellect
Design for Digital

INTELLECT DESIGN ARENA LIMITED

Our Company was incorporated as Fin Tech Grid Limited on April 18, 2011 with the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands as a public limited company under the Companies Act, 1956. On June 15, 2012, our Company received a certificate for commencement of business from Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands. On February 3, 2014, a fresh certificate of incorporation was issued by Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands consequent to change of name of our Company. Pursuant to an order of the High Court of Judicature at Madras dated September 15, 2014 sanctioning the Scheme of Arrangement-cum-Demerger, the digital technology product solutions business was demerged from Polaris Consulting & Services Limited (formerly known as Polaris Financial Technology Limited) into our Company. For further details of change in the name and registered office of our Company, please see the chapter entitled *'History and Certain Corporate Matters'* on page 125 of this Draft Letter of Offer.

Registered Office: 244, Anna Salai, Chennai – 600 006, Tamil Nadu, India; **Corporate Office**: Plot No. 3/G3, SIPCOT IT Park, Siruseri, Chennai – 600 130, Tamil Nadu, India; **Contact Person**: Mr. V.V. Naresh, Company Secretary and Compliance Officer; **Tel**: +91 44 3341 8000; **Facsimile**: +91 44 3341 8874 **E-mail**: company.secretary@intellectdesign.com; **Website**: www.intellectdesign.com; **Corporate Identification Number**: L72900TN2011PLC080183

OUR PROMOTERS: MR. ARUN JAIN, POLARIS BANYAN HOLDING PRIVATE LIMITED AND ARUN JAIN (HUF)

FOR PRIVATE CIRCULATION TO ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY

ISSUE OF UP TO [●] EQUITY SHARES WITH A FACE VALUE OF ₹ 5 EACH FOR CASH AT A PRICE OF ₹ [●] PER RIGHTS SHARE (INCLUDING A PREMIUM OF ₹ [●] PER RIGHTS SHARE) FOR AN AMOUNT AGGREGATING UPTO ₹ 20,000.00 LAKHS ON RIGHTS BASIS IN THE RATIO OF [●] ([●] RIGHTS SHARES FOR EVERY [●] FULLY PAID UP EQUITY SHARES) HELD BY THE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●]. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 5 EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and Investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Shares offered in this Issue have not been recommended or approved by the Securities and Exchange Board of India (**SEBI**), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the Investors is invited to the statements in the section entitled *'Risk Factors'* beginning on page 15 of this Draft Letter of Offer.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and this Issue which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on the National Stock Exchange of India Limited (**NSE**) and BSE Limited (**BSE**). Our Company has received in-principle approvals from the NSE and the BSE for the listing of the Rights Shares offered in this Issue pursuant to the letter dated [●] and [●], respectively. For the purposes of the Issue, the NSE shall be the Designated Stock Exchange.

LEAD MANAGER TO THE ISSUE	**REGISTRAR TO THE ISSUE**
SPARK CAPITAL	KARVY Computershare
Spark Capital Advisors (India) Private Limited Reflections, No.2, Leith Castle Center Street Santhome High Road, Santhome, Chennai – 600 028, Tamil Nadu, India Telephone: +91 44 4344 0000 Facsimile: +91 44 4344 0090 Email: intellect.rights@sparkcapital.in Investor Grievance Email: investorgrievance@sparkcapital.in Website: www.sparkcapital.in Contact Person Details: Vishal Prasad SEBI Registration No.: INM000011138 CIN: U67190TN1998PTC039818	**Karvy Computershare Private Limited** "Karvy Selenium, Tower B", Plot no. 31 &32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032, Telangana, India. Telephone: +91 40 6716 2222 Facsimile: +91 40 2342 0814 Email: intellectdesign.rights@karvy.com Website: www.karisma.karvy.com Contact Person: M. Muralikrishna SEBI Registration No.: INR000000221

ISSUE PROGRAMME

ISSUE OPENS ON	**LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS**	**ISSUE CLOSES ON**
[●]	[●]	[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

General Terms

Term	Description
"our Company", "the Issuer" or "Intellect Design Arena Limited"	Intellect Design Arena Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 244, Anna Salai, Chennai – 600 006, Tamil Nadu, India
"We", "us" or "our"	Unless the content otherwise indicates or implies, refers to our Company
Financial Statements	Restated Consolidated Summary Statements and Restated Unconsolidated Summary Statements
Financial Year, Fiscal or FY	The period of twelve (12) months ended March 31 of that particular year
Restated Consolidated Summary Statements	The restated consolidated summary statement of assets and liabilities of our Company, subsidiaries, joint ventures and associates as at September 30, 2016, March 31, 2016 and March 31, 2015, and the restated consolidated summary statement of profits and losses and the restated consolidated summary statement of cash flows for the six month period ended September 30, 2016 and for each of the years ended March 31, 2016 and March 31, 2015 and the annexures thereto, as restated in accordance with the SEBI ICDR Regulations
Restated Unconsolidated Summary Statements	The restated unconsolidated summary statement of assets and liabilities of our Company as at September 30, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and June 30, 2012, and the unconsolidated summary statement of profits and losses and the unconsolidated summary statement of cash flows of our Company for the six month period ended September 30, 2016, for each of the years ended March 31, 2016, March 31, 2015 and March 31, 2014, for the nine month period ended March 31, 2013 and for the period from April 18, 2011 to June 30, 2012, and the annexures thereto, as restated in accordance with the SEBI ICDR Regulations

Issuer Related Terms

Term	Description
AOA / Articles / Articles of Association	Articles of association of our Company
ASOP 2003	Associate Stock Option Plan 2003
ASOP 2004	Associate Stock Option Plan 2004
ASOP 2011	Associate Stock Option Plan 2011
Auditors / Statutory Auditors	M/s S.R. Batliboi & Associates LLP
Board / Board of Directors	Board of directors of our Company or a duly constituted committee thereof
Corporate Office	Plot No. 3/G3, SIPCOT IT Park, Siruseri, Chennai – 600 130, Tamil Nadu, India
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹ 5 each
Existing Stock Option Plans	Existing Stock Option Plan means, collectively, ASOP 2003, ASOP 2004, ASOP 2011, ISOP 2015 and ISOP 2016
Group Companies	Group companies as defined under Schedule VIII of the SEBI ICDR Regulations and disclosed in the chapter entitled *'Our Group Companies'* beginning on page 158 of this Draft Letter of Offer
ISOP 2015	Intellect Stock Option Plan 2015
ISOP 2016	Intellect Stock Option Plan 2016
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and disclosed in the chapter entitled *'Our Management'* beginning on page 140 of this Draft Letter of Offer
MOA / Memorandum /	Memorandum of association of our Company

Term	Description
Memorandum of Association	
Product Business	The digital technology product solutions business of our Company
Promoter Group	Promoter group of our Company as per the definition provided in Regulation 2(1)(zb) of the SEBI ICDR Regulations
Promoters	Promoters of our Company viz., Mr. Arun Jain, Polaris Banyan Holding Private Limited and Arun Jain (HUF). For further details, please see the chapter entitled *'Our Promoters and Promoter Group'* on page 153 of this Draft Letter of Offer
Receivables Days	((Trade Receivables + Revenue Accrued But not billed) / Total Revenue) * 365, as per the Restated Consolidated Summary Statements
Registered Office	Registered office of our Company located at 244, Anna Salai, Chennai – 600 006, Tamil Nadu, India
Registrar of Companies /RoC	Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands
Scheme of Arrangement-cum-Demerger	The scheme of arrangement- cum- demerger dated September 15, 2014 of Polaris Consulting & Services Limited (earlier known as Polaris Financial Technology Limited), our Company and their respective shareholders for vesting the Product Business of Polaris Consulting & Services Limited into our Company
Shareholder(s)	Shareholders of our Company
Subsidiaries	The subsidiaries (including step down subsidiaries) of our Company namely: 1. Intellect Design Arena Limited, United Kingdom; 2. Intellect Design Arena SA Switzerland; 3. Intellect Design Arena Pte. Ltd, Singapore; 4. Intellect Design Arena Co. Ltd Vietnam; 5. Intellect Design Arena FZ - LLC Dubai; 6. Intellect Commerce Limited, India; 7. Laser Soft Infosystems Limited, India; 8. SFL Properties Private Limited, India; 9. Indigo Tx Software Private Limited, India; 10. Intellect Payments Limited, India; 11. Intellect India Limited, India; 12. Intellect Design Arena Ltda Chile; 13. Intellect Design Arena Inc., USA; 14. Intellect Design Arena Philippines, Inc., Philippines; 15. PT Intellect Design Arena, Indonesia; 16. FT Grid Pte Ltd Singapore; 17. Intellect Design Arena Pty Ltd, Australia; 18. Intellect Design Arena Inc., Canada; 19. Intellect Design Arena Limited, Thailand; 20. Intellect Design Arena Sdn. Bhd., Malaysia; 21. SEEC Technologies Asia (P) Ltd India; and 22. Sonali Polaris FT Ltd Bangladesh. For further details please, see the chapter entitled '*History and Certain Corporate Matters*' on page 125 of this Draft Letter of Offer.

Issue Related Terms

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to this Issue in accordance with SEBI ICDR Regulations and Companies Act
Additional Rights Shares	The Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allot/ Allotted/Allotment	Unless the context requires, the allotment of Rights Shares pursuant to the Issue
Allottees	Persons to whom Rights Shares are allotted pursuant to the Issue
Applicants	Eligible Shareholder(s) and/or Renouncees who make an application for the Rights Shares in terms of this Draft Letter of Offer, including an ASBA Applicant
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the application money payable on

Term	Description
	application in their specified bank account maintained with the SCSBs
ASBA Account	Account maintained by an ASBA Investor with a SCSB which will be blocked by such SCSB to the extent of the appropriate amount in relation to an application by an ASBA Investor
ASBA Applicants/ ASBA Investor	Eligible Shareholders proposing to subscribe to the Issue through ASBA process and who: 1. are holding the securities of our Company in dematerialized form as on Record Date and have applied for their Rights Entitlements and / or additional Equity Shares in dematerialized form; 2. have not renounced their Rights Entitlements in full or in part; 3. are not Renouncees; and 4. are applying through blocking of funds in a bank account maintained with the SCSBs. QIBs, Non-Institutional Investors and Investors whose Application Money exceeds ₹ 200,000/- can participate in the Issue only through the ASBA process
Bankers to the Issue	[●]
Composite Application Form / CAF	The form used by an Investor to make an application for the Allotment of Rights Shares and for application by Renouncees
Consolidated Certificate	In case of holding of Equity Shares in physical form, the certificate that our Company would issue for the Rights Shares Allotted to one folio
Controlling Branches/Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and/or such other website(s) as may be prescribed by the SEBI / Stock Exchange(s) from time to time
Demographic Details	Details of Investors such as address, bank account details for printing on refund orders and occupation
Designated Branch of the SCSBs	Such branches of the SCSBs which shall collect the CAF or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries
Designated Stock Exchange	The National Stock Exchange of India Limited
Draft Letter of Offer	This Draft Letter of Offer dated January 27, 2017 is issued by our Company in accordance with the SEBI ICDR Regulations and filed with SEBI
Eligible Equity Shareholder(s)	A holder(s) of Equity Shares as on the Record Date
Equity Share Capital	Equity share capital of our Company
Equity Shareholder(s)	A holder(s) of Equity Shares of our Company
Investor(s)	Eligible Equity Shareholders as on Record Date and/or Renouncees applying in the Issue
Issue / Rights Issue	Issue of [●] Equity Shares with a face value of ₹ 5 each (**Rights Shares**) for cash at a price of ₹ [●] per Right Share (including a premium of ₹ [●] per Rights Share) for an amount aggregating up to ₹ 20,000.00 lakhs on Rights basis in the ratio of [●]:[●] ([●] Rights Shares for every [●] fully paid up Equity Shares) held by the Equity Shareholders on the Record Date, i.e. [●]. The face value of the Rights Shares is ₹ 5 each and the Issue Price is [●] times of the face value of the Equity Shares
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	[●]
Issue Proceeds / Proceeds of the Issue	[●]
Issue Size	The issue of [●] Rights Shares aggregating up to ₹ 20,000.00 lakhs
Lead Manager	Spark Capital Advisors (India) Private Limited
Letter of Offer	The final letter of offer filed with the Stock Exchanges after incorporating the observations from SEBI on the Draft Letter of Offer.
Listing Agreement / Equity Listing Agreement	The listing agreement entered into between our Company and the Stock Exchanges
Net Proceeds	Issue Proceeds less the Issue related expenses

Term	Description
Non-Institutional Investors	All Investors, whether resident in India or otherwise, including sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Rights Issue Equity Shares for a cumulative amount of more than ₹ 2,00,000
Qualified Foreign Investors/ QFIs	QFI shall mean a person who fulfills the following criteria: 1. Resident in a country that is a member of Financial Action Task Force (***FATF***) or a member of a group which is a member of FATF; and 2. Resident in a country that is a signatory of the International Organization of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral Memorandum of Understanding with SEBI. Provided that the person is not resident in a country listed in the public statements issued by FATF from time to time on (i) jurisdictions having a strategic Anti-Money Laundering/ Combating the Financing of Terrorism (***AML/CFT***) deficiencies to which counter measures apply, (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies; Provided further such person is not resident in India; Provided further that such person is not registered with SEBI as Foreign Institutional Investor or Sub-account or Foreign Venture Capital Investor
Qualified Institutional Buyers or QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a State Industrial Development Corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of twenty five crore rupees; a pension fund with minimum corpus of twenty five crore rupees; National Investment Fund set up by resolution No. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Equity Shares i.e. [●]
Refund Bank	[●]
Registrar to the Issue	Karvy Computershare Private Limited
Renouncee(s)	Any person(s), who has/have acquired Rights Entitlements from the Eligible Equity Shareholders
Retail Individual Investors	Application by an Investor (including HUFs applying through their Karta) whose cumulative value of Equity Shares applied for in the Issue is not more than ₹ 2,00,000/-
Rights Entitlements	The number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on Record Date
Rights Share / Rights Equity Share	The Equity Shares of face value of ₹ 5 each of our Company offered and to be issued and allotted pursuant to this Issue
SCSBs	Self certified syndicate bank registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries
Share Certificate	The certificate in relation to the Rights Shares allotted to a folio
Split Application Form / SAF	An application form used in case of renunciation in part by an Eligible Equity Shareholder in favour of one or more Renouncee(s)
Stock Exchanges	The National Stock Exchange of India Limited and BSE Limited
Working Days	Any day other than Sundays on which commercial banks in Chennai are open for

Term	Description
	business

Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AAEC	Appreciable Adverse Effect on Competition
AED	United Arab Emirates Dirham
AGM	Annual General Meeting
AI	Artificial Intelligence
AIF	Alternative Investment Funds
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
Americas	North America and South America
AS / Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
ASEAN	Association of Southeast Asian Nations
AUD	Australian Dollar
BDT	Bangladeshi Taka
BFSI	Banking, Financial Services and Insurance
BSE	BSE Limited
CAD	Canadian Dollar
CAF	Composite Application Form
CAGR	Compounded Annual Growth Rate
Canvas	Channel Renovation Platform
CDP	Collecting Depository Participant
CBX	Corporate Banking Exchange
CCI	Competition Commission of India
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CHF	Swiss Franc
CII	Confederation of Indian Industry
CIN	Corporate Identity Number
CIS	Commonwealth of Independent States
Client ID	Client identification number of the Bidders beneficiary account
CLP	Chilean Peso
CLRA Act	Contract Labour (Regulation and Abolition) Act, 1979
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections
Competition Act	The Competition Act, 2002
CPC	The Code of Civil Procedure, 1908
CrPC	The Code of Criminal Procedure, 1973
CSR	Corporate Social Responsibility
CTS	Cheque Truncation System
Depositories	National Securities Depository Limited and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion
DP / Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's identity
DTB	Digital Transaction Banking
EBIT	Earnings Before Interest and Tax
EEA	The European Economic Area
EPA	The Environment (Protection) Act, 1986
EPC	Export Packing Credit

Term	Description
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
ESI Act	Employee State Insurance under the Employees State Insurance Act, 1948
ESOP	Employee Stock Option Plan
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board
Fitch	Fitch Ratings Limited
FPI(s)	A foreign portfolio investor who has been registered through the SEBI FPI Regulations provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GBP	British Pound
GIR number	General Index Registrar number
GoI or Government or Central Government	Government of India
GPRS	General Packet Radio Service
HR	Human Resources
Hub	Operational Consolidation Platform
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IDR	Indonesian Rupiah
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
iGCB	Global Consumer Banking
iGTB	Global Transaction Banking
IMaCS	ICRA Management Consulting Services Limited
IMEA	India, Middle East and Africa
Income Tax Act	The Income Tax Act, 1961
IndAS	Indian Accounting Standards
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
iRTM	Risk, Treasury & Markets
ISIN	International Securities Identification Number
ISO	International Standards Organisation
IT	Information Technology
ITES	Information Technology Enabled Services
LAP	Look Ahead Processing
LIBOR	London Interbank Offering Rate
LIC	Life Insurance Corporation of India
LLC	Limited Liability Company
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal Cost of funds based Lending Rate
MICR	Magnetic Ink Character Recognition
Moody's	Moody's Investors Services Limited
MRP	Manufacturing Resource Planning
Mutual Funds	A mutual fund registered under the SEBI (Mutual Funds) Regulations, 1996

Term	Description
N.A. / NA	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India
NR/Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
p.a.	Per annum
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
PCFC	Packing credit in foreign currency
PCSL	Polaris Consulting & Services Limited
PHP	Philippine Peso
PSB	Payments Services Hub
QCBS	Intellect Quantum Central Banking system
R&D	Research and Development
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RM	Malaysian Ringgit
RoC	Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands
RoNW	Return on Net Worth
RTA	Registrar and Transfer Agent
RTGS	Real time gross settlement
SCORES	SEBI Complaints Redress System
SCSB	Self-Certified Syndicate Bankers
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as replaced pursuant to the SEBI FPI Regulations
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Takeover Code / SEBI	Securities and Exchange Board of India (Substantial Acquisition of Shares and

Term	Description
(SAST) Regulations	Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	United States Securities Act, 1933, as amended from time to time
SEEPZ	Santacruz Electronics Export Processing Zone
SGD	Singapore Dollar
SIPCOT	State Industries Promotion Corporation of Tamil Nadu
SME	Small And Medium-sized Enterprises
SOA	Service-Oriented Architecture
SPA	Share Purchase Agreement
Standard & Poor's	Standard & Poor's Rating Group, a division of McGraw-Hill Companies, Inc.
State Government	The government of a State in India
STCG	Short Term Capital Gain
STP	Straight-through-processing
STT	Securities Transaction Tax
STT	Securities Transaction Tax
THB	Thai Baht
TRIPS	Trade-Related Aspects of Intellectual Property Rights
U S Dollars	United States Dollars
U.S. / USA / United States	United States of America
U.S. Persons	U.S. persons (as defined in Regulation S under the Securities Act
UK	United Kingdom
US GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
VND	Vietnamese Dong
Water Act	The Water (Prevention and Control of Pollution) Act, 1974
XAP	Extreme Account Posting

The words and expressions used but not defined in this Draft Letter of Offer shall have the same meaning as assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the Securities Contract (Regulation) Act, 1956 and the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, terms in '*Statement of Tax Benefits*', '*Financial Statements'* and '*Main Provisions of Articles of Association*' on pages 87, 165 and 385 of this Draft Letter of Offer, respectively, shall have the meaning given to such terms in such chapters and sections.

NOTICE TO OVERSEAS SHAREHOLDERS

The distribution of this Draft Letter of Offer and the issue of the Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer may come are required to inform themselves about, and observe such restrictions. Our Company is making this Issue on a rights basis to the Equity Shareholders of our Company and will dispatch the Letter of Offer/Abridged Letter of Offer and CAF to Eligible Equity Shareholders who have an address in India. Those overseas Shareholders who do not update the records with their Indian address, prior to the date on which we propose to dispatch the Letter of Offer/ Abridged Letter of Offer and the CAF, shall not be sent the Letter of Offer/ Abridged Letter of Offer and the CAF.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI for its observations. Accordingly, the Rights Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute in or send the same into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If this Draft Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Shares or the Rights Entitlements referred to in this Draft Letter of Offer. A Shareholder may not renounce his entitlement to any person resident in the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

The contents of this Draft Letter of Offer should not be construed as legal, tax or investment advice. Prospective Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Rights Shares or Rights Entitlements regarding the legality of an investment in the Rights Shares or Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Letter of Offer and the CAF. Any representation to the contrary is a criminal offence in the United States.

The rights and securities of our Company, including the Rights Shares have not been and will not be registered under the United States Securities Act, 1933, as amended (***Securities Act***), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (***United States*** or ***U.S.***) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (***Regulation S***), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in this Draft Letter of Offer are being offered in India, but not in the United States. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, this Draft Letter of Offer/ Letter of Offer / Abridged Letter of Offer and the CAF should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor the Lead Manager nor any person acting on their behalf will accept subscriptions from any person or his agent, if to whom an offer is made, would require registration of this Draft Letter of Offer with the United States Securities and Exchange Commission.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft

Letter of Offer, and all persons subscribing for the Rights Shares and wishing to hold such Rights Shares in registered form must provide an address for registration of the Rights Shares in India. Our Company is making this issue of Rights Shares on a rights basis to the Equity Shareholders of our Company and the Letter of Offer/Abridged Letter of Offer and CAF will be dispatched to Equity Shareholders who have an Indian address. Any person who acquires rights and the Rights Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the rights and the Rights Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Rights Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Shares or Rights Entitlement in respect of any such CAF.

PRESENTATION OF FINANCIAL INFORMATION, USE OF INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Financial Data

Unless stated or context requires otherwise, the financial information in this Draft Letter of Offer is derived from our Restated Consolidated Summary Statements as at and for the six month period ended September 30, 2016 and as at and for the financial years ended March 31, 2016 and March 31, 2015 and the Annexures thereto and our Restated Unconsolidated Summary Statements as at and for the six month period ended September 30, 2016, as at and for each of the financial years ended March 31, 2016, 2015 and 2014, as at and for the nine month period ended March 31, 2013 and as at and for the period from April 18, 2011 to June 30, 2012 and annexures thereto included elsewhere in this Draft Letter of Offer, which have been prepared in accordance with the applicable provisions of the Companies Act, 1956, to the extent applicable, and the Companies Act, 2013 and Indian GAAP and restated in accordance with the SEBI ICDR Regulations. Our Company's Financial Year commences on April 1 and ends on March 31 of the following year. However, the unaudited standalone financial results for the period ended September 30, 2016 has been prepared in accordance with applicable Indian Accounting Standards (**IndAS**) prescribed under Section 133 of the Companies Act read with the relevant rules issued thereunder and are not final standards which will be applied for the year ending March 31, 2017 and pursuant to the requirement of Regulation 33 of the SEBI Listing Regulations, and was approved by the Board on November 3, 2016, and disseminated to the Shareholders.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

All the numbers in this Draft Letter of Offer have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs.

Any percentage amounts, as set forth in the section titled *'Risk Factors'*, and the chapters entitled *'Our Business'* and *'Management Discussion and Analysis of Financial Conditions and Results of Operations'* beginning on pages 15, 109 and 297 respectively of this Draft Letter of Offer, unless the context otherwise indicated, have been calculated on the basis of the Financial Statements.

Use of Industry and Market data

Unless stated or context requires otherwise, market, industry and demographic data used in this Draft Letter of Offer has been derived from '*IT/Software for Banking/Financial Services – December 2016*'a report prepared by ICRA Management Consulting Services Limited (**IMaCS**). The report prepared by IMaCS was not commissioned either by our Company or the Lead Manager or by any of their respective affiliates or advisors. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither our Company nor the Lead Manager assumes any responsibility for the accuracy of that information.

Accordingly, Investors should not place undue reliance on this information.

Additionally, the extent to which the market and industry data presented in this Draft Letter of Offer is meaningful depends on the reader's familiarity with, and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which our Company conducts its business and methodologies and assumptions may vary widely among different industry sources.

In accordance with the SEBI ICDR Regulations, the chapter entitled *'Basis for Issue Price'* on page 87 of this Draft Letter of Offer includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither our Company, nor the Lead Manager has independently verified such information.

Currency and Units of Presentation

All references to "Rupees" or "₹" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. Our Company has presented certain financial and other information in *'lakhs'*. One lakh represents one hundred thousand (100,000). In this Draft Letter of Offer, except the data obtained from the Financial Statements, the USD-INR conversion rate has been taken as 1 USD = ₹ 67.94. (*Source: rbi.org.in as on January 18, 2017*).

FORWARD LOOKING STATEMENTS

Certain statements in this Draft Letter of Offer are not historical facts but are 'forward-looking' in nature. Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the section entitled "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry*" and "*Business*". Our Company may, from time to time, make written or oral forward-looking statements in reports to Equity Shareholders and in other communications. Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company's competitive strengths and weaknesses, our Company's business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information.

Words such as "believe", "anticipate", "estimate", "seek", "expect", "continue", "intend", "predict", "project", "should", "goal", "future", "could", "may", "will", "would", "targets", "aims", "is likely to", "plan" and similar expressions, or variations of such expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

All forward looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

These risks, uncertainties and other factors include, among other things, those listed under the section entitled "*Risk Factors*", as well as those included elsewhere in this Draft Letter of Offer. Prospective Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to:

- The state of the global economy;
- Increasing competition;
- The state of the global banking and financial services industry;
- Changes in fiscal, economic or political conditions in India;
- Company's ability to successfully implement its strategy and its growth and expansion plans;
- Changes in the value of the Indian rupee and other currencies; and
- Regulatory changes pertaining to the BFSI industry in which our Company operates and our Company's ability to respond to them.

For a further discussion of factors that could cause our Company's actual results to differ, please see the section entitled *'Risk Factors'* on page 15 of this Draft Letter of Offer. By their very nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the Lead Manager nor any of their respective affiliates or advisors has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchanges' requirements, our Company and the Lead Manager will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Shares by the Stock Exchanges.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks actually materialises, our business, results of operations, cash flows and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we do not, currently, believe to be material may also have an adverse effect on our business, results of operations, cash flows and financial condition. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein. Investment in equity and equity related securities involves a degree of risk and Investors should not invest any funds in this offer unless they can afford to take the risk of losing all or a part of their investment. In making an investment decision, prospective Investors must rely on their own examination of our Company and the terms of the Issue, including the risks involved.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Letter of Offer. To obtain a complete understanding, this section should be read in conjunction with the chapters entitled 'Our Business', 'Financial Statements' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on pages 109, 165 and 297, respectively, of this Draft Letter of Offer. Unless stated or context requires otherwise , the financial information of our Company used in this Section is derived from the Financial Statements.

INTERNAL RISK FACTORS

1. SEBI has passed an an ad interim ex parte order against our Promoter and any further action by SEBI could have a material adverse effect on our business, finances, cash flows and results of operations, as well as on our Company's reputation.

SEBI has passed an *ad interim ex-parte* order dated November 24, 2015 (**Ex-parte Order**) alleging that Mr. Arun Jain, our Company's Promoter and Chairman and Managing Director and another, violated Sections 12A (d) and (e) of the SEBI Act, 1992 and Regulations 3 and 4 of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (**SEBI PIT Regulations**). SEBI in the said order observes that Mr. Arun Jain, the then Promoter and Chairman and Managing Director of Polaris Software Lab Limited (now Polaris Software & Consulting Limited) (**Polaris**), had traded on 5 days during July 2008 in the equity shares of Polaris while allegedly being in possession of unpublished price sensitive information relating to Polaris. SEBI in its Ex-parte Order has calculated notional profits as the alleged unlawful gains made by Mr. Arun Jain and other had made due to the said trades. Further, the Ex-parte Order directs impounding of the alleged unlawful gains of ₹ 98,11,689 and interest@ 12% p.a. of ₹ 86,56,869 aggregating to ₹ 1,84,68,558 and freezing the bank account and depositary participant account of Mr. Arun Jain till the time the said amounts were deposited in an escrow account. Further, the Ex-parte Order states that it is without prejudice to the right of SEBI to take any other action that may be initiated against Mr. Arun Jain, in accordance with law. He was given an opportunity to file his reply to SEBI within 21 days from the date of receipt of the Ex-parte Order.

Thereafter, Mr. Arun Jain vide his letter dated November 25, 2015 informed SEBI that an amount equivalent to the alleged unlawful gains was deposited into an escrow account, and subsequently vide series of correspondence with SEBI, has sought detailed inspection of certain documents and records to respond to the allegations made in the Ex-parte Order. SEBI vide its letter dated December 19, 2016, informed Mr. Arun Jain that the inspection could be availed on January 11, 2017. Accordingly, the said inspection of documents was undertaken on January 11, 2017. The matter is currently pending.

SEBI on completion of its investigation may subject Mr. Arun Jain to further regulatory action, the consequences which could have a material adverse effect on our business, finances and results of operations, as well as on our Company's reputation.

2. Our Company received a caution from the BSE for violating the listing agreement

On January 30, 2015, our Company, pursuant to one of its employee stock option plans (**ESOP**) issued and allotted 1,99,200 Equity Shares of our Company. In accordance with the erstwhile equity listing agreement executed by our Company with the stock exchanges, our Company was required to obtain an in-principal prior to issuing and allotting equity shares. However, our Company failed to obtain the said in-principle approval of BSE. Consequently, BSE issued a letter dated April 1, 2015, warning it that any future violations would result in stringent action including transferring of the trading in the securities to the trade for trade segment. While our Company stridently tries to ensure compliance any non-compliance with the listing obligations could result in stringent penalties.

3. ***There are proceedings pending against our Company, our Directors, our Promoters our Group Companies and our Subsidiaries which if determined against our Company or these entities, may have an adverse effect on our business.***

There are outstanding legal proceedings involving our Company, our Directors, our Promoters, our Group Companies and our Subsidiaries which are pending at different levels of adjudication before various courts, tribunals and other authorities. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally from our Company and other parties. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our business and results of operations. Certain details of such outstanding legal proceedings as of date of this Draft Letter of Offer, to the extent quantifiable, are set out below:

Litigation against our Company

Civil and Criminal Proceedings

S. No.	Particulars	No. of Cases	Total Amount (in ₹ lakhs)
1.	Civil Proceedings	1	Nil*

** Not quantifiable*

Direct Tax Cases

Nil

Indirect Tax Cases

Nil

Litigation against our Promoters

Civil and Criminal Proceedings

S. No.	Particulars	No. of Cases	Total Amount (in ₹ lakhs)
1.	Civil Proceedings	2	2,320.69*
2.	Criminal Proceedings	2	Nil**
Total		**4**	**2,320.69***

** To the extent quantifiable*
*** Not quantifiable*

Direct Tax Cases

Nil

Indirect Tax Cases

Nil

Litigation against our Directors

Civil and Criminal Proceedings

S. No.	Particulars	No. of Cases	Total Amount (in ₹ lakhs)
1.	Criminal Proceedings	2	Nil *

** Not quantifiable*

Direct Tax Cases

S. No.	Type of Direct Tax	No. of Cases	Total Amount (in ₹ lakhs)
1.	Income Tax - Orders	1	538.97*

***** *To the extent quantifiable*

Litigation against our Subsidiaries

Civil and Criminal Proceedings

S. No.	Particulars	No. of Cases	Total Amount (in ₹ lakhs)
1.	Civil Proceedings	1	Nil*
2.	Criminal Proceedings	1	Nil*
Total		2	**Nil**

** Not quantifiable*

Direct Tax Cases

S. No.	Type of Direct Tax	No. of Cases	Total Amount (in ₹ lakhs)
1.	Income Tax		
2.	**(a)** Orders	6	253.21*
	(b) Notice	1	Nil**
Total		**7**	**253.21***

**To the extent quantifiable*
***Not quantifiable. Intellect Design Arena Pte Limited, Singapore, a subsidiary of our Company, received a letter dated October 15, 2014 from the Principal Tax Officer, Corporate Tax Division, Comptroller of Income Tax, Singapore seeking certain information by November 31, 2014 in respect of the tax return filed for the Assessment Year 2013. Intellect Singapore is yet to respond to the letter.*

Indirect Tax Cases

S. No.	Type of Indirect Tax	No. of Cases	Total Amount (in ₹ lakhs)
1.	Service Tax - Orders	2	18.17*
2.	Sales Tax / VAT – Orders	5	79.03*
Total		**7**	**97.20***

** To the extent quantifiable*

Litigation against our Group Companies

Civil and Criminal Proceedings

Nil

Direct Tax Cases

Nil

Indirect Tax Cases

Nil

For further details, please see the chapter entitled *'Outstanding Litigations and Material Developments'* beginning on page 329 of this Draft Letter of Offer.

An unfavourable outcome in any of these proceedings could have an adverse effect on our Directors or on our business and results of operations.

4. Our future success will depend on our ability to effectively implement our business and growth strategies failing which our results of operations may be adversely affected.

Our success will depend, in large part, on our ability to effectively implement our business and growth strategies. We cannot assure you that we will be able to execute our strategies in a timely manner or within budget estimates or that we will meet the expectations of our customers and other stakeholders. We believe that our business and growth strategies will place significant demands on our senior management and other resources and will require us to develop and improve operational, financial and other internal controls. Further, our business and growth strategies may require us to incur further indebtedness. Any inability to manage our business and growth strategies could adversely affect our business, cash flows, financial condition and results of operations.

Our inability to maintain our growth or failure to successfully implement our growth strategies could have an adverse impact on the results of our operations, our financial condition, our cash flows and our business prospects.

5. A select group of our customers contribute significantly to our revenues and failure to retain one or more of them will have an adverse effect on our financial performance and results of operations.

During the six months ended September 30, 2016, Financial Year 2016 and Financial Year 2015, our top 10 customers contributed approximately ₹ 21,123.07 lakhs, ₹ 33,392.43 lakhs and ₹ 27,486.05 lakhs, constituting 45.95%, 39.91% and 43.20%, respectively, of our total revenue, as per the Restated Consolidated Summary Statements. We cannot assure you that our reliance on a select group of customers will decrease over time and we may continue to remain dependent upon them for a substantial portion of our revenues. In such an event, our failure to retain one or more of them may have an adverse effect on our financial performance and our results of operations.

6. We are focused on the banking financial service and insurance (BFSI) industry and any downturn in this industry would have an detrimental impact on our business and financial performance.

We are a global digital technology product solution provider to the BFSI industry. Our revenues from operations, as per the Restated Consolidated Summary Statements, are ₹ 43,676.67 lakhs, ₹ 81,065.55 lakhs and ₹ 60,874.95 lakhs for the 6 months ended September 30, 2016, Financial Year 2016 and Financial Year 2015 and 100% of such revenues are derived from the BFSI industry. Any significant downturn in the BFSI industry would have a significant impact on our business, our cash flows and financial condition. The performance of the BFSI industry is, in turn, linked to macro-economic factors, and, consequently, any downturn global economy could have an adverse impact on our business, our cash flows and financial condition.

7. Conditions and restrictions imposed on us by the agreements governing our indebtedness could adversely affect our ability to operate our business.

Our financing agreements include conditions and restrictive covenants that require us to obtain consents from respective lenders prior to carrying out specified activities and entering into certain transactions. Our lenders have certain rights to determine how we operate our businesses, which, amongst other things, restrict our ability to undertake various actions including incur additional debt, declare dividends, amend our constitutional documents, change the ownership or control (including beneficial ownership or control) and management of our business. We cannot assure you that we will be able to obtain approvals to undertake any of these activities as and when required or comply with such covenants or other covenants in the future.

Further, these debt obligations are typically secured by a combination of security interests over our assets and hypothecation of movables and future receivables. The security allows our lenders to *inter alia* sell the relevant assets in the event of our default.

Under such financing agreements, we are also required to comply with certain financial covenants such as maintaining prescribed financial ratios at all times.

Further, if we incur more debt or if there is an increase in the applicable interest rates for our existing debt, our interest payment obligations will increase and we may become subject to additional conditions from our lenders, including additional restrictions on the operation of our business. The financing agreements that we are party to, or which we may enter into in the future, may be unilaterally terminated by our lenders or our lenders could decline to lend to us under such agreements. Further, we cannot assure you that we will be able to raise additional financing on favourable terms, or at all. Any failure in the future to obtain necessary financing could result in a cash flow mismatch. Any of these factors could have an adverse effect on our business, financial condition, our cash flows and results of operations.

For further details of our financial indebtedness, please see the chapter entitled *'Financial Indebtedness'* on page 319 of this Draft Letter of Offer.

8. Our operations are dependent on research and development (R&D).

R&D is integral to our business and developing new products or upgrading and updating existing products (**New Product Development**) is critical to our continued growth and business prospects. Our R&D team continuously works on latest technologies such as 'Digital 360', 'Natural Language Processing', 'Artificial Intelligence', 'Big Data' and smart search technologies to augment our suite of product offerings by integrating and building solutions leveraging these technologies.

Our R&D expenditure for the six months ended September 30, 2016, Financial Year 2016 and Financial Year 2015 was ₹ 8,412.85, ₹ 12,918.52 and ₹ 12,203.58, constituting 18.30%, 15.44% and 19.18%, respectively, of our total consolidated revenue. Further, the process of developing new products / research and engineering is a continuous process and we expect to continue deploying significant resources including financial resources towards R&D. If we are unable to continuously develop new products or if we are unable to successfully upgrade our products, it could significantly impact our ability to compete, which would have a significant adverse impact our business, our cash flows and financial condition.

Further, we may or may not be able to take our R&D efforts through to New Product Development, the costs relating to R&D may not be capitalised and could adversely impact our business, our cash flows and financial condition.

9. Any failure of our information technology systems could adversely impact our business.

We are a digital software product solution provider and, consequently, our day to day operations depend heavily on our information technology systems. All our operations function under in-house built products such as Quantum Core Banking System (**QCBS**) platform and external off the shelf products such as Adrenalin and we rely heavily on our information technology systems including for our process which is significantly automated. We also use information technology systems for routine corporate activities such as processing of financial information, managing information pertaining to creditors/ debtors and engaging in normal business activities. Although we believe that we have effective backup systems in place, any partial or complete disruption of our information technology systems could adversely impact our business and the result of our operations.

10. If we are unable to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations and cash flows could be adversely affected.

Our business depends on our ability to successfully obtain payment from our customers of the amounts they owe us for the work performed. Generally, pursuant to our contracts with customers, our billing receipts are based on billing milestones and, consequently, our Receivables Cycle was around 176, 162 and 159 days during the six months ended September 30, 2016, Financial Year 2016 and Financial Year 2015, respectively. We maintain provisions against receivables and unbilled services. Actual losses on customer balances could differ from those that we currently anticipate and as a result we might need to adjust our provisions. There is no guarantee that we will accurately assess the creditworthiness of our customers. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of fees for customer services also depends on our ability to complete our contractual commitments and subsequently bill for and collect our contractual service fees. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience delays in billing and collection for our services, our cash flows could be adversely affected and consequently could adversely impact our business and the result of our operations.

11. The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution and are based on management estimates.

Our funding requirement including our long term working capital requirement is based on management estimates and has not been appraised by any bank or financial institution. Our funding requirements are based on our current business plan and may vary based on various factors including macroeconomic changes. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and, consequently, the funding requirement and the utilization of proceeds from the Issue may also change. This may also include re-scheduling the proposed utilization of Issue Proceeds at the discretion of our management. We may make necessary changes to the utilisation of Issue Proceeds in compliance with the provisions of the Companies Act. In the event of any variation in actual utilization of the Issue Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any such revision in the estimates may require us to revise our projected expenditure which may have a bearing on our profitability.

12. We are subject to risks resulting from foreign exchange rate fluctuations, which could adversely affect our results of operations.

Our Company's revenue, as per the Restated Consolidated Summary Statements, from international operations (i.e., revenue from operations outside India) for the six months ended September 30, 2016 and Financial Year 2016 as a percentage of total revenue, as per the Restated Consolidated Summary Statements, was 80.80% and 81.75%, respectively. Changes in currency exchange rates influence our Company's results of operations. Some of our expenses, particularly operating expenses in connection with our operations outside India, are denominated in currencies other than Indian Rupees, particularly the U.S. Dollar and Euros. In addition, depreciation of the Indian Rupee against the U.S. Dollar, Euros and other foreign currencies may adversely affect our results of operations by increasing the cost of financing any debt denominated in foreign currency that we may enter into or proposed capital expenditure, if any, in foreign currencies.

Furthermore, the financial reporting currency of our Company and our operations in India is in Indian Rupees, while the financial reporting currency of our international Subsidiaries is in the relevant foreign currency. Our foreign currency exchange risks therefore arise from the mismatch between our financial reporting currencies, currency of a substantial majority of our revenue and the currency of a portion of our expenses and our indebtedness, as well as timing differences between receipts and payments which could result in an increase of any such mismatch. Although, our Company uses foreign exchange contracts to hedge its exposure to movements in foreign currency rates and may, in the future, enter into hedging transactions to minimize our currency exchange risks, we cannot assure you that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the relevant foreign currencies.

13. We may be held liable for claims of or from our customers on account of any breach of the terms of the contracts or deficiency or delay in the services or the products supplied to our customers including indemnity, warranties, liquidated damages or penalty.

We provide our customers with products and services that are critical to the operations of their business. Our software products may contain undetected flaws, which could result in a claim against us for substantial damages, regardless of our responsibility for such a failure or defect. Although we attempt to contractually limit our liability for damages, including consequential damages, we cannot assure you that the limitations on liability will be enforceable in all cases. Any such occurrence on account of errors and omission could result in damage to our reputation and loss of customers, which could adversely affect our business, operations, our cash flows and financial condition.

Our Company may also be exposed to warranty claims. In defending such claims, our Company could incur substantial costs and receive adverse publicity. Any such defect or claim could therefore have a material adverse effect on our business, cash flows financial condition and results of operations.

Further, the contracts with our customers are generally time bound and contain provisions which may attract payment of penalty to the customer in the event there is a delay in delivery or services. Failure to adhere to contractually agreed timelines could make us liable to pay penalty and/or liquidated damages which may adversely cash flows, affect our financial conditions and results of operation.

14. If our products fail to maintain confidential information of our customers securely, or suffer from any security or privacy breaches, it could have a material adverse effect on our business, cash flows, financial condition, results of operations and prospects.

In our customer engagements, our products have access to a large volume of confidential information of our customers. Any viruses, worms, malicious applications and other security problems caused by unauthorised access to, or improper use of, systems by our employees, subcontractors or third-party vendors may jeopardise the security of information of our customers. Despite the security controls in our products, cyber-attacks or disruptions may jeopardise the security of information of our customers. As a result, we may be required to expend significant resources to protect against the threat of these security breaches or to alleviate problems caused by these breaches. Even if we anticipate these breaches we may not be able to counteract these cyber-attacks in time to prevent them.

Any security breach, data theft, unauthorised access, unauthorised usage, virus or similar breach or disruption could result in loss or disclosure of confidential information, damage to our reputation, litigation, regulatory investigations or other liabilities. Actual or perceived concerns that our products may be vulnerable to such attacks or disruptions may deter our customers from using our products and services and result in negative publicity.

Data privacy is increasingly subject to legislation and regulations in various jurisdictions and governments are increasingly acting to protect the privacy and security of personal information. Our attempts to comply with applicable legal requirements may not be successful, and may also lead to increased costs for compliance, which may materially and adversely affect our business, cash flows, financial condition, results of operations and prospects. We could be adversely affected if legislation or regulations are expanded or amended to require changes in our business practices or if such legislation or regulations are interpreted or implemented in ways that negatively affect our business, cash flows, financial condition, results of operations and prospects.

15. Any failure to obtain, renew and maintain requisite statutory and regulatory permits, licenses and approvals for our operations from time to time may adversely affect our business.

We require various statutory and regulatory permits, licenses and approvals to carry out our business and operations including environmental clearances and consents (cumulatively, the **Approvals**). For further details, please see the chapter entitled *'Government and Other Approvals'* beginning on page 336 of this Draft Letter of Offer. A majority of these Approvals are granted for a limited duration and must be periodically renewed. For instance, the fire license for our Corporate Office has expired and an application was filed for renewal. Further, while we have applied for some of these Approvals, we cannot assure you that such Approvals will be issued or granted to us in a timely manner, or at all. If we do not receive these Approvals or if we are unable to renew the Approvals in a timely manner, or at all, then our business and operations may be adversely affected.

Further, the Approvals are subject to numerous conditions and there can be no assurance that these Approvals will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Suspension or revocation of the Approvals by the relevant regulatory authority, either on account of non-compliance or otherwise, would impair our Company's operations and, consequently, have an adverse effect on our business, cash flows and financial condition. Our Company may also be liable to monetary penalties and imprisonment.

16. We may not be able to secure additional funding in the future. In the event our Company is unable to obtain sufficient funding, it may delay its growth plans and have a material adverse effect on our business, cash flows and financial condition.

From time to time, our Company's plans may change due to changing circumstances, new business developments, new business or investment opportunities or unforeseen contingencies. If our plans do change, our Company may need to obtain additional financing to meet capital expenditure plans, which may be raised through borrowings from commercial banks, issue of debentures or other debt securities. If we raise additional funds by incurring debt, the interest and debt repayment obligations of our Company will increase, and we may be subject to additional covenants, which could limit the ability to access cash flow from operations and/or other means of financing. There can be no assurance that we will be able to obtain adequate financing to fund future capital requirements on acceptable terms, in time. In addition, any adverse credit rating by the debt rating agencies for the debt availed by our Company may adversely impact our Company's ability to obtain further financing. Any failure to obtain sufficient funding could result in the delay or abandonment of our growth plans and have an adverse impact on our business, cash flows and financial conditions.

17. ***Conflicts of interest may arise out of common business objects shared by our Company and certain companies within the Promoters and Promoter Group.***

Certain companies within the Promoter Group operate in the IT industry, the same industry to which our Company belongs while operating in different lines of business. There may be conflicts of interest in addressing business opportunities and strategies where other companies in which the Promoters and Promoter Group have equity interests are also involved. In addition, new business opportunities may be directed to these affiliated companies instead of us leading to loss of our business and revenues. They are in the same line of business as us and there can be no assurance that no conflict of interest will arise. Such a conflict could have an adverse impact on our business and operations. For further details of our Promoter Group and Group Companies, please see the chapter entitled '*Our Promoters and Promoter Group*' and '*Our Group Companies*' beginning on pages 153 and 158 of this Draft Letter of Offer.

18. ***Our Company has in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the Equity Shareholders.***

Our Company has entered into various transactions with related parties. While our Company believes that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

It is likely that our Company may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. For further details on our related party transactions please see the chapter entitled *'Related Party Transactions'* on page 163 of this Draft Letter of Offer. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our Company and/or that it will not have an adverse effect on our business and results of operations.

19. ***If our Company is unable to respond effectively to competition, our business, our cash flows and our financial condition may be adversely affected.***

We operate in a highly dynamic, intensive and competitive industry, both in India and globally, and, consequently we face intense competition across our business verticals from domestic as well as global operators. During the six months ended September 30, 2016, Financial Year 2016 and Financial Year 2015, we generated our Revenue from operations on a consolidated basis from various geographies as below.

(in ₹ lakhs)

Segment	Six months ended September 30, 2016	Financial Year 2016	Financial Year 2015
India, Middle East and Africa	19,614.07	35,726.58	32,061.30
Americas	4,303.32	10,289.89	4,131.23
Asia Pacific	14,114.89	23,046.32	16,843.71
Europe	5,644.39	12,002.76	7,838.71

In particular, we face intense competition from competitors such as Oracle Corporation, Temenos Group, EdgeVerve, SAP, SAB, Infosys Limited and Tata Consultancy Service Limited. Our ability to effectively compete globally and, in particular, in IMEA, Americas, Asia Pacific and Europe, with large, medium and small companies will have a significant bearing on our business, our cash flows and financial condition.

20. ***We are heavily reliant on our Key Managerial Personnel and persons with technical expertise. Failure to retain or replace them will adversely affect our business.***

In order to successfully manage and expand our business, we are dependent on the services of Key Managerial Personnel, and our ability to attract, train, motivate and retain skilled employees, including software engineers and other professionals. In addition, our business is driven by technology and requires personnel with requisite technical expertise. If we are unable to hire additional personnel or retain existing qualified personnel, in particular our Key Managerial Personnel and persons with requisite technical expertise, our operations and our ability to expand our business may be impaired. Further, we may be unable to hire and retain enough skilled and experienced employees to replace those who leave or may not be able to re-deploy existing resources successfully. Failure to hire or retain Key Managerial Personnel and skilled and experienced employees could adversely affect our business and results of operations.

21. Our inability to protect or use our intellectual property rights may adversely affect our business.

We own and have made applications for the registration of various trade marks including 'Intellect' and 'iGTB' under different classes. While we have been granted registration for some trade marks under certain classes, there can be no assurance that our Company will be granted all trade marks applied for in a timely manner, or at all. Failure to obtain timely registration may adversely impact our ability to defend any infringement of our intellectual property since we will only be able to initiate passing-off action (which is more onerous to prosecute) which may not provide sufficient protection.

Moreover, the use of our brand name or logo by third parties could adversely affect our reputation and business, which could in turn adversely affect our financial performance and the market price of the Equity Shares. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe our rights, which may have an adverse effect on our business and results of operations.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our product offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised, those claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain product offerings. Any of the foregoing could adversely affect our business, results of operations, cash flows and financial condition.

22. We have experienced negative cash flows during previous financial years and any negative cash flows in the future could adversely affect our financial condition and trading price of our Equity Shares.

As per our Restated Consolidated Summary Statements, we have experienced negative cash flows from operating and investing activities during the six months ended September 30, 2016, Financial Year 2016 and Financial Year 2015. Further, during the six months ended September 30, 2016 and Financial Year 2015, we have experienced negative cash flows from investing and financing activities, respectively. The cash flow from operating, investing and financing activities during the six months ended September 30, 2016, Financial Year 2016 and Financial Year 2015 are as set forth in the table below:

(in ₹ lakhs)

Particulars	**Six months ended September 30, 2016**	**Financial Year**	
		2016	**2015**
Net Cash generated from (used in) operating activities	(8,491.38)	(11,081.44)	(1,754.94)
Net Cash generated from (used in) investing activities	(4,044.99)	4,216.38	8,515.50
Net Cash generated from (used in) financing activities	9,004.49	1,810.44	(849.35)
Net increase/(decrease) in cash and cash equivalents	**(3,531.88)**	**(5,054.62)**	**5,911.21**

23. Our Company has incurred losses in the previous financial years and losses in future, if any, could adversely affect our financial condition and trading price of our Equity Shares.

As per our Restated Consolidated Summary Statements, our Company has incurred losses during the six months ended September 30, 2016, Financial Year 2016 and Financial Year 2015, as set out below:

(in ₹ lakhs)

Particulars	**Six months ended September 30, 2016**	**Financial Year**	
		2016	**2015**
Restated consolidated profit / (loss) for the year /	(1,760.02)	(2,901.02)	(7081.89)

period			
Restated unconsolidated profit / (loss) for the year / period	(608.40)	2,194.12	(6,042.45)

In accordance with the Companies Act, 2013, dividend may be distributed only from profits generated in any financial year. Accordingly, our Company will not be able to distribute dividends in any financial year in which it incurs a loss. Further losses, if any, in future, could adversely impact our financial condition and the trading price of our Equity Shares.

24. Our Promoters will, even after the culmination of this Issue, continue to be our largest Shareholders and have the right to approve certain corporate actions, which may potentially involve conflicts of interest with the other Equity Shareholders.

Our Promoters holds 29.56% of the Equity Share Capital and, therefore, will have the ability to significantly influence our corporate decision making process. This will include the ability to appoint Directors on our Board and the right to approve significant actions at the Board and at the Shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to the Memorandum and Articles of Association, and any assignment or transfer of our interest in any of our licenses. We cannot assure you that our Promoters interests in any such scenario will not conflict with the interest of other Shareholders or with the interests of our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business effectively or in the best interests of our other Shareholders.

25. Our operations are subject to varied business risks and our insurance cover may prove inadequate to cover our economic losses.

Our operations are subject to various risks and hazards which may adversely affect revenue generation and profitability. While we believe that we have taken adequate safeguards to protect our assets from various risks inherent in our business, including by purchasing and maintaining relevant insurance cover, it is possible that our insurance cover may not provide adequate coverage in certain circumstances.

While we believe that we maintain sufficient insurance cover, certain types of losses may be either uninsurable or not economically viable to insure, such as losses due to acts of terrorism or war. Should an uninsured loss occur, we could lose our investment in, as well as anticipated profits and cash flows from the asset. In addition, even if any such loss is insured, there may be a significant deductible on any claim for recovery prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss. Further, even in the case of an insured risk occurring there can be no assurance that we will be successful in claiming insurance in part or full, or the insurance purchased by us may be insufficient to cover the loss occasioned by the risk. Any loss that is not covered by insurance or for which we are unable to successfully claim insurance or which is in excess of the insurance cover could, in addition to damaging our reputation, have an adverse effect on our business, cash flows, financial condition and results of operation. Further, an insurance claim once made could lead to an increase in our insurance premium.

26. We have leased / taken on rent certain properties from which we operate our business

We do not own the premises in which our registered office and certain office premises are situated. Our corporate office is operated on a premises which we have obtained from State Industries Promotion Corporation of Tamil Nadu (**SIPCOT**), on a 99 year lease and certain other office premises are owned by other third parties. For further details of our premises, see '*Our Business – Property*' on page 116 of this Draft Letter of Offer.

We cannot assure you that we will own, or have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of these premises, which may impair our operations and adversely affect our financial condition. If we are required to vacate these premises for any reason whatsoever including expiry or termination of lease, we may be unable to identify suitable location immediately. Further, identification a new location to house our operations and relocating our business to the new premises may place significant demands on our senior management and other resources and also involve us incurring significant expenditure. Any inability on our part to timely identify a suitable location for a relocated office could have an adverse impact on our business. For instance, our lease deed for the office situated at SEEPZ, Mumbai has expired and is pending renewal.

Furthermore, some of the lease agreements and leave and license agreements may not be adequately stamped or registered with the registering authority of the appropriate jurisdiction. An instrument not duly stamped, or insufficiently stamped, shall not be admitted as evidence in any Indian court or may attract a penalty as prescribed under applicable law, which may have a material adverse effect on the continuance of our operations and business.

27. Some of our properties transferred pursuant to the Scheme of Arrangement-cum-Demerger are yet to registered in the name of our Company

Our Company's business was transferred in 2014 from Polaris Consulting & Services Limited pursuant to the Scheme of Arrangement-cum-Demerger approved by the High Court of Judicature at Madras. As a part of the Scheme of Arrangement-cum-Demerger, various parcels of land and certain properties were transferred to our Company. However, the change in ownership pursuant to the Scheme of Arrangement-cum-Demerger is to be recorded in some of our properties. According to Indian law, our Company is required to enter the details of the property in the register maintained with the office of the Registrar. In the absence of such registration doubt may be cast on our title to the properties, and our ability to sell the properties, should we so choose, may be impaired.

28. We have certain capital commitments and other contingent liabilities which may adversely affect our cash flows and financial condition.

Our commitments and other contingent liabilities as on September 30, 2016, March 31, 2016 and March 31, 2015, as per the Restated Consolidated Summary Statements, are as set out in the table below:

(in ₹ lakhs)

Particulars	**As on September 30, 2016**	**As on March 31, 2016**	**As on March 31, 2015**
Capital Commitments (net of advances and deposit)	421.89	567.45	647.77
Demand from Indian Income Tax Authorities	724.91	724.91	-
Sales Tax demand from Commercial Tax Officer, Chennai	31.62	31.62	-
Service tax demand from Commissioner of Central Excise, Chennai	28.42	28.42	-
Total	**1,206.84**	**1352.40**	**647.77**

The above contingent liabilities disclosed in the Restated Consolidated Summary Statements are in accordance with Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets.

If a significant portion of these liabilities materialise, it could have an adverse effect on our business, cash flows, financial condition and results of operations. For further details, please see '*Restated Consolidated Summary Statements–Commitments and Other Contingent Liabilities*' on page 232 of this Draft Letter of Offer.

29. We may be held liable for the payment of wages to the contract labourers we engage in our operations.

In order to retain flexibility and control costs, we appoint independent contractors who, in turn, engage on-site contract labour to perform certain operations. We determine the number of contract labourers required depending on the requirement of our business from time to time. Although we do not engage these labourers directly, in the event of default by any independent contractor, we may be held responsible for any wage payment that must be made to such labourers. If we are required to pay the wages of the contracted employees, our results of operations, cash flows and financial condition could be adversely affected. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, we may also be required to employ a number of such contract labourers as permanent employees. Any order from a regulatory body or court directing us to employ contracted employees could have an adverse effect on our business, cash flows, results of operations and financial condition.

30. We may raise additional equity capital which may dilute your existing shareholding.

Our growth and business strategies may require us to raise additional capital which may be met through a further issue of equity, or securities convertible into equity. Any issuance of Equity Shares to persons other than the Equity Shareholders will dilute your existing equity shareholding. Further, we may obtain funding from our

Promoters through an equity infusion. This will also dilute your shareholding in our Company.

Our future issuances of Equity Shares (including under the various schemes of employee stock options) or the disposal of Equity Shares by our Promoters or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India, may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the Shareholders will not dispose of, pledge or otherwise encumber the Equity Shares. Any future issuances could also dilute the value of your investment in our Company.

31. We have not entered into any definitive agreements to monitor the utilization of the Issue Proceeds.

The SEBI ICDR Regulations stipulate the appointment of monitoring agency only where the issue size is in excess of ₹ 50,000.00 lakhs. Since the Issue is for less than ₹ 50,000.00 lakhs, we will not be appointing a monitoring agency and the deployment of Issue Proceeds, as stated in chapter entitled *'Objects of the Issue'* on page 80 of this Draft Letter of Offer, will not be monitored by an independent agency.

32. A few of our customer contracts transferred pursuant to the Scheme of Arrangement-cum-Demerger are yet to be formally assigned to our Company

Our Company's business was transferred in 2014 from Polaris Consulting & Services Limited pursuant to the Scheme of Arrangement-cum-Demerger approved by the High Court of Judicature at Madras. As a part of the Scheme of Arrangement-cum-Demerger, all the contracts including that of customers and vendors were transferred to our Company. While the Company has entered into separate contracts / works orders with many customers, a few customer contracts are yet to be formally assigned to our Company and are still under the name of Polaris Consulting & Services Limited. In the absence of a formal assignment, we cannot assure you of the enforceability of these contracts by our Company, which could have an adverse effect on our business, cash flows, results of operations and financial condition. For further details regarding the Scheme of Arrangement-cum-Demerger, please see section entitled '*History and Certain Corporate Matters*' at page 125 of this Draft Letter of Offer

33. Our Company has not paid dividends in the last five (5) Financial Years. There can be no assurance that our Company will be in a position to pay dividends in the future.

Our Company has not paid any dividend on its Equity Shares during the preceding five (5) Financial Years. Further, the ability to pay dividends in the future will depend upon a variety of factors, including the earnings, general financial conditions, capital requirements, results of operations, contractual obligations and overall financial position, applicable Indian legal restrictions, the Articles of Association and other factors considered relevant by the Board of Directors of our Company. Therefore, there can be no assurance that our Company will be in a position to declare dividends, of any particular amount or with any frequency in the future.

34. We have a large work force and our employee benefit expense is significant component of our operating costs. An increase in employee benefit expense could reduce our profitability.

Our operations are highly dependent on our skilled and semi-skilled employees. Due to economic growth in the past and the increase in competition for skilled and semi-skilled employees in India, salaries in India have, in recent years, been increasing. In addition, we may also need to increase our compensation levels to remain competitive in attracting and retaining the quality and number of skilled and semi-skilled employees that our business requires. A significant long-term increase in our employee benefit expense could reduce our profitability, which could, amongst others, impact our growth prospects.

35. Some of our Group Companies has incurred losses in the previous year.

Adrenalin eSystems Limited, one of our Group Companies, has incurred a loss in the Financial Year 2016. It has incurred losses of ₹ 576.65 lakhs in the Financial Year 2016. Further, Intellect Polaris Design LLC, USA has incurred losses of USD 164,792 and USD 199,675 for the Financial Year 2015 and the Financial Year 2016, respectively. We cannot assure that our Group Companies will not incur losses or have a negative net worth in the future. For further details, see the chapter entitled '*Our Group Companies*' on page 158 of this Draft Letter of Offer.

36. Unsecured loans taken by our Company, our Promoters and our Group Companies can be recalled by the

lenders at any time.

Our Company has currently availed unsecured loans for the purpose of short term working capital requirements from its Promoter, Polaris Banyan Holding Private Limited, which may be recalled by the Promoter at any time. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Our Company may not have adequate working capital to undertake new projects or complete the ongoing projects. As a result, any such demand may affect our business, cash flows, financial condition and results of operations.

37. Our Promoters, our directors and our key management personnel of our Company may have interests in our Company, other than reimbursement of expenses incurred or normal remuneration or benefits.

Our Promoters are interested in our Company to the extent of any transactions entered into by them or their shareholding and dividend entitlement in our Company. Our Directors are also interested in our Company to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details, please see the sections entitled '*Our Management*' and '*Our Promoters and Promoter Group*' on pages 140 and 153, respectively of this Draft Letter of Offer.

38. There is a proposal to settle a pending claim against our Company by FirstRand Bank Limited which if not executed will have an adverse effect on our business, cash flows and financial condition

There is a pending claim filed by FirstRand Bank Limited (**FRB**) against our Company for *inter alia* restitution of all amounts paid to our Company under the Software License Agreement, a customisation and implementation agreement and a software maintenance agreement dated July 19, 2012. Our Company and FRB have now proposed to enter into a settlement agreement in terms of which FRB has agreed to withdraw the claim for repayment amounting to approximately USD 2,812,123 and our Company has agreed to withdraw a claim of USD 431,061.67. However, the settlement agreement is pending execution by FRB. We cannot assure you that the settlement agreement will be executed or that no additional liability will arise out of this claim. An adverse outcome in this regard will have an adverse effect on our business, cash flows and financial condition.

39. The NSE has sought clarifications from our Company in respect of delayed filing a merger application with the stock exchange.

On May 3, 2016, our Board of Directors approved the merger of our Subsidiaries, Laser Soft Infosystems Limited and Indigo Tx Software Private Limited, India, with our Company. However, our Company made the application for the merger with the NSE and the BSE on December 29, 2016 and December 30, 2016, respectively. The NSE through various letters has sought, amongst others, clarifications from our Company in respect of the delay in making the application. Our Company has replied that the delay was amongst others due to administrative issues.

EXTERNAL RISK FACTORS

40. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The following external risks may have an adverse impact on our business and results of operations should any of them materialise:

a. high rates of inflation in India and in countries where we, independently or through our Subsidiaries, operate our business could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins;

b. changes in existing laws and regulations in India and in countries where we, independently or through our Subsidiaries, operate our business; and

c. a slowdown in economic growth or financial instability in India and in countries where we, independently or through our Subsidiaries, operate our business could adversely affect our business and results of operations.

41. Governmental actions and changes in policy could adversely affect our business.

The Government of India and the State Government have broad powers to affect the Indian economy and our business in numerous ways. Additionally, we operate our business in several countries and any change in policies in such countries may affect our business. Any change in the existing Government of India and/or State Government, or foreign government policies, or new policies affecting the economy of India or any foreign country where we operate our business could adversely affect the supply/demand balance and competition in markets in which we operate and negatively affect our cost structure. There can be no assurance that we would be able to pass on such increase in costs to our customers through an increase in our prices, which could adversely affect our business, cash flows, financial condition and prospects.

42. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.

The Competition Act, 2002, of India, as amended (**Competition Act**) regulates practices having an appreciable adverse effect on competition (**AAEC**) in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and results in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of guests in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (**CCI**). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are currently party to an outstanding proceeding and have we received a show cause notice in relation to non-compliance with the Competition Act and the agreements entered into by us. We could be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects. For more information, please see the chapter entitled '*Outstanding Litigation and Material Developments*' on page 329 of this Draft Letter of Offer.

43. Any downgrade of credit ratings of India or Indian companies may adversely affect the ability to raise debt financing.

India's sovereign foreign currency long-term debt is rated by (i) Standard & Poor's Rating Group, a division of McGraw-Hill Companies, Inc. (***Standard & Poor's***); (ii) Fitch Ratings Limited (***Fitch***); and (iii) Moody's Investors Services Limited (***Moody's***). These ratings reflect an assessment of the Government of India's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due. No assurance can be given that Standard & Poor's, Fitch, Moody's or any other statistical rating organisation will not downgrade the credit ratings of India, which could adversely affect the ability of our Company to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect our business, cash flows and financial condition.

44. The occurrence of natural disasters may adversely affect the business, financial condition and results of

operation of our Company.

India has experienced natural calamities, such as tsunamis, floods, droughts and earthquakes in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. For example, the torrential rainfall in South India in the year 2015 caused floods in the state of Tamil Nadu especially in the city of Chennai and its neighbouring areas. Such unforeseen circumstances of excess rainfall and other natural calamities could have a negative impact on the Indian economy. Many foreign countries have also experienced natural calamities such as tsunamis, earthquakes and floods in the past few years. Since our operations are located in India and abroad, our business and operations could be interrupted or delayed as a result of a natural disaster in India and countries where we operate our business, which could affect our business, cash flows, financial condition, results of operations and the price of our Equity Shares.

45. Hostilities, civil unrest, breaches of law and order and other acts of violence may adversely affect our business and the trading price of the Equity Shares.

Hostilities, civil unrest and other acts of violence or war within India and the surrounding region may adversely affect worldwide financial markets and may result in a loss of consumer confidence, which in turn may adversely affect our business, prospects, results of operations, cash flows and financial condition.

46. Our Equity Shares are quoted in Indian rupees in India and Investors may be subject to potential losses arising out of foreign exchange rate risk on the Indian rupee and risks associated with the conversion of the Indian rupee proceeds into foreign currency.

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian Rupees on the Stock Exchanges on which they are listed. Dividends on the Equity Shares, if any, will also be paid in Indian Rupees. In addition, foreign Investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian Rupee against the US Dollar and other currencies subjects Investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

47. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the Financial Statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Draft Letter of Offer.

Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with the Companies Act and restated as per the SEBI ICDR Regulations contained in this Draft Letter of Offer. As stated in the reports of the Statutory Auditors included in the chapter entitled *'Financial Statements'* beginning on page 165 of this Draft Letter of Offer, the Financial Statements included in this Draft Letter of Offer are based on financial information that is based on the financial statements from the period FY 2012 to FY 2016 that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft Letter of Offer to any other principle or to base it on any other standards. Indian GAAP differs from accounting principles with which prospective Investors may be familiar in other countries, such as U.S. GAAP and IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and we urged the investors to consult their own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

48. Public companies in India, including our Company, may be required to prepare financial statements under IndAS (a variation of IFRS). The transition to IFRS or IndAS in India is very recent and not final and our Company may be negatively affected by such transition.

Our Company currently prepares its annual financial statements under Indian GAAP. Certain public companies in India, including our Company, are required to prepare annual under Indian Accounting Standard 101 'First-time Adoption' of Indian Accounting Standards (**IndAS**) for the year ending March 31, 2017. On January 2, 2015, the Ministry of Corporate Affairs, Government of India (**MCA**) announced the revised roadmap for the implementation of IndAS (on a voluntary as well as mandatory basis) for companies other than banking companies, insurance companies and non-banking finance companies through a press release.

The aforementioned press release specifies that IndAS will be required to be implemented on a mandatory basis by companies whose securities are either listed or proposed to be listed, on any stock exchange in India or outside India, based on their respective net worth as set out below:

Sr. No.	Net Worth	First Period of Reporting
1.	₹ 50,000.00 lakhs or more	Financial Year 2016
2.	Less than ₹ 50,000.00 lakhs	Financial Year 2017

In addition, any holding, subsidiary, joint venture or associate companies of the companies specified above shall also comply with such requirements from the respective periods specified above.

There is not yet a significant body of established practice on which to draw informing judgments regarding its implementation and application. Additionally, IndAS differs in certain respects from IFRS and therefore financial statements prepared under IndAS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our Company's financial condition, results of operations, cash flow or changes in Shareholders' equity will not be presented differently under IndAS than under Indian GAAP or IFRS. Our Company has to comply with IndAS for the accounting period beginning on April 1, 2016. Our Company is in the process of implementing and enhancing its management information systems and may encounter difficulties in such process and such implementation is not complete. There can be no assurance that the adoption of IndAS by our Company will not adversely affect its results of operations or financial condition. Any failure to successfully transition to IndAS in accordance with the prescribed timelines may have an adverse effect on the financial position and results of operations of our Company.

49. If security or industry analysts do not publish research or publish unfavourable research or inaccurate research about the business of our Company, the price and trading volume of the Equity Shares may decline.

The trading market for the Equity Shares will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We may be unable to sustain coverage by well regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of our Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for our Equity Shares would be negatively impacted. In the event we obtain securities or industry analyst coverage, if one or more of the analysts downgrade our Equity Shares or publish inaccurate or unfavourable research about our business, our Equity Shares price may decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, demand for our Equity Shares could decrease, which might cause the price and trading volume of our Equity Shares to decline.

50. The Companies Act, 2013 has effected significant changes to the existing Indian Company law framework, which may subject us to higher compliance requirements and increase our compliance costs.

The Companies Act, 2013 has been notified, except for certain provisions. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, and in certain cases, introduced certain requirements which did not have corresponding provisions under the Companies Act, 1956, such as provisions related to private placement of securities, disclosures in prospectus, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by Shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and Key Managerial Personnel from engaging in forward dealing.

In addition, pursuant to the corporate social responsibility (**CSR**) provisions contained in the Companies Act, 2013, our Company may also need to spend, in each financial year, at least two per cent (2%) of our average net profits during the three (3) immediately preceding financial years towards one of the specified CSR activities.

51. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, in India may adversely affect the business and financial performance of our Company.

The business and financial performance of our Company could be affected by any unfavourable change in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to our Company and its business. For further details on certain existing regulations applicable to the business of our Company, please see the chapter entitled *'Regulations and Policies'* beginning on page 122 of this Draft Letter of Offer. There can be no assurance that the Government may not propose and implement new regulations and policies which may affect our business or our Company. Any such change and the related uncertainties with respect to the implementation of the new regulations may have an adverse effect on the business, financial condition and results of operations of our Company. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulation, which may adversely harm the results of operations of our Company.

52. Investors may be adversely affected due to retrospective tax law changes by the Indian government affecting our Company.

Certain changes to the Income Tax Act provide that income arising directly or indirectly through the sale of a capital asset of an offshore company, including shares, will be subject to tax in India, if such shares derive indirectly or directly their value substantially from assets located in India. The term '*substantially*' has not been defined under the Income Tax Act and therefore, the applicability and implications of these changes are largely unclear. Due to these recent changes, Investors may be subject to Indian income taxes on the income arising directly or indirectly through the sale of the Equity Shares. In the past, there have been instances where changes in the Income Tax Act have been made retrospectively and there cannot be an assurance that such retrospective changes will not happen again.

53. There can be no assurance that the Rights Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner or at all.

In accordance with Indian law and practice, after the Board of Directors passes the resolution to allot the Right Shares but prior to crediting the Rights Shares into the Depository Participant accounts of the Investors, we are required to apply to the Stock Exchanges for final listing approval. After receiving the final listing approval from the Stock Exchanges, we will credit the Rights Shares into the Depository Participant accounts of the respective Investors and apply for the final trading approval from the Stock Exchanges. There could be a failure or delay in listing these Rights Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Rights Shares.

54. There are restrictions on daily movements in the price of Equity Shares, which may adversely affect a Shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point of time.

We are subject to a daily 'circuit breaker' imposed by the Stock Exchanges, which may not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on the stock exchanges. The percentage limit on the circuit breakers is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares of our Company. The Stock Exchanges will not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without the knowledge of our Company. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

55. Shareholders may be subject to Indian taxes arising out of capital gains on the sale of Rights Shares.

As per the current taxation laws capital gains arising from the sale of the equity shares of a company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than twelve (12) months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by a stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than twelve (12) months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of twelve (12) months or less will be subject to capital gains tax in India. Capital gains arising from the sale of the Rights Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident.

Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gain upon a sale of the Rights Shares. For further details, please see the chapter entitled *'Statement of Possible Tax Benefits Available to the Company and its Shareholders'* beginning on page 87 of this Draft Letter of Offer.

56. Our Company's ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our Company's ability to raise foreign capital for expansion plans or acquisitions and other strategic transactions, and could constrain our Company's ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure the Investors that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business, prospects, result of operations, cash flows and financial condition.

Prominent Notes to Risk Factors

1. Issue of [●] Equity Shares with a face value of ₹ 5 each for cash at a price of ₹ [●] per Right Share (including a premium of ₹ [●] per Rights Share) for an amount aggregating up to ₹ 20,000.00 lakhs on Rights basis in the ratio of [●]:[●] (on Rights Shares for every [●] fully paid up Equity Shares) held by the Equity Shareholders on the Record Date, i.e. [●]. The face value of the Rights Shares is ₹ 5 each and the Issue Price is [●] times of the face value of the Equity Shares.

2. The net worth of our Company, as per the Restated Consolidated Summary Statements, as of September 30, 2016, March 31, 2016, and March 31, 2015 is ₹ 55,930.00 lakhs, ₹ 55,781.00 lakhs, ₹ 53,232.00 lakhs, respectively. For further details, please see the section entitled *'Financial Information'* beginning on page 165 of this Draft Letter of Offer.

3. The net worth of our Company, as per the Restated Unconsolidated Summary Statements, as of September 30, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and June 30, 2012 is ₹ 55,930.00 lakhs, ₹ 55,781.00 lakhs, ₹ 53,232.00 lakhs, ₹ 5.00 lakhs, ₹ 5.00 lakhs and ₹ 5.00 lakhs, respectively. For further details, please see the section entitled *'Financial Information'* beginning on page 165 of this Draft Letter of Offer.

4. The NAV per Equity Share of our Company as per the Restated Consolidated Summary Statements as of September 30, 2016, March 31, 2016 and March 31, 2015 is ₹ 59.75, ₹ 61.43, ₹ 61.80, respectively. For further details, please see the section entitled *'Financial Information'* beginning on page 165 of this Draft Letter of Offer.

5. The NAV per Equity Share of our Company as per the Restated Unconsolidated Summary Statements as of September 30, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and June 30, 2012 is ₹ 55.32, ₹ 55.35, ₹ 52.05, ₹ 5.00, ₹ 10.00 and ₹ 10.00, respectively. For further details, please see the section entitled *'Financial Information'* beginning on page 165 of this Draft Letter of Offer.

6. Except as referred to in the chapter entitled *'Related Party Transaction'* on page 163 of this Draft Letter of Offer, our Company has not entered into any transactions with our Group Companies or our Subsidiaries during the eighteen (18) months period preceding the latest Financial Statements included in this Draft Letter of Offer i.e. April 1, 2015 to September 30, 2016. For further details regarding the related party transactions and business and other interests of the Group Companies, please see the chapters entitled and '*Our Group Companies*' and *'Related Party Transaction'* beginning on pages 158 and 163, respectively, of this Draft Letter of Offer.

7. Our Company has issued Equity Shares for consideration other than cash. For further details, please refer the chapter entitled *'Capital Structure'* on page 58 of this Draft Letter of Offer.

8. For information on changes in our Company's name and objects clause of the Memorandum of Association of our Company, please see the chapter entitled *'History and Certain Corporate Matters'* beginning on page 125 of this Draft Letter of Offer.

9. Except as disclosed in the chapters entitled *'Capital Structure' 'Our Promoters and Promoter Group'* and *'Our Management'* beginning on pages 58, 153 and 140 respectively of this Draft Letter of Offer, none of the Promoters, Directors or Key Managerial Personnel have any interest in our Company.

10. There has been no financing arrangement whereby the Promoter Group, the directors of our Promoter, the Directors of our Company and their relatives, have financed or agreed to finance the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six (6) months immediately preceding the date of filing of this Draft Letter of Offer with SEBI.

11. The average cost of acquisition per Equity Share of:

    a. Polaris Banyan Holding Private Limited is ₹ 129.89;
    b. Arun Jain is ₹ 77.53; and
    c. Arun Jain (HUF) is Nil.

12. Any clarification, information and complaints relating to the Issue shall be made available by the Lead Manager and our Company to the Investors at large and no selective or additional information would be available for a section of Investors in any manner whatsoever.

13. All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs giving full details such as name, address of the Applicants, application number, number of Rights Shares applied for, application amounts, ASBA Account number and the Designated Branch of the SCSBs where the Composite Application Form has been submitted by the ASBA Investor. For contact details, please see the chapter entitled *'General Information'* beginning on page 52 of this Draft Letter of Offer.

14. Investors may contact the Compliance Officer or the Lead Manager for any complaints pertaining to the Issue.

SECTION III – INTRODUCTION

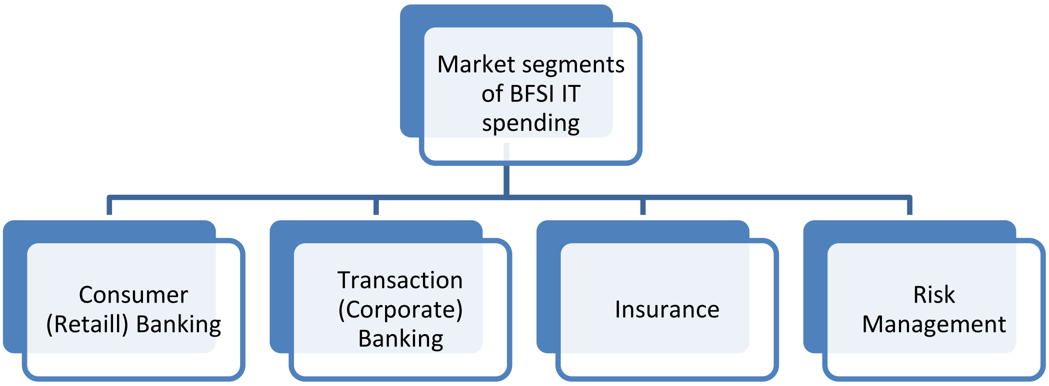
SUMMARY OF INDUSTRY

The following is a summary of the industry overview. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter entitled 'Industry Overview' on page 92 of this Draft Letter of Offer.

Unless otherwise stated, the information in this section is derived from the 'IT/Software for Banking/Financial Services – December 2016'a report prepared by ICRA Management Consulting Services Limited. In addition, we have relied on websites and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we, nor any other person connected with the Issue, has independently verified the information provided in this chapter. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on this information.

Overview

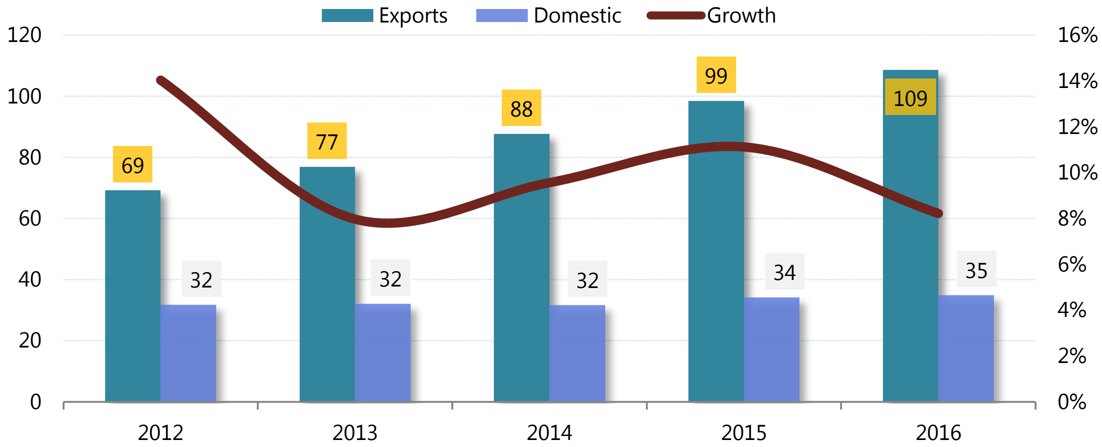
BFSI(Banking Financial Services & Insurance) Industry is undergoing digital transformation driven by the fast paced changes and adoption of Information Technology (IT). Strategies and investment priorities of software solutions employed are dependent on the business objectives of multiple BFSI segments. There are four key market segments of IT investments in BFSI Industry:



To explain about IT spending in different segments of BFSI industry, it is important to understand Indian IT/Business Process Management (BPM) sector, trends in global banking, to highlight the drivers and scenarios present in software product spending.

The Information technology (IT) and business process management (BPM) sector (IT/BPM) has become one of the most significant growth catalysts for the Indian economy IT industry in India encompasses the software industry, and Information Technology Enabled Services (ITES) and the Business Process Management industry. Main segments under IT-BPM industry are Services, Software Products and Hardware. Services can be further categorized into IT Services, BPM, and Engineering Research & Development and Product Development. Including hardware, the Indian IT-BPM sector recorded turnover of around $143 billion (Rs. 9.4 trillion) during FY2016 with exports accounting for around $108 billion and contributing to 76% of industry revenues. Domestic IT-BPM sector had an estimated turnover of $35 billion in FY2016, with growth of around 2.3% in FY2016.

India's IT-BPM Industry Turnover
$ billion, FY



Source: NASSCOM and IMaCS Analysis

Components of Software Services Exports from India

Rs. Billion

Market Segment	2014	2015	2016
(A) Computer Services	3,181.7	3,610.8	4,104.4
i) IT services	2,936.7	3,399.7	3,862.8
ii) Software Product Development	245.0	211.1	241.6
B) ITES/BPO Services	1,141.1	1,403.2	1,658.7
i) BPO Services	934.2	1,089.2	1,336.8
ii) Engineering Services	206.9	314.0	321.9
Total Exports of Software Services (Rs. Billion)	4,322.8	5,014.0	5,763.1
in US $ billion *	71.4	82.0	88.0
Growth	14.1%	14.9%	7.3%

Source: RBI and IMaCS Analysis

Outlook

The pace of growth in India's IT industry has moderated during FY2016. This trend could continue into FY2017, with India's software export growth likely to be in the range of 8-10%. Domestic revenues for the same period could grow at a rate of 10-12% in FY2017. As in the recent past; currency volatility, macroeconomic slowdown, changing technology, and increased cost competition are likely to pull down growth of Indian IT-BPM industry. Reduced or lower growth in global IT spending could also lead to increased pricing pressure, and impacts utilisation rates. There is also a growing trend among buyers of IT services towards consolidation of vendors so as to cut costs, improve efficiency, and reduce uncertainty. Growth of the Indian IT-BPM industry over the next five-six years will depend on the changes that the providers are able to make in their service offerings, business models and markets. Over the longer-term, The Indian IT-BPM industry is expected to reach revenues of $350 billion by 2025. The Software product segment of Indian IT-BPM industry is expected to register double-digit revenue growth, with dynamic shift in consumers and new markets. Growth is expected to be driven by Government and Small and Medium sized businesses (SMBs). Niche areas like analytics, big data and IoT solutions are becoming mainstream as start-ups are increasing focus towards innovation in these areas.

RECENT TRENDS IN GLOBAL BANKING INDUSTRY

Since the global financial crisis (GFC) of 2008-09, the global banking industry has been affected by low profitability due to persistent slowdown in world economic growth, weaker credit demand, increased stress levels for many industries, and low interest rates. Pre-crisis profitability levels of many banks had been boosted by high credit growth, reliance on relatively cheap wholesale funding, and elevated risk-taking (such as real estate lending or securitisation exposures). Following the GFC, profitability and return on equity ratios of banks have not recovered to the levels observed before the GFC in both advanced economies (AEs) and emerging market economies (EMEs). Profitability has been constrained by flatter yield curves and declining trend in long-term interest rates. Although decline in the level of interest rates can improve banks' net income in the short run (as their portfolios of securities benefit from one-off capital gains, and funding becomes cheaper), in the long-run returns can decline from lower net interest margins. Furthermore, as interest rates are moving into negative territory, repricing banks' liabilities with assets in order to protect margins could become increasingly difficult. Banks appear reluctant to pass negative short-term rates to depositors. Thus, pressures on net interest margins are particularly pronounced in countries with negative interest rates. Bank stocks also remain under pressure (especially in countries with fragile banking systems) primarily because of weak profitability with expectations of profits remaining low for many years, negative investor sentiment, and investor scepticism about the actual level of impaired or bad loans than reported by banks. In response to persistently weak prospects on economic growth and inflation, markets also expect policy and market interest rates to stay at very low levels for the medium-term.

BFSI - IT SPENDING TRENDS AND DIRECTIONS

Global IT spending by the BFSI industry is estimated to have grown 4.5% in 2015 to around $230-235 billion. Of this, around three-fourth is on maintenance and the balance is on new investments. While maintenance spending includes spending to maintain the current IT infrastructure, new investments comprises of spending on development of application software and products; and implementing functional enhancements for existing software applications.

Growth in global IT spending by the BFSI industry is expected to average around 4% during 2016 and 2017, with total spending forecast at around $240-244 billion in 2016. Over the period from 2016 to 2018, spending is expected to increase at a 3-year CAGR of 4%. However, regional growth rates in IT spending on financial services may vary based on economic outlook, regulatory imperatives, and market conditions.

Both consumer (retail) and corporate (institutional/wholesale) banking segments are expected to witness steady increase in IT spending as these segments continue to invest towards upgradation and new investments. The share of maintenance in IT spending could decline to 68-70% by 2018, as new investments gain a larger share.

KEY MARKET SEGMENTS IN BFSI IT SPENDING

Consumer (Retail) Banking

The major drivers for IT investment in consumer banking are enhancing customer experience and increasing revenue through customer acquisition, retention, and cross-selling of other banking services. Other drivers are increasing operating efficiency, reducing operating expenditure, meeting regulatory demands, improving operational resilience and eventually transforming business capabilities. As the banking system struggles with lower profitability and increased competition from non-bank firms, the balance of relationship has moved towards the customer. This has increased the importance of customer satisfaction, experience, and retention.

The retail banking business environment is undergoing rapid change, and banks are increasingly required to invest in their IT capabilities to compete and be profitable. With the significant proliferation and high penetration of broadband services and mobile devices, customers are increasingly using digital channels to access and transact banking services. These developments are driving significant banking IT investments towards more sophisticated digital banking channels with the objective of enhanced service functionalities. Given the rapidly evolving and changing customers' expectations from digital banking, banks need to anticipate such needs and invest in IT so as to have robust, flexible, and agile banking system. The front-office market is also set for significant growth in IT spending as customers are increasingly demanding sophisticated digital experience and hence the replacement cycle for front end solutions is rising.

Transaction (Corporate) Banking

Transaction (corporate, wholesale) banking is the suite of products and services to manage working capital and to run the day-to-day business, from a customer perspective. This mainly includes payments, collections and cash management services. Current transaction banking models have been built in an ad-hoc method, and such legacy systems often do not meet emerging customer' requirements. For example, corporate customers are demanding new services such as cash-flow forecasting, multi-bank bank consolidation be delivered and subsequently aligned with their financial supply chains.

The major drivers for a significant shift in the transaction banking model are fast-changing customer demands and regulatory requirements. Other drivers for changes happening in transaction banking are value-added services demanded by customers, relationship services which influences client sales, and client delivery organizations, network services which involves partnerships with third parties, operations and support in the organization's processes. Transaction services will provide different ways to integrate accounts payable/receivable systems with basic treasury management systems for its customers. There is hence a requirement to have more open IT communication with customers to integrate current and future banking services.

Insurance

In spite of a challenging economic and business environment over the past few years, global insurance business grew 3.8% in real terms in 2015 (in terms of direct premiums written), compared with 3.5% growth in 2014. In nominal terms, global insurance premiums declined 4.2% in US$ terms due to currency depreciation against the US$, particularly in the advanced markets. In the present business environment, challenges facing insurers include understanding the opportunities (and potential competition) from artificial intelligence; ensuring that their business models are robust and in tune with emerging market trends; investing in legacy making system and process improvements to address market conditions; managing risk and increased regulatory complexity; and facing challenges of new market segments.

IT investments by insurance firms can help them reduce costs, expand distribution channels, and improve speed to market for new products. Investments in IT are being directed to digitise various processes; meet consumer-centric demands; and manage and understand data available in the normal course of business. Apart from meeting existing customer demand, insurers are investing in IT to enhance customer experience in transacting existing business and purchasing new products. Insurers are investing in data analytics and various modelling techniques to segment markets, identify risks, and better target existing and potential customers. Investments in IT are also directed at demonstrating capital adequacy and financial solvency for regulatory compliance purposes.

Risk Management

IT spending on risk management primarily comprises spending on risk arising out of credit, operations, markets, asset-liability management (ALM) and liquidity, pricing and valuation, market and products, financial crimes and frauds, risk governance, etc. Risk IT spending is gaining increased importance as rising as banks and financial institutions have begun to comply with increased regulations and their higher complexity. Non-compliance or inadequate compliance could result in high legal costs and fines, apart from reputational damage and fines. Investment is also increasing in prevention and management of cyber-attacks, data leaks and breaches, hacks, and deficiencies in cyber security. Finally, as banks suffer from increased pressures on profitability, IT investment in risk management can generate significant reduction in costs and increased operational efficiencies.

MAJOR PLAYERS IN SOFTWARE PRODUCT FOR BFSI INDUSTRY

To remain competitive, BFSI companies need to add new business capabilities to maintain and grow their profits, by being competitive, and it is observed that off-the-shelf solutions are the best approach to get powerful and flexible business capabilities. Financial services firms are increasingly focussing on delivering customer experience by using off-the-shelf solutions. Such solutions are driving various banking platform deals between the financial institutions and vendors. Current market footprint of various vendors can be assessed by observing their ability to expand its market by attracting new customers through new deals, and ability to continue to keep creating value for its existing customers through combined deals. Vendors can be segregated by their market presence and roles.

It is estimated that the top 5 vendors accounted for around 45-50% of new business in 2015-16. However, no single vendor dominates the market with a share of 25% or more. Top global players who operate in at least six world regions are Oracle and Temenos. Major global players who operate in at least four world regions are Intellect Design Arena, EdgeVerve, SAP, SAB and TCS. Other major players in software banking product operating in up to three regions of the world include Asseco, Avaloq, Diasoft, Path Solutions, FIS, Capital Banking Solutions, Sopra Banking Software, Cobiscorp, CSI, D+H, DLYA, BML Istisharat, Eri Bancaire, FlexSoft, Natech, etc.

OUTLOOK

IT industry:

The pace of growth in India’s IT industry has moderated during FY2016. This trend could continue into FY2017, with India's software export growth likely to be in the range of 8-10%. Domestic revenues for the same period could grow at a rate of 10-12% in FY2017. As in the recent past; currency volatility, macroeconomic slowdown, changing technology, and increased cost competition are likely to impact growth. Reduced or lower growth in global IT spending could also lead to increased pricing pressure, and impact utilisation rates. There is also a growing trend among buyers of IT services towards consolidation of vendors so as to cut costs, improve efficiency, and reduce uncertainty. Growth of the Indian IT industry over the next five-six years will depend on the changes that the providers are able to make in their service offerings, business models and markets. Over the longer-term, The Indian IT industry is expected to reach revenues of $350 billion by 2025.

In summary:

While the key strengths for IT spending in BFSI are centred on the need for providing superior and user-friendly technologies and improving revenues for the financial institutions; challenges arise out of significant dependence on internet for provision of services; increasing risk of cybercrimes; and unavailability of uniform technology platforms across branches. Opportunities for IT spending in BFSI companies lie in increasing demand for sophisticated and competitive BFSI services due to growing economies; and movement towards financial inclusion. However, threats are present in providing cyber security, high transaction costs due to infrequent transactions by customers; and inadequate training/capabilities of banking personnel in handling IT technologies employed by the company. Many banks are observed to be investing in omni-channel and mobile banking solutions, without significant investments in flexible real time banking business solutions required to support these solutions. This can lead to significantly lesser IT investments in indirect customer facing business capabilities such as core banking and payments, which are essential for digital banking to continue to grow in the medium to long term. On the supply side, increased concentration is emerging with some vendors dominating the deals for offering software solutions to the BFSI.

The growing number and diversity of devices that customers are using to interact with the bank (as well as new devices that are coming soon to the market) are making the traditional banking systems seem unable to meet with these customer demands. User interface needs to be responsive to adjust to a wide range of devices, from design perspective. With transitions to innovation and cloud platforms observed in the BFSI industry, new requirements for business integrity, security, skills and training, infrastructure and compliance requirements are expected to emerge; thereby forcing IT vendors to respond to these needs in order to remain competitive.

SUMMARY OF OUR BUSINESS

The following is a summary of our business. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter entitled 'Our Business' on page 109 of this Draft Letter of Offer.

Overview

We are a digital technology product solutions provider with a specific focus on the BFSI industry. Our Company directly, and through our Subsidiaries, provides financial platforms for companies in the global BFSI industry with full spectrum, fully integrated products that are operated in over 200 financial institutions across 24 countries.

Our Company's technology products are built on the Digital platform and our business operations are divided into four distinct verticals:

(i) Global Consumer Banking and Central Banking;
(ii) Risk, Treasury & Markets;
(iii) Global Transaction Banking; and
(iv) Insurance.

Our Company's iDigital platform enables us to make our products scalable, extendable, secure and capable of facilitating digital transformation of banking operations and customer experience. Further, the iDigital platform also caters to various other entities within the traditional financial service sector such as insurance and mutual fund and also, the nascent and emerging financial service entities such as e-commerce and digital wallets.

Our Company and its Subsidiaries have a marked global footprint and our Company's products are operated across 6 (six) continents in 24 countries including USA, Canada, Chile, UK, Spain, South Africa, Egypt, Dubai, Singapore, Malaysia, Vietnam, Philippines, Indonesia, Thailand and other countries besides India. Our Company and its Subsidiaries cater to some of the world's largest banks and financial institutions, central banks and insurance companies.

Our Company's business was, until the recent past, a part of Polaris Financial Technology Limited and our technology products business was hived off in 2014 into our Company pursuant to a Scheme of Arrangement-cum-Demerger. For further details pertaining to the Scheme of Arrangement-cum-Demerger, please see the chapter entitled *'History and Certain Corporate Matters'* on page 125 of this Draft Letter of Offer.

Our Company's consolidated revenue as restated in the Financial Year 2016 and the Financial Year 2015 was ₹ 83,675.99 lakhs and ₹ 63,627.76 lakhs respectively. Our Company's consolidated profit / loss after tax as restated in the Financial Year 2016 and the Financial Year 2015 ₹ (2,901.02) lakhs and ₹ (7,081.89) lakhs, respectively. Our Company's unconsolidated revenue as restated in the Financial Year 2016 and the Financial Year 2015 was ₹ 56,367.39 lakhs and ₹ 47,514.17 lakhs, respectively. Our Company's unconsolidated profit / loss after tax as restated in the Financial Year 2016 and the Financial Year 2015 was ₹ 2,194.12 lakhs and ₹ (6,042.45) lakhs, respectively.

Our Company's consolidated revenue as restated in the six months ended September 30, 2016, was ₹ 45,965.45 lakhs. Our Company's consolidated profit / loss after tax as restated for the six months ended September 30, 2016 was ₹ (1,760.02) lakhs. Our Company's unconsolidated revenue as restated in the six months ended September 30, 2016, was ₹ 27,284.01 lakhs. Our Company's unconsolidated profit / loss after tax as restated for the six months ended September 30, 2016 was ₹ (608.39) lakhs.

Competitive Strengths

Rich and diversified customer base

Our Company is rated among the top global digital technology core banking solutions providers for the banking industry. As of December 31, 2016, we had a customer base of 208 Indian and international customers. Our Company counts many Indian, transnational and international banks including central banks and financial institutions amongst its customers. One of the key indicators of our success is the brand neutrality that we have been able to achieve and maintain over the years. Our Company has been catering, and continues to successfully cater to customers who compete with each other in their respective business segments. To illustrate, we cater to banks and financial services providers competing within the retail banking and transaction banking verticals, treasury & markets and insurance entities, underlining the acceptance of our products across the sector. In addition, as on September 30, 2016, as per the Restated Consolidated Summary Statements, we generate only 19.20% of our consolidated revenue from operations from India, Middle East and Africa; with Americas contributing 12.92% and Europe contributing 32.32% of the consolidated revenue from operations and with the remaining being generated from other countries in which we operate.

Domain knowledge in, and full spectrum coverage of, the BFSI Industry

Our Company has developed and implemented over a dozen product suites using service oriented architecture (**SOA**) and digital technologies including digital core banking, digital transaction banking, digital lending with origination and debt management, credit card management, payment service hub and true omni-channel digital face. Further, our Company has developed and implemented complete digital distribution and underwriting workstation suites for the insurance industry. We believe we provide full spectrum financial solutions, which means that our customers can find all their digital technology solutions under one umbrella. Further, we believe that some of our products such as *'Xponent'* and '*Sanction Screen'* – artificial intelligence (**AI**) based insurance and transaction banking product, respectively – facilitate better risk appreciation and mitigation platform and are state-of-the-art.

Management expertise

We believe that we have a strong management team led by persons with significant experience in the global banking software industry. Our Board comprises Directors who have extensive experience in the setting up and managing companies in the global banking software sector. Our Directors and senior management team have vast experience and their significant expertise has been recognised at various fora such as the Confederation of Indian Industry (**CII**) Life Time Achievement Award and ICICI Venture – CII Connect Entrepreneur Award, Dronocharya award from TIE, Padma Shri, and Shanti-swarup Bhatnagar award. Our management team comprises skilled and capable professionals and each business vertical is headed by persons with significant expertise in their respective fields. Our senior management team also assists the Board in identifying new opportunities and in implementing our business strategies. For further details please see the chapter entitled '*Our Management*' on page 140 of this Draft Letter of Offer.

Continuous investment in R&D

Our Company was, prior to the implementation of the Scheme of Demerger, one of the business verticals of Polaris Financial Technology Limited (as it then was). Over the years (including while our Company's digital technology products business was part of Polaris) we made significant investments in R&D to build pure digital production, a three-tier service-oriented architecture (**SOA**), which has won accolades from industry analysts.

As of December 31, 2016, our Company has a dedicated R&D team comprising of around 836 people in India and overseas constituting around 21.00% of our total workforce. Further, a significant number of our R&D personnel were part of our business operations even prior to the demerger of our business pursuant to the Scheme of Arrangement-cum-Demerger and, consequently, have experience and understand the technological imperatives that drive our business.

Further, to surmount technology obsolescence, our Company commissioned its first design center in March 2013 for digital transformation. Our R&D team continuously works on latest technologies like Digital 360, natural language processing, artificial intelligence and smart search technologies to integrate and build solutions leveraging our inherent technological strength.

Our R&D expenditure for the six months ended September 30, 2016, the Financial Year 2016 and the Financial Year 2015 was ₹ 8,412.85 lakhs, ₹ 12,918.52 lakhs and ₹ 12,203.58 lakhs, constituting 18.30%, 15.44% and 19.18%, respectively, of our total consolidated revenue, as per the Restated Consolidated Summary Statements. Of this, as of September 30, 2016, approximately 57.89% is for new product development and the rest is for research and engineering.

Entrenched sales and distribution network

Our Company has a large and entrenched sales and distribution network spread across the 6 (six) continents and 24 countries. Our Company employs different sales strategies including consulting led sales, proof – of –value led sales, hosting partners and leverage partner network. Our Company's sales strategy revolves around customer acquisition and we continue to devote financial resources on increasing our sales and marketing bandwidth. During the six months ended September 30, 2016, Financial Year 2016 and Financial Year 2015, our Company's sales and marketing expenses, as per the Restated Consolidated Summary Statements, were ₹ 14,937.04 lakhs, ₹ 25,156.48 lakhs and ₹ 19,296.68 lakhs, respectively.

Our Company also employs region specific sales strategy and we follow a top-down model comprising separate sales head for each geography who oversee 'business development managers' who cater to existing customers and 'new business development managers' who focus on new customer acquisition. In addition, every region is equipped with a 'Solutions Director' and a team of techno-functional personnel who understand the product effectively and these '*Intellect Evangelists*' assist the sales team in providing the custom-made solution offerings.

As on December 31, 2016, our Company's sales and marketing teams employ over 405 persons globally.

Business Strategy

Maintaining our Company's focus on entities in advanced markets

Broadly, our Company's operations and the product suites offered vary depending on the geography which takes into account the per capita income of the countries in which our Company operates. This is simply because the digital needs of each income group vary based on where they are on the technology curve. For instance, advanced markets such as the US, UK, Japan, Singapore, Australia and Canada are further along in the use of digital technology and a greater focus of their technology spend is on areas such as risk, regulation and compliance. Our Company also realized higher operating margins from our operations in the advanced markets as against emerging markets.

In the six months ended September 30, 2016, the Financial Year 2016, the Financial Year 2015, revenue generated from advanced markets was ₹ 28,203.00 lakhs, ₹ 34,468.07 lakhs and ₹ 20,864.07 lakhs, respectively, constituting 46.33%, 42.52% and 47.78% of our Company total revenue during such periods of our Company's revenues come from advanced markets and the rest from emerging markets.

Accordingly, given the higher gross revenue generation and the higher operating margins from operations in advanced markets, our Company will continue to focus on entities in advanced markets.

Increasing market penetration in emerging markets

Emerging markets like India, countries in the Middle East, Thailand, Philippines, China, countries in Eastern Europe and Latin America generally have implemented basic core banking systems. Accordingly, the technology spends of BFSI operators in these countries is skewed towards upgrading their existing technologies onto digital platforms, extending the technology for serving specialised products for corporates and high net-worth individuals and sophisticated treasury management. Further, these countries are also seeing the advent of new local and / or international banks and financial institutions, which require new technology platforms capable of catering to local needs and complying with local regulations. Accordingly, in these markets, our Company offers, our core banking suite, which comprises of wealth and private banking, loan origination, lending, debt management, collateral and limits management along with omni-channel platform, under the iGCB, and complete risk, treasury and markets solution, under the iRTM. Our Company has also implemented Central Banking solutions to a few Central Banks in this region.

Further, certain other emerging markets such as Vietnam, Cambodia, Indonesia, Bangladesh, Sri Lanka, and countries in Eastern and Western Africa are in the nascent stages implementing digital platform. Therefore, financial institutions operating in such countries are generally seeking to build an efficient technology infrastructure of core banking. Accordingly, our Company offers all products under the iGCB portfolio and certain solutions under iRTM to entities operating in these geographies.

While operations in the emerging markets offer the potential for growing faster, the operating margins are generally lower than those in advanced markets.

Competition

Our Company operates in highly competitive global markets. Our Company competes globally across all its verticals with major Indian and global financial technology product providers such as Oracle Corporation, Temenos Group, EdgeVerve, SAP, SAB, Infosys Limited and Tata Consultancy Service Limited.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Financial Statements of our Company.

The Restated Consolidated Summary Statements and Restated Unconsolidated Summary Statements have been prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations and presented under the chapter entitled 'Financial Statements' on page 165 of this Draft Letter of Offer. The summary financial information presented below should be read in conjunction with the Financial Statements, the notes thereto and the chapters entitled 'Financial Statements' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' on pages 165 and 297 of this Draft Letter of Offer, respectively.

RESTATED CONSOLIDATED FINANCIAL INFORMATION OF ASSETS AND LIABILITIES

(All amounts are in ₹ lakhs unless otherwise stated)

Particulars		As at		
		September 30, 2016	**March 31, 2016**	**March 31, 2015**
	Equity and liabilities			
A	**Shareholders' funds**			
	Share capital	5,054.92	5,038.93	5,009.92
	Reserves and surplus	54,920.13	56,865.71	58,128.02
		59,975.05	**61,904.64**	**63,137.94**
B	**Minority Interest**	-	-	1.68
C	**Non-current liabilities**			
	Deferred tax liabilities (Net)	7.24	8.00	7.82
	Long term provisions	443.08	323.78	118.60
		450.32	**331.78**	**126.42**
D	**Current liabilities**			
	Short-term borrowings	11,528.82	2,290.60	771.18
	Trade payables			
	- total outstanding dues to micro enterprises and small enterprises	-	-	-
	- total outstanding dues to creditors other than micro enterprises and small enterprises	20,802.82	18,206.11	13,635.59
	Other current liabilities	12,894.52	11,529.03	14,506.01
	Short term provisions	2,593.88	1,955.01	1,606.63
		47,820.04	**33,980.75**	**30,519.41**
	Total Equity and liabilities (A+B+C+D)	**108,245.41**	**96,217.17**	**93,785.45**
	Assets			
E	**Non-current assets**			
	Fixed assets			
	Property, Plant and Equipment	21,612.94	19,224.58	13,460.13
	Intangible assets	268.47	252.26	176.55
	Capital work-in-progress	8,953.75	6,552.84	4,480.24
	Intangible assets under development	-	-	928.83
	Goodwill	7,799.27	7,784.80	7,633.70
	Non-current investments	3,583.68	3,101.20	2,942.93
	Long term loans and advances	7,376.28	6,566.36	5,059.97
	Deferred tax assets	651.65	656.13	569.46
	Other non-current assets	2,855.49	2,307.70	1,719.48
		53,101.53	**46,445.87**	**36,971.29**
F	**Current assets**			
	Current Investments	2,106.49	2,939.77	15,141.74
	Trade receivables	21,645.10	16,043.19	16,707.54
	Cash and bank balances	2,593.68	5,520.21	10,621.87
	Short term loans and advances	5,078.61	3,736.05	2,793.55
	Other current assets	23,720.00	21,532.08	11,549.46
		55,143.88	**49,771.30**	**56,814.16**
	Total Assets (E+F)	**108,245.41**	**96,217.17**	**93,785.45**

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RESTATED CONSOLIDATED FINANCIAL INFORMATION OF PROFITS AND LOSSES

(All amounts are in ₹ lakhs unless otherwise stated)

Particulars	For the six months ended September 30, 2016	Financial Year ended	
		March 31, 2016	March 31, 2015
Revenue			
Revenue from operations	43,676.67	81,065.55	60,874.95
Other income	2,288.78	2,610.44	2,752.81
Total revenue	**45,965.45**	**83,675.99**	**63,627.76**
Expenses			
Employee benefit expenses	34,333.43	63,881.62	53,123.49
Other expenses	11,651.38	20,303.09	15,782.15
Finance Cost	401.77	119.22	80.78
Depreciation and amortisation expense	1,201.37	2,077.11	1,901.27
Total expenses	**47,587.95**	**86,381.04**	**70,887.69**
Restated loss before exceptional items, tax and minority interest	**(1,622.49)**	**(2,705.05)**	**(7,259.93)**
Less: Exceptional items	-	-	(976.63)
Restated loss before tax and minority interest	**(1,622.49)**	**(2,705.05)**	**(8,236.56)**
Tax expense			
- Current tax	620.00	657.49	458.29
Less: MAT Credit		(405.81)	-
- Deferred tax		(82.90)	(1,357.55)
Total tax expense	**620.00**	**168.78**	**(899.26)**
Restated loss before minority interest	**(2,242.49)**	**(2,873.83)**	**(7,337.30)**
Profit or (Loss) attributable to minority interest	-	-	-
Add/(Less):			
Share of Profit/(loss) on Associate Companies	482.48	(27.19)	255.41
Restated (loss) for the year / period	**(1,760.02)**	**(2,901.02)**	**(7,081.89)**

RESTATED CONSOLIDATED FINANCIAL INFORMATION OF CASH FLOWS

(All amounts are in ₹ lakhs unless otherwise stated)

Particulars	For the six months ended September 30, 2016	Financial Year ended March 31, 2016	Financial Year ended March 31, 2015
A. CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES			
Loss for year / period (as restated) before tax	(1,622.49)	(2,705.05)	(8,236.56)
Adjustments to reconcile loss for the year to net cash flows			
Depreciation and amortisation	1,201.37	2,077.11	1,901.27
Dividend income	(69.58)	(397.48)	(1,349.09)
Provision for doubtful debts and advances	252.00	840.03	677.38
Unrealised foreign exchange loss (net)	(605.34)	(209.56)	(646.47)
Exchange differences on translation of foreign currency cash and cash equivalents	183.59	899.57	(35.91)
Profit on sale of non-current investments (net)	(3.35)	(127.86)	(279.61)
Profit on sale of Property, Plant and Equipment	(1,321.51)	(442.38)	(6.56)
Profit / (Loss) on sale of Investments	-	-	(69.34)
Bad debts / advances written off	-	139.59	-
Interest expense	401.77	119.22	80.78
Interest income	(143.30)	(446.86)	(352.67)
Operating Loss before working capital changes (as restated)	**(1,726.85)**	**(253.67)**	**(8,316.78)**
Movement in working capital			
Increase in trade receivable	(5,759.33)	(207.60)	(3,496.94)
Increase in loans and advances and other assets	2,237.90	(16,380.36)	(4,643.55)
Decrease in liabilities and provisions	(2,302.97)	7,748.83	16,761.51
Cash flow used in operations	**(7,551.25)**	**(9,092.80)**	**304.24**
Income taxes paid (net of refunds)	(940.13)	(1,988.64)	(2,059.18)
Net cash generated from / (used in) operating activities (A)	**(8,491.38)**	**(11,081.44)**	**(1,754.94)**
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment including intangible assets, and capital advances	(6,293.02)	(8,885.82)	(2,469.81)
Proceeds from sale of Property, Plant and Equipment	1,638.21	565.63	72.82
Investment in Associates	-	(327.81)	(181.88)
Net decrease in non-trade investments	836.63	12,329.83	9,299.22
Net decrease in bank deposit	-	-	93.39
Investment in long-term term deposits	(439.69)	(309.79)	-
Interest received	143.30	446.86	352.67
Dividend received	69.58	397.48	1,349.09
Net cash from / (used in) investing activities (B)	**(4,044.99)**	**4,216.38**	**8,515.50**
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from share capital issued on exercise of stock options	15.99	46.48	17.47
Proceeds from share premium on exercise of stock options	152.05	363.75	150.31
Proceeds / (Repayment) of loans (net)	9,238.22	1,519.43	368.03
Interest paid	(401.77)	(119.22)	(80.78)
Amounts paid to erstwhile shareholders	-	-	(1,304.38)
Net cash generated from / (used in) financing activities (C)	**9,004.49**	**1,810.44**	**(849.35)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(3,531.88)**	**(5,054.62)**	**5,911.21**
Effect of exchange differences on Cash & Cash Equivalents held in foreign currency	605.35	(47.04)	100.30
Cash and Cash Equivalents at the beginning of the year / period	5,520.21	10,621.87	-
Add: Cash and cash equivalents acquired on De-merger pursuant to Scheme of arrangement	-	-	4,610.36
Cash and cash equivalents at the end of the year / period	**2,593.68**	**5,520.21**	**10,621.87**

(All amounts are in ₹ lakhs unless otherwise stated)

Components of Cash and Cash Equivalents	As at		
	September 30, 2016	**March 31, 2016**	**March 31, 2015**
Cash on hand	0.72	3.30	11.26
Deposits with original maturity of less than three months	302.17	993.81	4,199.96
Balances with banks on current accounts	2,290.79	4,523.10	6,410.65
Total	**2,593.68**	**5,520.21**	**10,621.87**

RESTATED UNCONSOLIDATED FINANCIAL INFORMATION OF ASSETS AND LIABILITIES

(All amounts are in ₹ lakhs unless otherwise stated)

	Particulars	As at					
		September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	June 30, 2012
	Equity and Liabilities						
A	**Shareholders' funds**						
	Share capital	5,054.92	5,038.93	5,009.92	5.00	5.00	5.00
	Reserves and surplus	50,875.57	50,742.35	48,221.77	-	-	-
		55,930.49	**55,781.28**	**53,231.69**	**5.00**	**5.00**	**5.00**
B	**Non-current liabilities**						
	Deferred tax liabilities (Net)	**-**	**-**	-	-	-	-
	Long term provisions	-	-	15.28	-	-	-
		-	**-**	**15.28**	-	-	-
C	**Current liabilities**				-	-	-
	Short-term borrowings	11,110.73	1,509.86	-	-	-	-
	Trade payables						
	- total outstanding dues to micro enterprises and small enterprises	-	-	-	-	-	-
	- total outstanding dues to creditors other than micro enterprises and small enterprises	10,940.43	12,174.75	9,862.08	0.03	0.20	0.10
	Other current liabilities	7,640.43	5,566.66	5,897.10	0.97	0.44	0.44
	Short term provisions	1,387.51	1,150.43	880.05	-	-	-
		31,079.10	**20,401.70**	**16,639.23**	**1.00**	**0.64**	**0.54**
	Total Equity and Liabilities (A+B+C)	**87,009.59**	**76,182.98**	**69,886.20**	**6.00**	**5.64**	**5.54**
	Assets						
D	**Non-current assets**						
	Fixed assets						
	Property, Plant and Equipment	16,826.50	14,455.54	10,183.45	-	-	-
	Intangible assets	244.60	226.64	157.25	-	-	-
	Capital work-in-progress	4,322.81	4,137.94	4,480.24	-	-	-
	Non-current Investments	15,739.51	15,739.51	14,237.66	-	-	-
	Long term loans and advances	3,483.73	2,811.87	1,546.55	-	-	-
	Other non-current assets	2,855.49	2,307.69	1,719.48	-	-	-
		43,472.64	**39,679.19**	**32,324.63**	-	-	-
E	**Current assets**						
	Current Investments	3,651.02	4,484.30	15,141.74	-	-	-
	Trade receivables	20,932.85	17,054.25	9,585.35	-	-	-
	Cash and bank balances	346.16	981.90	3,498.10	5.00	5.00	5.00
	Short term loans and advances	6,833.53	3,578.37	2,041.23	-	-	-
	Other current assets	11,773.39	10,404.97	7,295.15	1.00	0.64	0.54
		43,536.95	**36,503.79**	**37,561.57**	**6.00**	**5.64**	**5.54**
	Total Assets (D+E)	**87,009.59**	**76,182.98**	**69,886.20**	**6.00**	**5.64**	**5.54**

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RESTATED UNCONSOLIDATED FINANCIAL INFORMATION OF PROFITS AND LOSSES

(All amounts are in ₹ lakhs unless otherwise stated)

Particulars	For the six months ended September 30, 2016	Financial Year ended			For the nine month period ended March 31, 2013	For the period 18 April 2011 to 30 June 2012
		March 31, 2016	March 31, 2015	March 31, 2014		
Income from operations						
Revenue from operations	25,609.00	54,610.54	45,310.32	-	-	-
Other income	1,675.01	1,756.85	2,203.85	-	-	-
Total revenue	**27,284.01**	**56,367.39**	**47,514.17**	-	-	-
Expenses						
Employee benefit expenses	20,021.79	41,653.35	43,302.34	-	-	-
Other expenses	6,395.41	10,605.54	9,884.69	-	-	-
Finance Cost	354.46	9.86	-	-	-	-
Depreciation and amortisation expense	1,120.75	1,904.52	1,705.68	-	-	-
Total expenses	**27,892.41**	**54,173.27**	**54,892.71**	-	-	-
Restated Profit / (Loss) before Tax	**(608.39)**	**2,194.12**	**(7,378.54)**	-	-	-
Tax expense						
Current Tax	-	405.81	-	-	-	-
Less: MAT Credit	-	(405.81)	-	-	-	-
- Deferred tax	-		(1,336.09)	-	-	-
	-	-	**(1,336.09)**	-	-	-
Restated profit / (loss) for the year / period	**(608.39)**	**2,194.12**	**(6,042.45)**	-	-	-

RESTATED UNCONSOLIDATED FINANCIAL INFORMATION OF CASH FLOWS

(All amounts are in ₹ lakhs unless otherwise stated)

Particulars	For the six months ended September 30, 2016	Financial Year ended			For the nine month period ended March 31, 2013	For the period 18 April 2011 to 30 June 2012
		March 31, 2016	March 31, 2015	March 31, 2014		
A. CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES						
Restated profit / (loss) before tax	(608.39)	2,194.12	(7,378.54)	-	-	-
Adjustment to reconcile profit / (loss) before tax to net cash flows						
Depreciation and amortisation	1,120.75	1,904.52	1,705.68	-	-	-
Loss on sale of Property, Plant and Equipment (net)	(1,321.51)	(442.38)	(8.42)	-	-	-
Unrealised foreign exchange loss / (gain)	185.11	147.83	(413.04)	-	-	-
Reversal of provision for diminution in value of investments	-	(6.23)	(69.34)	-	-	-
Profit on sale of investments	(3.35)	(121.63)	(279.61)	-	-	-
Bad debts / advances written off	-	139.59	-	-	-	-
Provision for doubtful debts and advances	252.00	228.24	227.38	-	-	-
Dividend income from current investments	(69.58)	(397.48)	(1,347.60)	-	-	-
Interest expense	354.46	9.86	-	-	-	-
Interest income	(138.53)	(322.53)	(244.13)	-	-	-
Operating profit / (loss) before working capital changes (as restated)	**(229.04)**	**3,333.91**	**(7,807.62)**	-	-	-
Movement in working capital						
Increase in Trade receivables	(4,369.89)	(7,938.31)	(1,959.38)	-	-	-
Increase in loans and advances	(4,161.88)	(6,383.25)	(965.77)	-	-	-
Increase in Liabilities and provisions	1,080.61	2,250.66	6,842.65	-	-	-
Cash flow from / (used in) operations	**(7,680.20)**	**(8,736.99)**	**(3,890.12)**	-	-	-
Income taxes paid (net of refunds)	(685.22)	(1,483.88)	(604.65)	-	-	-
Net cash generated from operating activities (A)	**(8,365.42)**	**(10,220.87)**	**(4,494.77)**	-	-	-
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES						
Purchase of Property, Plant and Equipment and intangible assets	(3,991.12)	(5,830.02)	(2,443.32)	-	-	-
Proceeds from sale of Property, Plant and Equipment	1,638.02	565.63	46.22	-	-	-
(Acquisition) / Disposal of subsidiaries	-	240.53	(870.00)	-	-	-
Purchase of other long term investments	-	(1,742.38)	-	-	-	-
Net decrease/(increase) in trade investments	836.63	12,329.83	(14,792.78)	-	-	-
Net (Increase)/decrease in bank deposit	(439.69)	(309.79)	93.39	-	-	-
Interest received	138.53	322.53	244.13	-	-	-
Dividend received from Current Investments	69.58	397.48	1,347.60	-	-	-
Net cash from / (used in) investing activities (B)	**(1,748.05)**	**5,973.81**	**(16,374.76)**	-	-	-

C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES						
Proceeds from issue of equity share capital	15.99	29.01	17.47	-	-	-
Proceeds from securities premium on exercise of stock options	152.05	213.45	150.31	-	-	-
(Repayment)/Proceeds from secured loans	9,600.86	1,509.86	-	-	-	-
Finance charges	(354.46)	(9.86)	-	-	-	-
Net cash generated from financing activities (C)	**9,414.44**	**1,742.46**	**167.78**	-	-	-
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	**(699.03)**	**(2,504.60)**	**(20,701.75)**	-	-	-
Effect of exchange differences on Cash & Cash Equivalents held in foreign currency	63.30	(11.60)	3.02	-	-	-
Cash and Cash Equivalents at the beginning of the year / period	981.90	3,498.10	5.00	5.00	5.00	5.00
Cash and cash equivalents acquired on Demerger pursuant to Scheme of arrangement	-	-	24,191.83	-	-	-
Cash and Cash equivalents at the end of the year / period	**346.16**	**981.90**	**3,498.10**	**5.00**	**5.00**	**5.00**

(All amounts are in ₹ lakhs unless otherwise stated)

Components of Cash and Cash Equivalents	**As at**					
	September 30, 2016	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**	**June 30, 2012**
Cash on hand	0.78	0.78	-	-	-	-
Cheques on hand	-	-	-	-	-	-
Deposits with original maturity of less than three months	-	-	-	-	-	-
Balances with banks on current account	345.38	981.12	3,498.10	5.00	5.00	5.00
Total	**346.16**	**981.90**	**3,498.10**	**5.00**	**5.00**	**5.00**

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter entitled *'Terms of the Issue'* on page 353 of this Draft Letter of Offer.

Securities being offered by our Company	Up to [●] Equity Shares
Rights Entitlement	[●] Equity Shares for every [●] fully paid-up Equity Shares held on the Record Date i.e. [●]
Record Date	[●]
Face Value per Rights Equity Shares	₹ 5
Issue Price per Rights Equity Share	[●] including a premium of [●] per Rights Equity Share
Equity Shares outstanding prior to the Issue	[●] Equity Shares
Voting Rights and Dividend	The Equity Shares issued pursuant to the issue shall rank *pari passu* in all respects with the existing Equity Shares of our Company.
Issue size	Issue of up to [●] Equity Shares of face value of ₹ 5 [●] each for cash at a price of [●] (including a premium of ₹ [●] per Rights Equity Share) per Rights Equity Share for an amount aggregating upto ₹ 20,000.00 lakhs.
Equity Shares outstanding after the Issue	[●] Equity Shares
Terms of the Issue	Please see the chapter entitled *'Terms of the Issue'* on page 353 of this Draft Letter of Offer.
Use of Issue Proceeds	For further information, please see the chapter entitled *'Objects of the Issue'* on page 80 of this Draft Letter of Offer.
ISIN Code	INE306R01017
BSE Scrip Code	538835
NSE Symbol	INTELLECT

Payment terms

The payment terms are as follows:

Due Date	Amount
On Application of Rights Equity Shares	[●] per Rights Equity Share which constitutes 100 % of the Issue Price.

GENERAL INFORMATION

Our Company was incorporated as Fin Tech Grid Limited on April 18, 2011 with the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands as a public limited company under the Companies Act, 1956. On June 15, 2012, our Company received a certificate for commencement of business from Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands. On February 3, 2014, a fresh certificate of incorporation was issued by Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands consequent to change of name of our Company. Pursuant to an order of the High Court of Judicature at Madras dated September 15, 2014 sanctioning the Scheme of Arrangement-cum-Demerger, the digital technology product solutions business was demerged from Polaris Consulting & Services Limited (formerly known as Polaris Financial Technology Limited) into our Company. For further details of change in the name and registered office of our Company, please see the chapter entitled '*History and Certain Corporate Matters*' on page 125 of this Draft Letter of Offer.

The Board of Directors of our Company has approved the Issue under Section 62 of the Companies Act, at their meeting held on November 3, 2016.

For details of the business of our Company, please see the chapter entitled *'Our Business'* on page 109 of this Draft Letter of Offer.

ISSUE OF [●] EQUITY SHARES WITH A FACE VALUE OF ₹ 5 EACH FOR CASH AT A PRICE OF ₹ [●] PER RIGHT SHARE (INCLUDING A PREMIUM OF ₹ [●] PER RIGHTS SHARE) FOR AN AMOUNT AGGREGATING UPTO ₹ 20,000.00 LAKHS ON RIGHTS BASIS IN THE RATIO OF [●]:[●] ([●] RIGHTS SHARES FOR EVERY [●] FULLY PAID UP EQUITY SHARES) HELD BY THE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●]. THE FACE VALUE OF THE RIGHTS SHARES IS ₹ 5 EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

Registered Office of our Company

244, Anna Salai,
Chennai – 600 006,
Tamil Nadu, India
Tel: +91 44 2852 3280
E-mail: company.secretary@intellectdesign.com
Website: www.intellectdesign.com
Corporate Identification Number: L72900TN2011PLC080183

Corporate Office of Our Company

Plot No. 3/G3,
SIPCOT IT Park, Siruseri,
Chennai – 600 130,
Tamil Nadu, India
Tel: +91 44 3341 8000
Fax: +91 44 3341 8874
E-mail: company.secretary@intellectdesign.com

Address of the RoC

Our Company is registered with the RoC situated at the following address:

Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands

2nd Floor,
Shastri Bhawan 26,
Haddows Road,
Chennai – 600 006
Phone: 044 28277182
Fax: 044 28234298
roc.chennai@mca.gov.in

Board of Directors

As on the date of filing of this Draft Letter of Offer the Board of Directors of our Company comprises the following Directors:

Name	Designation	DIN	Address
Mr. Arun Jain	Chairman and Managing Director	00580919	2nd Floor, Varishtha Garden, 20 Club Gate Road, Raja Annamalai Puram, Chennai – 600 028
Mr. Anil Kumar Verma	Whole Time Director	01957168	5 Lily Street, Burdwood Height NSW 2136, Australia
Dr. Ashok Jhunjhunwala	Independent Director	00417944	C2 2-5, Third Loop Road, IIT Campus, IIT Madras Chennai – 600 036
Ms. Aruna Krishnamurthy Rao	Independent Director	06986715	2302 Heritage, Hiranandani Gardens, Powai, Mumbai – 400 076
Mr. Venkataratnam Balaraman	Independent Director	00267829	Guru Guha, New No. 24, Old No Third Main Road, Kasturba Nagar, Chennai – 600 020
Mr. Arun Shekhar Aran	Independent Director	00015335	902, Brindaban III, Poonam Nagar, Andheri East Mumbai 400 093

For further details of our Directors, please see the chapter entitled *'Our Management'* on page 140 of this Draft Letter of Offer.

Company Secretary and Compliance Officer

Mr. V.V. Naresh
Plot No. 3/G3,
SIPCOT IT Park, Siruseri,
Chennai – 600 130,
Tamil Nadu, India.
Tel: +91 44 3341 8607
Fax: +91 44 3341 8874
E-mail: naresh.vv@intellectdesign.com

Chief Financial Officer

Mr. Subramaniam Swaminathan
Plot No. 3/G3,
SIPCOT IT Park, Siruseri,
Chennai – 600 130,
Tamil Nadu, India.
Tel: +91 44 3341 8635
Fascimile: +91 44 3341 8874
E-mail: s.swaminathan@intellectdesign.com

Lead Manager to the Issue

Spark Capital Advisors (India) Private Limited
Reflections, No.2,

Leith Castle, Center Street,
Santhome High Road,
Santhome,
Chennai – 600 028,
Tamil Nadu, India
Telephone: +91 44 4344 0000
Facsimile: +91 44 3341 8874
Email: intellect.rights@sparkcapital.in
Investor Grievance Email: investorgrievance@sparkcapital.in
Website: www.sparkcapital.in
Contact Person Details: Vishal Prasad
SEBI Registration No.: INM000011138
CIN: U67190TN1998PTC039818

Legal Advisor to the Issue

Bharucha & Partners
9, S. S. Ram Gulam Marg,
Ballard Estate,
Mumbai – 40000,
Maharashtra, India.
Telephone: +91 22 6132 3900
Facsimile: +91 22 6633 3900

Auditors to our Company

M/s S.R. Batliboi &Associates LLP
6th & 7th Floor, A block,
(Module 601, 701-702), Tidel Park,
No.4 Rajiv Gandhi Salai, Taramani,
Chennai – 600 113,
Tamil Nadu, India.
Telephone: + 91 44 665 48100
Facsimile: +91 44 2254 0120
Email: SRBA@in.ey.com

Banker to the Issue

Name: [●]
Address: [●]
Tel: [●]
Facsimile: [●]
E-mail: [●]
Website: [●]
Contact Person: [●]

Bankers to our Company

Citibank N.A. 3rd Floor, 2, Club House Road, Chennai – 600 006 Tamil Nadu, India. Tel: +91 44 4222 6505 Facsimile: +91 44 2846 0002 Email: vanjinathan .mahadevan@citi.com Website: www.citibank.co.in Contact Person: Vanjinathan Mahadevan	**The Hongkong and Shanghai Banking Corporation Limited (HSBC)** "Rajalakshmi", No. 5&7, Cathedral Road, Chennai – 600 086, Tamil Nadu, India. Tel: +91 44 3081 3249 Facsimile: +91 44 2811 7998 Email: jaiwant.alexander@hsbc.co.in Website: www.hsbc.co.in Contact Person: Jaiwant Alexander	**HDFC Bank Ltd.** 115, R K Salai, 9th Floor, Chennai – 600 004, Tamil Nadu, India. Tel: +91 44 2847 7287 Facsimile: +91 44 2847 7250 Email: anand.b3@hdfcbank.com Website: www.hdfc.com Contact Person : B Anand

IDFC Bank Limited DBS West Minister, 108, R.K. Salai, 3rd Floor, Chennai – 600 004, Tamil Nadu, India. Tel: +91 44 6614 5064 Facsimile: +91 44 4564 4022 Email: purushothaman.g@idfcbank.com Website: www.idfcbank.com Contact Person: G. Purushothaman	**Axis Bank Limited** No. 192, Ground Floor, Karamathu Nilayam, Anna Salai, Chennai 600 002, Tamil Nadu, India. Tel: +91 44 2857 7726 Facsimile: +91 44 2841 3697 Email: Venkatasubramanium.m@axisbank.com Website: www.axisbank.com Contact Person: Venkatasubramanium M	**State Bank of India** 18/3, Sigapi Aachi Building, Rukmani Lakshmipathi Road, Egmore, Chennai 600 008, Tamil Nadu, India. Tel: +91 44 2857 6170 Facsimile: +91 44 2857 6143 Email: cmcsd.cagche@sbi.co.in Website: www.sbi.co.in Contact Person: M. Dileep Reddy

Refund Banker to the Issue:

Name: [●]
Address: [●]
Tel: [●]
Facsimile: [●]
E-mail: [●]

Self Certified Syndicate Bankers:

The list of banks that have been notified by SEBI to act as SCSBs for the Applications Supported by Blocked Amount Process is provided at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised- Intermediaries. For further details on designated branches of SCSB collecting the CAF, please refer the above mentioned SEBI link.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Investors, Non-Institutional Investors (including all companies and bodies corporate) and other Investors whose application amount exceeds ₹200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB Investors and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹200,000.

Retail Individual Investors may optionally apply through the ASBA process, provided that they are eligible ASBA Investors.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA applications may be submitted at all branches of the SCSBs.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Investor, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF was submitted by the ASBA Investors.

For more details on the ASBA process, please see the details given in CAF and also please see the chapter entitled *'Terms of the Issue'* on page 353 of this Draft Letter of Offer.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar to an Issue and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Registrar to the Issue

Karvy Computershare Private Limited
"Karvy Selenium, Tower B",
Plot no. 31 &32,
Financial District,
Nanakramguda, Gachibowli, Hyderabad – 500 032,
Telangana, India.
Telephone: +91 40 6716 2222
Facsimile: +91 40 2342 0814
Email: intellectdesign.rights@karvy.com
Website: www.karisma.karvy.com
Contact Person: M. Muralikrishna
SEBI Registration No.: INR000000221

Note: Investors are advised to contact the Registrar to the Issue/Compliance Officer in case of any pre-Issue/post-Issue related problem such as non-receipt of the Draft Letter of Offer / the Letter of Offer / the Abridged Letter of Offer / CAF (**Composite Application Form**) / allotment advice / Share Certificate(s) / refund orders.

Subscription by our Promoters and Promoter Group

Our Promoters, by way of their respective letters dated January 21, 2017 have undertaken on behalf of itself, other Promoters and Promoter Group that (a) they shall subscribe to the Rights Equity Shares offered to them on their own account or through Promoters and Promoter Group; and, or (b) apply on their own account or through Promoter and Promoter Group for any Rights Shares renounced in their favour by other members of Promoters and Promoter Group; and, or (c) if any Rights Equity Shares offered in the Issue remain unsubscribed, the Promoters shall subscribe for the same to the extent of any unsubscribed portion in the Issue.

Such subscription of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their shareholding. However, the acquisition of additional Rights Equity Shares by the Promoters and members of the Promoter Group shall not result in a change of control of the management of our Company and shall not result in breach of minimum public shareholding requirement in accordance with Regulation 38 of the SEBI Listing Regulations read with rule 19A of SCRR. For further details please refer to *'Terms of the Issue - Basis of Allotment'* on page 372 of this Draft Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date	[●]
Last date for receiving requests for SAFs (Split Application Form)	[●]
Issue Closing Date	[●]

Monitoring Agency

In terms of Regulation 16(1) of the SEBI ICDR Regulations an issuer is required to appoint a monitoring agency if the issue size is in excess of ₹ 50,000.00 lakhs. Since this Issue is for less than ₹ 50,000.00 lakhs, our Company is not required to appoint a monitoring agency. Our Board and the Audit Committee of our Board will monitor the use of proceeds of this Issue in accordance with applicable law.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

Expert

Except as stated below, our Company has not obtained any expert opinion.

Our Company has received written consent from the Statutory Auditors to include their name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Letter of Offer and as an "expert" defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Statutory Auditors on the Restated Consolidated Summary Statements and Restated Unconsolidated Summary Statements, each dated January 13, 2017 and the statement of tax benefits dated January 13, 2017 included in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Listing on the Stock Exchanges

The Equity Shares of our Company are listed on the BSE and the NSE. We have received an in-principle approval for listing of the Rights Equity Shares from the BSE and the NSE by a letter dated [●] and [●], respectively. We will make applications to the BSE and the NSE for final listing and trading approvals in respect of the Rights Equity Shares offered in terms of the Letter of Offer.

Trustees

As this is an Issue of Rights Equity Shares, the appointment of trustee(s) is not required.

Underwriting

This Issue shall not be underwritten.

Credit Rating

As this is an Issue of Rights Equity Shares, we are not required to obtain a credit rating in connection with the Issue and/or the Rights Equity Shares.

Principal Terms of Loans and Assets Charged as Security

For details in connection with the principal terms of loans and assets charged as security, please see the chapter entitled *'Financial Indebtedness'* on page 319 of this Draft Letter of Offer.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Letter of Offer and after the Issue is set forth below.

(in ₹ lakhs except share data)

Sr. No.	Particulars	Aggregate value at nominal value	Aggregate value at Issue Price
A.	**AUTHORIZED SHARE CAPITAL**		
	15,00,00,000 Equity Shares of face value of ₹ 5 each	7,500.00	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	10,11,16,772 Equity Shares of face value of ₹ 5 each	5,055.84	[●]
C.	**PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER***		
	Up to [●] Equity Shares	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of face value of ₹ 5 each	[●]	[●]
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	19,674.83	
	After the Issue	[●]	

**This Issue is being made pursuant to a resolution passed by the Board at its meeting held on November 3, 2016.*

Changes in the Authorised Share Capital

Set out below are the changes to the authorised share capital of our Company since incorporation:

Date	Authorised Share Capital (in ₹)	Particulars
On incorporation	5,00,000	Incorporated with an authorised share capital of ₹ 5,00,000 divided into 50,000 Equity Shares of ₹ 10 each.
January 6, 2014	5,00,000	Sub-division of Equity Shares of ₹ 10 each into 2 Equity Shares of ₹ 5 each, resulting in a change in the authorised share capital from ₹ 5,00,000 divided into 50,000 Equity Shares of ₹ 10 each to ₹ 5,00,000 divided into 1,00,000 Equity Shares of ₹ 5 each.
September 25, 2014	55,00,00,000	Pursuant to the Scheme of Arrangement-cum-Demerger, there was an increase in authorised share capital of our Company from ₹ 5,00,000 divided into 1,00,000 Equity Shares of ₹ 5 each to ₹ 55,00,00,000 divided into 11,00,00,000 Equity Shares of ₹ 5 each.
July 21, 2016	75,00,00,000	Increase in authorised share capital of our Company from ₹ 55,00,00,000 divided into 11,00,00,000 Equity Shares of ₹ 5 each to ₹ 75,00,00,000 divided into 15,00,00,000 Equity Shares of ₹ 5 each.

Notes to the Capital Structure

1. **Share Capital History of our Company**

   The history of the Equity Share Capital of our Company is provided in the following table:

Date / Period of Allotment of Equity Shares	No. of Equity Shares Allotted	Face Value (₹)	Issue Price / Price Range per Equity Share (₹)	Nature of Consideration	Nature of Transaction	Cumulative Number of Equity Shares	Cumulative Paid - up Equity Share Capital (in ₹ lakhs)
April 18, 2011	50,000	10	10	Cash	Subscriber to the Memorandum of Association	50,000	5.00
January 6, 2014	Sub-division of 50,000 Equity Shares of the face value of ₹ 10 each into 1,00,000 Equity Shares of the face value of ₹ 5 each[1]					1,00,000	5.00
October 15, 2014	9,98,49,024	5	-	Other than Cash	Allotted pursuant to Scheme of Arrangement-cum-Demerger[2]	9,99,49,024	4997.45
October 15, 2014	Cancellation of 1,00,000 Equity Shares of the face value of ₹ 5 each[3]					9,98,49,024	4992.45
Quarter ended March 31, 2015	3,49,450	5	28.34 to 63.67	Cash	Preferential Allotment under employee stock option plans[4]	10,01,98,474	5009.92
Quarter ended June 30, 2015	1,96,650	5	9.62 to 63.37	Cash	Preferential Allotment under employee stock option plans[5]	10,03,95,124	5019.83
Quarter ended September 30, 2015	1,58,600	5	30.52 to 58.45	Cash	Preferential Allotment under employee stock option plans[6]	10,05,53,724	5027.68
Quarter ended December 31, 2015	64,800	5	30.52 to 58.45	Cash	Preferential Allotment under employee stock option plans[7]	10,06,18,524	5030.92
Quarter ended March 31, 2016	1,60,100	5	16.80 to 73.35	Cash	Preferential Allotment under employee stock option plans[8]	10,07,78,624	5038.93
Quarter ended June 31, 2016	2,57,548	5	19.07 to 102	Cash	Preferential Allotment under employee stock option plans[9]	10,10,36,172	5051.80
Quarter ended September 30, 2016	62,250	5	28.34 to 102	Cash	Preferential Allotment under employee stock option plans[10]	10,10,98,422	5054.92
Quarter ended December 31, 2016	18,350	5	32.12 to 102	Cash	Preferential Allotment under employee stock option plans[11]	10,11,16,772	5055.84

[1]*Pursuant to the sub-division of Equity Shares on January 6, 2014, the Equity Shares of face value of ₹ 10 each were sub-divided into 2 Equity Shares of ₹ 5 each.*

[2]*9,98,49,024 shares were allotted pursuant to the Scheme of Arrangement-cum-Demerger.*

[3]*1,00,000 Equity Shares of the face value of ₹ 5 each were cancelled pursuant to the Scheme of Arrangement-cum-Demerger.*

[4] *3,00,700 Equity Shares were allotted under ASOP 2003 and 48,750 Equity Shares were allotted under ASOP 2011.*

[5] *62,100 Equity Shares were allotted under ASOP 2003 and 1,34,550 Equity Shares were allotted under ASOP 2011.*

[6] *97,700 Equity Shares were allotted under ASOP 2003 and 60,900 Equity Shares were allotted under ASOP 2011.*
[7] *43,400 Equity Shares were allotted under ASOP 2003 and 21,400 Equity Shares were allotted under ASOP 2011.*
[8] *53,300 Equity Shares were allotted under ASOP 2003 and 1,06,800 Equity Shares were allotted under ASOP 2011.*
[9] *39,498 Equity Shares were allotted under ASOP 2003, 1,62,450 Equity Shares were allotted under ASOP 2011 and 55,600 Equity Shares were allotted under ISOP 2015.*
[10] *20,800 Equity Shares were allotted under ASOP 2003, 26,450 Equity Shares were allotted under ASOP 2011 and 15,000 Equity Shares were allotted under ISOP 2015.*
[11] *5,700 Equity Shares were allotted under ASOP 2003, 5,150 Equity Shares were allotted under ASOP 2011 and 7,500 Equity Shares were allotted under ISOP 2015.*

2. **Issue of Shares for consideration other than cash.**

Except as set out below, our Company has not issued Equity Shares for consideration other than cash.

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of Consideration	Nature of Transaction	Cumulative Number of Equity Shares	Cumulative Paid - up Equity Share Capital (in ₹ lakhs)
October 15, 2014	9,98,49,024	5	-	Other than Cash	Allotted pursuant to Scheme of Arrangement-cum-Demerger[1]	9,99,49,024	4997.45

[1]*9,98,49,024 shares were allotted pursuant to the Scheme of Arrangement-cum-Demerger.*

3. **Issue of Shares pursuant to scheme approved under section 391-394 of the Companies Act, 1956**

Details of Equity Shares issued pursuant to scheme approved under section 391-394 of the Companies Act, 1956 are as follows:

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of Consideration	Nature of Transaction	Cumulative Number of Equity Shares	Cumulative Paid - up Equity Share Capital (in ₹ lakhs)
October 15, 2014	9,98,49,024	5	-	Other than Cash	Allotted pursuant to Scheme of Arrangement-cum-Demerger[1]	9,99,49,024	4997.45

[1]*9,98,49,024 shares were allotted pursuant to the Scheme of Arrangement-cum-Demerger. For further details about the Scheme of Arrangement-cum-Demerger, please see chapter entitled 'History and Certain Corporate Matters' page 125 of this Draft Letter of Offer.*

4. *The table below presents the shareholding pattern of our Company as on January 20, 2017*

Category	Category of Shareholders	No. of Shareholders	No. of fully paid Equity Shares held	No. of partly paid up Equity Shares held	No. of shares underlying Depository Receipts	Total No. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2)	No. of locked shares		No. of shares pledged or otherwise encumbered		No. of equity shares held in dematerialised form
								No. of voting rights		Total As a % of (A+B+C)							
								Class – Equity	Total				No. (a)	As % of total shares held (b)	No. (a)	As % of total shares held (b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII)	(IX)			(X)	(XI) = (VII) + (X)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	3	298,89,873	0	0	298,89,873	29.56	298,89,873	298,89,873	29.56	0	29.56	0	0.00	0	0.00	298,89,873
(B)	Public	68,405	703,20,070	0	0	703,20,070	69.54	703,20,070	703,20,070	69.54	0	69.54	67	0.00	NA	NA	701,14,582
(C)	Non-Promoter-Non Public	1	9,06,829	0	0	9,06,829	0.90	9,06,829	9,06,829	0.90	0	0.90	0	0.00	NA	NA	9,06,829
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	NA	0	NA	0	0.00	NA	NA	0
(C2)	Shares held by Employee Trusts	1	9,06,829	0	0	9,06,829	0.90	9,06,829	9,06,829	0.90	0	0.90	0	0.00	NA	NA	9,06,829
	Total	**68,409**	**10,11,16,772**	**0**	**0**	**10,11,16,772**	**100.00**	**10,11,16,772**	**10,11,16,772**	**100.00**	**0**	**100.00**	**67**	**0.00**	**0**	**0.00**	**10,09,11,284**

5. **Promoter Build up**

As on the date of this Draft Letter of Offer, our Promoters hold 2,98,89,873 Equity Shares, equivalent to 29.56% of the Equity Share Capital. Set forth below is the build-up of the shareholding of our Promoters since incorporation of our Company:

a. Mr. Arun Jain

Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of Conside ration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
October 15, 2014	Allotment pursuant to Scheme of Arrangement-cum-Demerger	43,32,365	Other than cash	5	-	4.28	[●]
December 22, 2014	Buy	12,50,000	Cash	5	75.00	1.24	[●]
December 22, 2014	Sale (off market)	(7,60,000)	Cash	5	75.00	(0.75)	[●]
February 4, 2015	Sale (gift - off market)	(10,000)	Other than cash	5	-	(0.01)	[●]
February 9, 2015	Sale (off market)	(3,000)	Cash	5	108.10	Negligible	[●]
July 31, 2015	Sale (off market)	(50,786)	Cash	5	139.85	(0.05)	[●]
July 31, 2015	Buy	50,786	Cash	5	139.85	0.05	[●]
Total		**48,09,365**	-	-	-	**4.76**	[●]

b. Polaris Banyan Holding Private Limited

Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of Conside ration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
October 15, 2014	Allotment pursuant to Scheme of Arrangement-cum-Demerger	2,00,20,938	Other than Cash	5	-	19.80	[●]
December 22, 2014	Off Market	3,97,000	Cash	5	75.00	0.39	[●]
December 22, 2014	Off Market	7,60,000	Cash	5	75.30	0.75	[●]
December 23, 2014	Market	12,84,360	Cash	5	71.92	1.27	[●]

Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of Consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
February 9, 2015	Off Market	3,000	Cash	5	108.10	Negligible	[●]
July 31, 2015	Market	80,000	Cash	5	137.62	0.08	[●]
July 31, 2015	Off Market	50,786	Cash	5	139.85	0.05	[●]
March 17, 2016	Sale (donation - off Market)	(2,00,000)	Other than cash	5	-	(0.20)	[●]
March 23, 2016	Market	1,28,293	Cash	5	209.47	0.13	[●]
March 28, 2016	Market	3,71,707	Cash	5	214.28	0.37	[●]
March 29, 2016	Market	1,33,890	Cash	5	215.09	0.13	[●]
June 24, 2016	Market	2,41,188	Cash	5	192.60	0.24	[●]
June 27, 2016	Market	1,55,346	Cash	5	202.69	0.15	[●]
August 16, 2016	Market	81,932	Cash	5	190.55	0.08	[●]
August 17, 2016	Market	1,10,108	Cash	5	193.96	0.11	[●]
August 18, 2016	Market	5,71,980	Cash	5	197.66	0.57	[●]
August 19, 2016	Market	1,00,980	Cash	5	196.34	0.10	[●]
Total		**2,42,91,508**	**-**	**-**	**-**	**24.02**	[●]

c. Arun Jain (HUF)

Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)
October 15, 2014	Allotment pursuant to Scheme of Arrangement-cum-Demerger	7,89,000	Other than Cash	5	-	0.78	[●]
Total		**7,89,000**	**-**	-	-	**0.78**	[●]

6. None of the Equity Shares held by the Promoters are subject to lock-in as on the date of this Draft Letter of Offer.

7. In terms of Regulation 34(c) of the SEBI ICDR Regulations the requirements of minimum promoters' contribution are not applicable in this Issue.

8. **Shareholding in our Company of our Promoters, Promoter Group and the directors of the Promoters, where the promoter is a body corporate**:

Sr. No.	**Name of the Shareholder**	**Pre Issue**		**Post Issue**	
		Number of Equity Shares	**%**	**Number of Equity Shares**	**%**
A.	**Promoter**				
1.	Polaris Banyan Holding Private Limited	2,42,91,508	24.02	[●]	[●]
2.	Arun Jain	48,09,365	4.76	[●]	[●]
3.	Arun Jain (HUF)	7,89,000	0.78	[●]	[●]
B.	**Promoter Group**				
4.	Manju Jain	12,80,460	1.27	[●]	[●]
5.	Aarushi Jain	60,000	0.61	[●]	[●]
6.	Uday Jain	6,19,500	0.06	[●]	[●]
7.	Suman Mathur	3,900	Negligible	[●]	[●]
8.	Meena Agarwal	25,950	0.02	[●]	[●]
9.	Nita Jain	6,000	Negligible	[●]	[●]
10.	Shashi Gupta	5,900	Negligible	[●]	[●]
11.	Uma Gupta	2,400	Negligible	[●]	[●]
12.	Manju Verma	2,400	Negligible	[●]	[●]
13.	Neeta Mathur	2,400	Negligible	[●]	[●]
14.	Yogesh Andlay	20,77,447	2.05	[●]	[●]
15.	Naveen Kumar	4,800	Negligible	[●]	[●]
C.	**Directors of our Promoter, Polaris Banyan Holding Private Limited**				
16.	Arun Jain	48,09,365	4.76	[●]	[●]
17.	Manju Jain	12,80,460	1.27	[●]	[●]
18.	Narayanaswamy Kannan	50	Negligible	[●]	[●]

9. **Shareholders holding more than 1% of pre-offer paid up capital of our Company**

The list of shareholders holding more than 1% of the pre-offer paid up capital of our Company as on the date of filing this Draft Letter of Offer is as follows:

Sr. No.	**Name of Shareholder**	**No. of Equity Shares**	**Percentage (%)**
1.	Polaris Banyan Holding Private Limited	2,42,91,508	24.02
2.	Arun Jain	48,09,365	4.76
3.	Jhunjhunwala Rekha Rakesh	37,50,000	3.71
4.	Reliance Capital Trustee Co. Ltd. A/c - Reliance Regular Savings Fund - Equity Option	25,00,000	2.47
5.	Reliance Capital Trustee Co. Ltd. A/c Reliance Small Cap Fund	24,58,230	2.43
6.	Yogesh Andlay	20,77,447	2.05
7.	GHI LTP Limited	15,16,956	1.50
8.	Phillip Capital (India) Private limited	14,99,900	1.48
9.	Manju Jain	12,80,460	1.27
10.	Jhunjhunwala Rakesh Radheshyam	12,50,000	1.24
11.	Premier Investment Fund Limited	11,98,000	1.18
	Total	**4,66,31,866**	**46.12**

10. **Employee Stock Option Schemes**

Our Company currently administers 5 employee stock option plans.

a. **Associate Stock Option Plan 2003**

Our Company inherited the ASOP 2003 pursuant to the Scheme of Arrangement-cum-Demerger. The purpose of the ASOP 2003 was to *inter alia* bring about participation of Associates in the growth of our Company and for this purpose ASOP 2003 provides for issuance of 26,03,850 options convertible into Equity Shares. The details of the ASOP 2003 scheme are as follows:

<table>
<tr><th>Particulars</th><th colspan="5">Details</th></tr>
<tr><td rowspan="6">Options granted</td><th colspan="3">Period</th><th colspan="2">Number of options</th></tr>
<tr><td colspan="3">Financial Year 2014</td><td colspan="2">10,94,400</td></tr>
<tr><td colspan="3">Financial Year 2015</td><td colspan="2">Nil</td></tr>
<tr><td colspan="3">Financial Year 2016</td><td colspan="2">Nil</td></tr>
<tr><td colspan="3">April 1, 2016 - December 31, 2016</td><td colspan="2">Nil</td></tr>
<tr><td colspan="3">Total</td><td colspan="2">10,94,400</td></tr>
<tr><td>Pricing Formula</td><td colspan="5">Market Price</td></tr>
<tr><td>Vesting Period</td><td colspan="5">5 years</td></tr>
<tr><td>Options Vested</td><td colspan="5">1,55,702</td></tr>
<tr><td>Options Exercised</td><td colspan="5">6,17,988</td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td colspan="5">6,17,988</td></tr>
<tr><td>Options Lapsed</td><td colspan="5">3,20,700</td></tr>
<tr><td>Variation of terms of options</td><td colspan="5">Nil</td></tr>
<tr><td>Money realised by exercise of options</td><td colspan="5">₹ 3,25,86,761/-</td></tr>
<tr><td>Total number of options in force</td><td colspan="5">1,55,702</td></tr>
<tr><td>Employee wise details of options granted to</td><td colspan="5">-</td></tr>
<tr><td rowspan="4">1. Senior managerial personnel</td><th rowspan="2">Sr. No.</th><th rowspan="2">Name of the employee</th><th colspan="3">Details of options</th></tr>
<tr><th>Granted</th><th>Exercised</th><th>Outstanding</th></tr>
<tr><td></td><td>Srinivasan Krishnan</td><td>14,000</td><td>14,000</td><td>Nil</td></tr>
<tr><td></td><td>Subramaniam Swaminathan</td><td>2,000</td><td>2,000</td><td>Nil</td></tr>
<tr><td>2. Any other employee who received a grant in one year of options amounting to 5% or more of the options granted during that year</td><td colspan="5">Nil</td></tr>
<tr><td>3. Identified employees who were granted options during one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time</td><td colspan="5">Nil</td></tr>
</table>

<table>
<tr><td>of grant</td><td></td></tr>
<tr><td>Fully diluted Earnings per Equity Share pursuant to issue of Equity Shares on exercise of options calculated in accordance with the relevant accounting standards.</td><td>
<table>
<tr><th>September 30, 2016</th><th>March 31, 2016</th><th>March 31, 2015</th></tr>
<tr><td>(0.88)</td><td>(1.67)</td><td>(8.30)</td></tr>
</table>
</td></tr>
<tr><td>Lock-in</td><td>Nil</td></tr>
<tr><td>Impact on profit and Earnings per Equity Share - of the last three years if the accounting policies prescribed in the SEBI ESOP Regulations had been followed</td><td>Nil</td></tr>
<tr><td>Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share</td><td>
<table>
<tr><th>Particulars</th><th>September 30, 2016</th><th>March 31, 2016</th><th>March 31, 2015</th></tr>
<tr><td>Profit / (Loss) before tax</td><td></td><td></td><td></td></tr>
<tr><td>As Reported</td><td>(608.40)</td><td>(1683.58)</td><td>(8299.33)</td></tr>
<tr><td>Add: Employee Compensation cost calculated on the Intrinsic Value method of Accounting</td><td>0</td><td>0</td><td>21.96</td></tr>
<tr><td>Less: Employee Compensation cost calculated on the basis of fair value of stock options</td><td>281.46</td><td>448.10</td><td>184</td></tr>
<tr><td>Proforma Profit / (Loss) **</td><td>(889.86)</td><td>(2131.68)</td><td>(8461.37)</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>Basic Earnings per Share</td><td>(0.60)</td><td>(1.67)</td><td>(8.30)</td></tr>
<tr><td>Proforma Earnings Per Share</td><td>(0.88)</td><td>(2.12)</td><td>(8.47)</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>Diluted Earnings per Share</td><td>(0.60)</td><td>(1.67)</td><td>(8.30)</td></tr>
<tr><td>Proforma Diluted Earnings per Share</td><td>(0.88)</td><td>(2.12)</td><td>(8.47)</td></tr>
</table>
</td></tr>
<tr><td>Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock</td><td>
<table>
<tr><th>Period</th><th>Market price</th><th>Weighted average exercise price</th><th>Weighted average fair value</th></tr>
<tr><td>November 30, 2016</td><td>143.30/-</td><td>51.69/-</td><td>28.90/-</td></tr>
<tr><td>March 31, 2016</td><td>225.85/-</td><td>51.69/-</td><td>28.90/-</td></tr>
<tr><td>March 31, 2015</td><td>107.20/-</td><td>51.69/-</td><td>28.90/-</td></tr>
</table>
</td></tr>
<tr><td>Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option.</td><td>
The Company follows the intrinsic value method for employee stock option accounting. For estimating the fair value of the options our Company has adopted the Black & Scholes method with the following assumptions:
<table>
<tr><th>Assumptions</th><th>Financial Year 2016</th></tr>
<tr><td>Risk-free interest rate</td><td>7.68%</td></tr>
<tr><td>Expected life</td><td>4.5 years</td></tr>
<tr><td>Expected volatility</td><td>63.00%</td></tr>
<tr><td>Expected dividends</td><td>0.00%</td></tr>
<tr><td>Price of underlying share in the market at the time of grant of option (per Equity Share)</td><td>₹ 51.69/-</td></tr>
<tr><td>Fair value of options (per Equity Share)</td><td>₹ 28.90/-</td></tr>
</table>
</td></tr>
</table>

b. **Associate Stock Option Plan 2004**

Our Company inherited the ASOP 2004 pursuant to the Scheme of Arrangement-cum-Demerger. The purpose of the ASOP 2004 was to *inter alia* bring about participation of Associate in the growth of our Company and for this purpose, ASOP 2004 provides for issuance of 8,24,645 options convertible into Equity Shares. The details of the ASOP 2004 scheme are as follows:

<table>
<tr><th>Particulars</th><th colspan="3">Details</th></tr>
<tr><td rowspan="6">Options granted</td><td>Period</td><td colspan="2">Number of options</td></tr>
<tr><td>Financial Year 2014</td><td colspan="2">3,79,100</td></tr>
<tr><td>Financial Year 2015</td><td colspan="2">Nil</td></tr>
<tr><td>Financial Year 2016</td><td colspan="2">Nil</td></tr>
<tr><td>April 1, 2016 - December 31, 2016</td><td colspan="2">Nil</td></tr>
<tr><td>Total</td><td colspan="2">3,79,100</td></tr>
<tr><td>Pricing Formula</td><td colspan="3">Market Price</td></tr>
<tr><td>Vesting Period</td><td colspan="3">5 years</td></tr>
<tr><td>Options Vested</td><td colspan="3">69,200</td></tr>
<tr><td>Options Exercised</td><td colspan="3">2,27,700</td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td colspan="3">2,27,700</td></tr>
<tr><td>Options Lapsed</td><td colspan="3">82,200</td></tr>
<tr><td>Variation of terms of options</td><td colspan="3">Nil</td></tr>
<tr><td>Money realised by exercise of options</td><td colspan="3">₹ 134,70,608/-</td></tr>
<tr><td>Total number of options in force</td><td colspan="3">69,200</td></tr>
<tr><td>Employee wise details of options granted to</td><td colspan="3">-</td></tr>
<tr><td>Senior managerial personnel</td><td colspan="3">Nil</td></tr>
<tr><td>Any other employee who received a grant in one year of options amounting to 5% or more of the options granted during that year</td><td colspan="3">Nil</td></tr>
<tr><td>Identified employees who were granted options during one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td colspan="3">Nil</td></tr>
<tr><td rowspan="2">Fully diluted Earnings per Equity Share pursuant to issue of Equity Shares on exercise of options calculated in accordance with the relevant accounting standards.</td><td>September 30, 2016</td><td>March 31, 2016</td><td>March 31, 2015</td></tr>
<tr><td>(0.88)</td><td>(1.67)</td><td>(8.30)</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Lock-in</td><td>Nil</td></tr>
<tr><td>Impact on profit and Earnings per Equity Share - of the last three years if the accounting policies prescribed in the SEBI ESOP Regulations had been followed</td><td>Nil</td></tr>
<tr><td>Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share</td><td>
<table>
<tr><th>Particulars</th><th>September 30, 2016</th><th>March 31, 2016</th><th>March 31, 2015</th></tr>
<tr><td>Profit / (Loss) before tax</td><td></td><td></td><td></td></tr>
<tr><td>As Reported</td><td>(608.40)</td><td>(1683.58)</td><td>(8299.33)</td></tr>
<tr><td>Add: Employee Compensation cost calculated on the Intrinsic Value method of Accounting</td><td>0</td><td>0</td><td>21.96</td></tr>
<tr><td>Less: Employee Compensation cost calculated on the basis of fair value of stock options</td><td>281.46</td><td>448.10</td><td>184</td></tr>
<tr><td>Proforma Profit / (Loss) **</td><td>(889.86)</td><td>(2131.68)</td><td>(8461.37)</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>Basic Earnings per Share</td><td>(0.60)</td><td>(1.67)</td><td>(8.30)</td></tr>
<tr><td>Proforma Earnings Per Share</td><td>(0.88)</td><td>(2.12)</td><td>(8.47)</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>Diluted Earnings per Share</td><td>(0.60)</td><td>(1.67)</td><td>(8.30)</td></tr>
<tr><td>Proforma Diluted Earnings per Share</td><td>(0.88)</td><td>(2.12)</td><td>(8.47)</td></tr>
</table>
</td></tr>
<tr><td>Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock</td><td>
<table>
<tr><th>Period</th><th>Market price</th><th>Weighted average exercise price</th><th>Weighted average fair value</th></tr>
<tr><td>November 30, 2016</td><td>143.30/-</td><td>57.57/-</td><td>32.21/-</td></tr>
<tr><td>March 31, 2016</td><td>225.85/-</td><td>57.57/-</td><td>32.21/-</td></tr>
<tr><td>March 31, 2015</td><td>107.20/-</td><td>57.57/-</td><td>32.21/-</td></tr>
</table>
</td></tr>
<tr><td>Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option.</td><td>
The Company follows the intrinsic value method for employee stock option accounting. For estimating the fair value of the options our Company has adopted the Black & Scholes method with the following assumptions:
<table>
<tr><th>Assumptions</th><th>Financial Year 2016</th></tr>
<tr><td>Risk-free interest rate</td><td>7.62%</td></tr>
<tr><td>Expected life</td><td>4.5 years</td></tr>
<tr><td>Expected volatility</td><td>49.00%</td></tr>
<tr><td>Expected dividends</td><td>0.00%</td></tr>
<tr><td>Price of underlying share in the market at the time of grant of option (per Equity Share)</td><td>₹ 57.57/-</td></tr>
<tr><td>Fair value of options (per Equity Share)</td><td>₹ 32.21/-</td></tr>
</table>
</td></tr>
</table>

c. **Associate Stock Option Plan 2011**

Our Company inherited the ASOP 2011 pursuant to the Scheme of Arrangement-cum-Demerger. The purpose of the ASOP 2011 was to *inter alia* attract, retain, encourage and reward the senior and key executives of the company. The ASOP 2011 is classified into 4 categories *viz*. Swarnam 11, Swarnam 21, Swarnam 31 and Swarnam 41 and provides for issuance of 48,88,450 options convertible into equivalent number of Equity Shares. The details of the ASOP 2011 are as follows:

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td><table><tr><th>Period</th><th>Number of options</th></tr><tr><td>Financial Year 2014</td><td>37,96,550</td></tr><tr><td>Financial Year 2015</td><td>8,22,200</td></tr><tr><td>Financial Year 2016</td><td>Nil</td></tr><tr><td>April 1, 2016 - 31 December 2016</td><td>Nil</td></tr><tr><td>Total</td><td>46,18,550</td></tr></table></td></tr>
<tr><td>Pricing Formula</td><td>Market Price and discount on market price</td></tr>
<tr><td>Vesting Period</td><td>3 to 5 years</td></tr>
<tr><td>Options Vested</td><td>2,60,650</td></tr>
<tr><td>Options Exercised</td><td>5,63,650</td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td>5,63,650</td></tr>
<tr><td>Options Lapsed</td><td>7,15,600</td></tr>
<tr><td>Variation of terms of options</td><td>Nil</td></tr>
<tr><td>Money realised by exercise of options</td><td>₹ 208,23,574/-</td></tr>
<tr><td>Total number of options in force</td><td>33,39,300</td></tr>
<tr><td>Employee wise details of options granted to</td><td>-</td></tr>
<tr><td>Senior managerial personnel</td><td><table><tr><th rowspan="2">Sr. No.</th><th rowspan="2">Name of the employee</th><th colspan="3">Details of options</th></tr><tr><th>Granted</th><th>Exercised</th><th>Outstanding</th></tr><tr><td>1.</td><td>Govind Singhal</td><td>87,500</td><td>22,500</td><td>65,000</td></tr><tr><td>2.</td><td>Manish Maakan</td><td>1,75,000</td><td>17,500</td><td>1,57,500</td></tr><tr><td>3.</td><td>V. V. Naresh</td><td>3,000</td><td>750</td><td>2,250</td></tr><tr><td>4.</td><td>Pranav Pasricha</td><td>2,00,000</td><td>70,000</td><td>1,30,000</td></tr><tr><td>5.</td><td>Rajesh Saxena</td><td>37,500</td><td>22,500</td><td>15,000</td></tr><tr><td>6.</td><td>Srinivasan Krishnan</td><td>1,25,000</td><td>40,000</td><td>85,000</td></tr><tr><td>7.</td><td>Subramaniam Swaminathan</td><td>1,20,000</td><td>11,500</td><td>1,08,500</td></tr><tr><td>8.</td><td>Venkatesh Iyengar Srinivasan</td><td>50,000</td><td>Nil</td><td>50,000</td></tr></table></td></tr>
<tr><td>Any other employee who received a grant in one year of options amounting to 5% or more of the options granted during that year</td><td>Nil</td></tr>
<tr><td>Identified employees who were granted options during one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td>Nil</td></tr>
<tr><td>Fully diluted Earnings per Equity Share pursuant to issue of Equity Shares on exercise of options calculated in accordance</td><td><table><tr><th>September 30, 2016</th><th>March 31, 2016</th><th>March 31, 2015</th></tr><tr><td>(0.88)</td><td>(1.67)</td><td>(8.30)</td></tr></table></td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>with the relevant accounting standards.</td><td></td></tr>
<tr><td>Lock-in</td><td>Nil</td></tr>
<tr><td>Impact on profit and Earnings per Equity Share –of the last three years if the accounting policies prescribed in the SEBI ESOP Regulations had been followed</td><td>Nil</td></tr>
<tr><td>Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share</td><td>
<table>
<tr><th>Particulars</th><th>September 30, 2016</th><th>March 31, 2016</th><th>March 31, 2015</th></tr>
<tr><td>Profit / (Loss) before tax</td><td></td><td></td><td></td></tr>
<tr><td>As Reported</td><td>(608.40)</td><td>(1683.58)</td><td>(8299.33)</td></tr>
<tr><td>Add: Employee Compensation cost calculated on the Intrinsic Value method of Accounting</td><td>0</td><td>0</td><td>21.96</td></tr>
<tr><td>Less: Employee Compensation cost calculated on the basis of fair value of stock options</td><td>281.46</td><td>448.10</td><td>184</td></tr>
<tr><td>Proforma Profit / (Loss) **</td><td>(889.86)</td><td>(2131.68)</td><td>(8461.37)</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>Basic Earnings per Share</td><td>(0.60)</td><td>(1.67)</td><td>(8.30)</td></tr>
<tr><td>Proforma Earnings Per Share</td><td>(0.88)</td><td>(2.12)</td><td>(8.47)</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>Diluted Earnings per Share</td><td>(0.60)</td><td>(1.67)</td><td>(8.30)</td></tr>
<tr><td>Proforma Diluted Earnings per Share</td><td>(0.88)</td><td>(2.12)</td><td>(8.47)</td></tr>
</table>
</td></tr>
<tr><td>Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock</td><td>
<table>
<tr><th>Period</th><th>Market price</th><th>Weighted average exercise price</th><th>Weighted average fair value</th></tr>
<tr><td>November 30, 2016</td><td>143.30/-</td><td>38.40</td><td>17.68</td></tr>
<tr><td>November 30, 2016 *</td><td>143.30/-</td><td>73.85</td><td>33.64</td></tr>
<tr><td>March 31, 2016</td><td>225.85/-</td><td>38.40</td><td>17.68</td></tr>
<tr><td>March 31, 2016 *</td><td>225.85/-</td><td>73.85</td><td>33.64</td></tr>
<tr><td>March 31, 2015</td><td>107.20/-</td><td>38.40</td><td>17.68</td></tr>
<tr><td>March 31, 2015 *</td><td>107.20/-</td><td>73.85</td><td>33.64</td></tr>
<tr><td colspan="4">* are weighted averages where in the exercise price is less than the market price.</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option.</td><td>The Company follows the intrinsic value method for employee stock option accounting. For estimating the fair value of the options our Company has adopted the Black & Scholes method with the following assumptions:
<table>
<tr><th>Assumptions</th><th>Financial Year 2016</th></tr>
<tr><td>Risk-free interest rate</td><td>8.63%</td></tr>
<tr><td>Expected life</td><td>6.10 years</td></tr>
<tr><td>Expected volatility</td><td>53.00%</td></tr>
<tr><td>Expected dividends</td><td>0.00%</td></tr>
<tr><td>Price of underlying share in the market at the time of grant of option (per Equity Share)</td><td>₹ 38.40</td></tr>
<tr><td>Fair value of options (per Equity Share)</td><td>₹ 20.52/-</td></tr>
</table>
</td></tr>
</table>

d. **Intellect Stock Option Plan 2015**

Our Company, pursuant to the resolution passed by our shareholders on January 29, 2015 has adopted the ISOP 2015. The purpose of the ISOP 2015 was to *inter alia* attract, retain, encourage and reward the Associates of our Company. The ISOP 2015 is classified into 5 categories viz. Swarnam 101, Swarnam 201, Swarnam 301, Swarnam 401 and Swarnam 501 and provides for issuance of 60,00,000 options convertible into equivalent number of Equity Shares. The details of ISOP 2015 are as follows:

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>
<table>
<tr><th>Period</th><th>Number of options</th></tr>
<tr><td>Financial Year 2014</td><td>Nil</td></tr>
<tr><td>Financial Year 2015</td><td>18,30,000</td></tr>
<tr><td>Financial Year 2016</td><td>33,18,400</td></tr>
<tr><td>April 1, 2016 - December 31, 2016</td><td>11,03,500</td></tr>
<tr><td>Total</td><td>62,51,900</td></tr>
</table>
</td></tr>
<tr><td>Pricing Formula</td><td>10.00% to 15.00% discount on market price</td></tr>
<tr><td>Vesting Period</td><td>5 years</td></tr>
<tr><td>Options Vested</td><td>3,44,665</td></tr>
<tr><td>Options Exercised</td><td>77,600</td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td>77,600</td></tr>
<tr><td>Options Lapsed</td><td>5,49,750</td></tr>
<tr><td>Variation of terms of options</td><td>Nil</td></tr>
<tr><td>Money realised by exercise of options</td><td>75,87,479</td></tr>
<tr><td>Total number of options in force</td><td>56,24,250</td></tr>
<tr><td>Employee wise details of options granted to</td><td>-</td></tr>
<tr><td>i. Senior managerial personnel</td><td>
<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Name of the employee</th><th colspan="3">Details of options</th></tr>
<tr><th>Granted</th><th>Exercised</th><th>Outstanding</th></tr>
<tr><td>1.</td><td>Anil Kumar Verma</td><td>2,00,000</td><td>20,000</td><td>1,80,000</td></tr>
<tr><td>2.</td><td>Govind Singhal</td><td>25,000</td><td>2,500</td><td>22,500</td></tr>
<tr><td>3.</td><td>Srinivasan</td><td>30,000</td><td>Nil</td><td>30,000</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Particulars</th><th colspan="6">Details</th></tr>
<tr><td rowspan="6"></td><td></td><td>Krishnan</td><td colspan="2"></td><td></td><td></td></tr>
<tr><td>4.</td><td>Manish Maakan</td><td colspan="2">50,000</td><td>Nil</td><td>50,000</td></tr>
<tr><td>5.</td><td>V. V. Naresh</td><td colspan="2">15,000</td><td>Nil</td><td>15,000</td></tr>
<tr><td>6.</td><td>Pranav Pasricha</td><td colspan="2">25,000</td><td>Nil</td><td>25,000</td></tr>
<tr><td>7.</td><td>Rajesh Saxena</td><td colspan="2">25,000</td><td>2,500</td><td>22,500</td></tr>
<tr><td>8.</td><td>Subramaniam Swaminathan</td><td colspan="2">50,000</td><td>Nil</td><td>50,000</td></tr>
<tr><td rowspan="4">ii. Any other employee who received a grant in one year of options amounting to 5% or more of the options granted during that year</td><td rowspan="2">Sr. No.</td><td rowspan="2">Name of the employee</td><td colspan="4">Details of options</td></tr>
<tr><td>Year</td><td>Granted</td><td>Vested and Exercised</td><td>Cancelled grants</td></tr>
<tr><td>1.</td><td>Anil Kumar Verma</td><td>2015</td><td>2,00,000</td><td>20,000</td><td>Nil</td></tr>
<tr><td>2.</td><td>Andrew England</td><td>2015</td><td>2,00,000</td><td>Nil</td><td>Nil</td></tr>
<tr><td></td><td>3.</td><td>Herber De Ruijter</td><td>2016</td><td>1,50,000</td><td>Nil</td><td>Nil</td></tr>
<tr><td>iii. Identified employees who were granted options during one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td colspan="6">Nil</td></tr>
<tr><td>Fully diluted Earnings per Equity Share pursuant to issue of Equity Shares on exercise of options calculated in accordance with the relevant accounting standards.</td><td colspan="6"><table><tr><th>September 30, 2016</th><th>March 31, 2016</th><th>March 31, 2015</th></tr><tr><td>(0.88)</td><td>(1.67)</td><td>(8.30)</td></tr></table></td></tr>
<tr><td>Lock-in</td><td colspan="6">Nil</td></tr>
<tr><td>Impact on profit and Earnings per Equity Share – of the last three years if the accounting policies prescribed in the SEBI ESOP Regulations had been followed</td><td colspan="6">Nil</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share</td><td>
<table>
<tr><th>Particulars</th><th>September 30, 2016</th><th>March 31, 2016</th><th>March 31, 2015</th></tr>
<tr><td>Profit / (Loss) before tax</td><td></td><td></td><td></td></tr>
<tr><td>As Reported</td><td>(608.40)</td><td>(1683.58)</td><td>(8299.33)</td></tr>
<tr><td><u>Add</u>: Employee Compensation cost calculated on the Intrinsic Value method of Accounting</td><td>0</td><td>0</td><td>21.96</td></tr>
<tr><td>Less: Employee Compensation cost calculated on the basis of fair value of stock options</td><td>281.46</td><td>448.10</td><td>184</td></tr>
<tr><td>Proforma Profit / (Loss) **</td><td>(889.86)</td><td>(2131.68)</td><td>(8461.37)</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>Basic Earnings per Share</td><td>(0.60)</td><td>(1.67)</td><td>(8.30)</td></tr>
<tr><td>Proforma Earnings Per Share</td><td>(0.88)</td><td>(2.12)</td><td>(8.47)</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>Diluted Earnings per Share</td><td>(0.60)</td><td>(1.67)</td><td>(8.30)</td></tr>
<tr><td>Proforma Diluted Earnings per Share</td><td>(0.88)</td><td>(2.12)</td><td>(8.47)</td></tr>
</table>
</td></tr>
<tr><td>Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock</td><td>
<table>
<tr><th>Period</th><th>Market price</th><th>Weighted average exercise price</th><th>Weighted average fair value</th></tr>
<tr><td>November 30, 2016</td><td>143.30/-</td><td>163.90/-</td><td>67.39/-</td></tr>
<tr><td>March 31, 2016</td><td>225.85/-</td><td>155.62/-</td><td>62.00/-</td></tr>
<tr><td>March 31, 2015</td><td>107.20/-</td><td>109.46/-</td><td>47.01/-</td></tr>
</table>
</td></tr>
<tr><td>Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option.</td><td>
The Company follows the intrinsic value method for employee stock option accounting. For estimating the fair value of the options our Company has adopted the Black & Scholes method with the following assumptions:
<table>
<tr><th>Assumptions</th><th>Financial Year 2016</th></tr>
<tr><td>Risk-free interest rate</td><td>7.59%</td></tr>
<tr><td>Expected life</td><td>6.14 years</td></tr>
<tr><td>Expected volatility</td><td>20.00%</td></tr>
<tr><td>Expected dividends</td><td>0%</td></tr>
<tr><td>Price of underlying share in the market at the time of grant of option (per Equity Share)</td><td>₹ 163.90</td></tr>
<tr><td>Fair value of options (per Equity Share)</td><td>₹ 67.39/-</td></tr>
</table>
</td></tr>
</table>

e. **Intellect Stock Option Plan 2016**

Our Company, pursuant to the resolution passed by our shareholders on July 21, 2016 has adopted the ISOP 2016. The purpose of the ISOP 2016 was to *inter alia* attract, retain, encourage and reward the Associates of our Company. The ISOP 2016 is classified into 5 categories viz. Swarnam 101, Swarnam 201, Swarnam 301, Swarnam 401 and Swarnam 501 and provides for issuance of 40,00,000 options convertible into equivalent number of Equity Shares. The details of ISOP 2016 are as follows:

<table>
<tr><th>Particulars</th><th colspan="2">Details</th></tr>
<tr><td rowspan="5">Options granted</td><td>Period</td><td>Number of options</td></tr>
<tr><td>Financial Year 2014</td><td>Nil</td></tr>
<tr><td>Financial Year 2015</td><td>Nil</td></tr>
<tr><td>Financial Year 2016</td><td>Nil</td></tr>
<tr><td>April 1, 2016 -</td><td>15,17,500</td></tr>
</table>

<table>
<tr><th>Particulars</th><th colspan="5">Details</th></tr>
<tr><td rowspan="2"></td><td colspan="2">December 31, 2016</td><td colspan="3"></td></tr>
<tr><td colspan="2">Total</td><td colspan="3">15,17,500</td></tr>
<tr><td>Pricing Formula</td><td colspan="5">10.00% to 15.00% discount on market price</td></tr>
<tr><td>Vesting Period</td><td colspan="5">5 years</td></tr>
<tr><td>Options Vested</td><td colspan="5">0</td></tr>
<tr><td>Options Exercised</td><td colspan="5">0</td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td colspan="5">0</td></tr>
<tr><td>Options Lapsed</td><td colspan="5">0</td></tr>
<tr><td>Variation of terms of options</td><td colspan="5">Nil</td></tr>
<tr><td>Money realised by exercise of options</td><td colspan="5">0</td></tr>
<tr><td>Total number of options in force</td><td colspan="5">15,17,500</td></tr>
<tr><td>Employee wise details of options granted to</td><td colspan="5">-</td></tr>
<tr><td rowspan="10">i. Senior managerial personnel</td><td rowspan="2">Sr. No.</td><td rowspan="2">Name of the employee</td><td colspan="3">Details of options</td></tr>
<tr><td>Granted</td><td>Exercised</td><td>Outstanding</td></tr>
<tr><td>1.</td><td>Anil Kumar Verma</td><td>25,000</td><td>Nil</td><td>25,000</td></tr>
<tr><td>2.</td><td>Govind Singhal</td><td>25,000</td><td>Nil</td><td>25,000</td></tr>
<tr><td>3.</td><td>Manish Maakan</td><td>25,000</td><td>Nil</td><td>25,000</td></tr>
<tr><td>4.</td><td>Pranav Pasricha</td><td>25,000</td><td>Nil</td><td>25,000</td></tr>
<tr><td>5.</td><td>Rajesh Saxena</td><td>25,000</td><td>Nil</td><td>25,000</td></tr>
<tr><td>6.</td><td>Srinivasan Krishnan</td><td>25,000</td><td>Nil</td><td>25,000</td></tr>
<tr><td>7.</td><td>Subramaniam Swaminathan</td><td>25,000</td><td>Nil</td><td>25,000</td></tr>
<tr><td>8.</td><td>Venkatesh Iyengar Srinivasan</td><td>25,000</td><td>Nil</td><td>25,000</td></tr>
<tr><td>ii. Any other employee who received a grant in one year of options amounting to 5% or more of the options granted during that year</td><td colspan="5">Nil</td></tr>
<tr><td>iii. Identified employees who were granted options during one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td colspan="5">Nil</td></tr>
<tr><td rowspan="2">Fully diluted Earnings per Equity Share pursuant to issue of</td><td colspan="2">September 30, 2016</td><td colspan="2">March 31, 2016</td><td>March 31, 2015</td></tr>
<tr><td colspan="2">(0.88)</td><td colspan="2">(1.67)</td><td>(8.30)</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Equity Shares on exercise of options calculated in accordance with the relevant accounting standards.</td><td></td></tr>
<tr><td>Lock-in</td><td>Nil</td></tr>
<tr><td>Impact on profit and Earnings per Equity Share –of the last three years if the accounting policies prescribed in the SEBI ESOP Regulations had been followed</td><td>Nil</td></tr>
<tr><td>Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share</td><td>
<table>
<tr><th>Particulars</th><th>September 30, 2016</th><th>March 31, 2016</th><th>March 31, 2015</th></tr>
<tr><td>Profit / (Loss) before tax</td><td></td><td></td><td></td></tr>
<tr><td>As Reported</td><td>(608.40)</td><td>(1683.58)</td><td>(8299.33)</td></tr>
<tr><td>Add: Employee Compensation cost calculated on the Intrinsic Value method of Accounting</td><td>0</td><td>0</td><td>21.96</td></tr>
<tr><td>Less: Employee Compensation cost calculated on the basis of fair value of stock options</td><td>281.46</td><td>448.10</td><td>184</td></tr>
<tr><td>Proforma Profit / (Loss) **</td><td>(889.86)</td><td>(2131.68)</td><td>(8461.37)</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>Basic Earnings per Share</td><td>(0.60)</td><td>(1.67)</td><td>(8.30)</td></tr>
<tr><td>Proforma Earnings Per Share</td><td>(0.88)</td><td>(2.12)</td><td>(8.47)</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>Diluted Earnings per Share</td><td>(0.60)</td><td>(1.67)</td><td>(8.30)</td></tr>
<tr><td>Proforma Diluted Earnings per Share</td><td>(0.88)</td><td>(2.12)</td><td>(8.47)</td></tr>
</table>
</td></tr>
<tr><td>Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock</td><td>
<table>
<tr><th>Period</th><th>Market price</th><th>Weighted average exercise price</th><th>Weighted average fair value</th></tr>
<tr><td>November 30, 2016</td><td>143.30/-</td><td>154.36/-</td><td>86.29/-</td></tr>
<tr><td>March 31, 2016</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>March 31, 2015</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
</table>
</td></tr>
<tr><td>Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option.</td><td>The Company follows the intrinsic value method for employee stock option accounting. For estimating the fair value of the options our Company has adopted the Black & Scholes method with the following assumptions:
<table>
<tr><th>Assumptions</th><th>Financial Year 2016</th></tr>
<tr><td>Risk-free interest rate</td><td>6.82%</td></tr>
<tr><td>Expected life</td><td>6.50 years</td></tr>
<tr><td>Expected volatility</td><td>20.00%</td></tr>
<tr><td>Expected dividends</td><td>0.00%</td></tr>
<tr><td>Price of underlying share in the market at the time of grant of option (per Equity Share)</td><td>₹ 181.60</td></tr>
<tr><td>Fair value of options (per Equity Share)</td><td>₹ 86.29/-</td></tr>
</table>
</td></tr>
</table>

11. **Top 10 Shareholders of our Company**

The list of top 10 Shareholders of our Company is set forth below:

a. The top 10 Shareholders as on January 20, 2017 are as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares	Percentage (%)	No. of employee stock options held under the Existing Stock Option Plans
1.	Polaris Banyan Holding Private Limited	24,291,508	24.02	Nil
2.	Arun Jain	48,09,365	4.76	Nil
3.	Jhunjhunwala Rekha Rakesh	3,750,000	3.71	Nil
4.	Reliance Capital Trustee Company Limited A/c - Reliance Regular Savings Fund - Equity Option	2,500,000	2.47	Nil
5.	Reliance Capital Trustee Company Limited A/c - Reliance Small Cap Fund	2,458,230	2.43	Nil
6.	Yogesh Andlay	2,077,447	2.05	Nil
7.	GHI LTP Limited	1,516,956	1.50	Nil
8.	Phillip Capital (India) Private Limited	1,499,900	1.48	Nil
9.	Manju Jain	1,280,460	1.27	Nil
10.	Jhunjhunwala Rakesh Radheshyam	1,250,000	1.24	Nil
	Total	**4,54,33,866**	**44.93**	**Nil**

b. The top 10 Shareholders as on January 13, 2017 are as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares	Percentage (%)	No. of employee stock options held under the Existing Stock Option Plans
1.	Polaris Banyan Holding Private Limited	2,42,91,508	24.02	Nil
2.	Arun Jain	48,09,365	4.76	Nil
3.	Jhunjhunwala Rekha Rakesh	37,50,000	3.71	Nil
4.	Reliance Capital Trustee Company Limited A/c - Reliance Regular Savings Fund - Equity Option	25,00,000	2.47	Nil
5.	Reliance Capital Trustee Company Limited A/c - Reliance Small Cap Fund	24,58,230	2.43	Nil
6.	Yogesh Andlay	20,77,447	2.05	Nil
7.	GHI LTP Limited	15,16,956	1.50	Nil
8.	Phillip Capital (India) Private Limited	14,99,900	1.48	Nil
9.	Manju Jain	12,80,460	1.27	Nil
10.	Jhunjhunwala Rakesh Radheshyam	12,50,000	1.24	Nil
	Total	**4,54,33,866**	**44.93**	**Nil**

c. The top 10 Shareholders as on January 16, 2015 are as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares	Percentage (%)	No. of employee stock options held under the Existing Stock Option Plans
1.	Polaris Banyan Holding Private Limited	22,462,298	22.50	Nil
2.	Arun Jain	48,22,365	4.83	Nil
3.	Jhunjhunwala Rekha Rakesh	3,750,000	3.76	Nil
4.	Reliance Capital Trustee Company Limited A/c - Reliance Regular Savings Fund - Equity Option	3,000,000	3.00	Nil
5.	Reliance Capital Trustee Company Limited A/c - Reliance Small Cap Fund	3,000,000	3.00	Nil
6.	Yogesh Andlay	2,077,447	2.08	Nil
7.	GHI LTP Limited	1,779,456	1.78	Nil
8.	Manju Jain	1,280,460	1.28	Nil
9.	Param Capital Research Private Limited	1,500,000	1.50	Nil
10.	Premier Investment Fund Limited	1,383,020	1.39	Nil
	Total	**4,50,55,046**	**45.12**	**Nil**

12. The Lead Manager and its associates do not hold any Equity Shares in our Company.

13. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

14. Other than Equity Shares issued pursuant to the Existing Stock Option Plans, and as disclosed in this section titled '*Capital Structure*' on page 58 of this Draft Letter of Offer, our Company has not issued any shares at a price lower than the issue price during the last year preceding the date of filing this Draft Letter of Offer with SEBI.

15. Our Company, its Directors and our Promoter shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue.

16. Except as disclosed below, our Promoters, our Promoter Group or the directors of our Promoter, or the Directors of our Company and their immediate relatives have not purchased or sold any securities of our Company during the period of 6 months immediately preceding the date of filing of the Draft Letter of Offer with SEBI:

Name of the person / entity	Category	Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Nature of consideration
Polaris Banyan Holding Private Limited	Promoter	June 24, 2016	Market	2,41,188	5	192.60	Cash
Polaris Banyan Holding Private Limited	Promoter	June 27, 2016	Market	1,55,346	5	202.69	Cash
Polaris Banyan Holding Private Limited	Promoter	August 16, 2016	Market	81,932	5	190.55	Cash
Polaris Banyan Holding Private Limited	Promoter	August 17, 2016	Market	110,108	5	193.96	Cash
Polaris Banyan Holding Private Limited	Promoter	August 18, 2016	Market	571,980	5	197.66	Cash

Name of the person / entity	Category	Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Face value per Equity Share (₹)	Issue Price/Transfer Price per Equity Share (₹)	Nature of consideration
Polaris Banyan Holding Private Limited	Promoter	August 19, 2016	Market	1,00,980	5	196.34	Cash
Meena Agarwal	Promoter Group	May 3, 2016	Market	(1000)	5	236.31	Cash
Meena Agarwal	Promoter Group	November 24, 2016	Market	1000	5	138.14	Cash
Meena Agarwal	Promoter Group	November 24, 2016	Market	1000	5	132.13	Cash

The maximum prices at which purchase and sale made was at ₹ 202.69 (June 27, 2016) and ₹ 236.31 (May 3, 2016) and minimum prices at which purchase and sale made was at ₹ 132.31 (November 24, 2016) and ₹ 236.31 (May 3, 2016)

17. Our Company has not issued any Equity Shares out of revaluation reserves.

18. As on January 20, 2017, the total number of Shareholders of our Company is 68,409.

19. Our Company or Directors or the Lead Manager have not entered into any buy-back and, or, standby arrangements for purchase of Equity Shares from any person, other than any arrangements made for safety net facility.

20. All Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of this Draft Letter of Offer. Further, the Equity Shares issued pursuant to this Issue shall be fully paid up.

21. There have been no financing arrangements whereby the Promoter Group, Directors of our Company, the directors of our Promoter and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of 6 months preceding the date of filing of the Draft Letter of Offer.

22. Except for issue of the Equity Shares pursuant to the exercise of the options granted pursuant to the Existing Stock Option Plans, and their consequent conversion into Equity Shares, our Company presently does not intend or propose to alter its capital structure for a period of 6 months from the opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements. However, if business needs of our Company so require, our Company may alter its capital structure during the period of 6 months from the opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise, during the period of 6 months from the date of opening of the Issue or from the date the application moneys are refunded on account of failure of the Issue, after seeking and obtaining the requisite approvals.

23. Our Company has complied with the relevant regulations with respect to preferential allotment for issue of securities of our Company. Further our Company has not made any bonus issue or qualified institutional placement since the day of its incorporation.

24. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

25. Our Company shall ensure that transactions in the Equity Shares by our Promoters between the date of filing of the Draft Letter of Offer and the date of closure of the Issue shall be intimated to the Stock Exchanges within 24 hours of such transaction.

26. The Promoters of our Company currently hold 2,98,89,873 Equity Shares aggregating to 29.56% of the pre-Issue share capital of our Company and have undertaken that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and any under-subscription in the Issue, subject to aggregate shareholding of the Promoters not exceeding 75.00% of the Equity Share Capital of our Company after the Issue. For further details of under subscription and allotment to the Promoter and Promoter Group, please refer to sub-chapter entitled "*Basis of Allotment*" under the chapter entitled *'Terms of the Issue'* beginning on page 353 of this Draft Letter of Offer.

27. Other than outstanding options issued under the Existing Stock Option Plans, there are no outstanding options, convertible securities or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Letter of Offer.

28. The Issue will remain open for 15 days. However, the Board will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 days including the Issue Opening Date.

OBJECTS OF THE ISSUE

The objects of the Issue are:

1. Long term working capital arising out of changes in receivables;

2. Global expansion – sales and marketing expenditure;

3. Developing new products or upgrading and updating existing products (**New Product Development**);

4. Repayment of working capital loans; and

5. General corporate purposes.

The main objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue.

Requirement of Funds

Issue Proceeds and Net Proceeds

The details of the proceeds of the Issue are summarised in the table below:

(in ₹ lakhs)

Particulars	Amount
Gross proceeds from the Issue	[●]
Issue related expenses[(1)]	[●]
Net proceeds of the Issue (**Net Proceeds)**[(1)]	[●]

[(1)] To be finalised upon determination of the Issue Price.

Utilisation of the Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

(in ₹ lakhs)

Particulars	Amount
Long term working capital arising out of changes in receivables	3,500.00
Global expansion – sales and marketing	5,000.00
New Product Development	2,000.00
Repayment of working capital loan	4,500.00
General corporate purposes[(1)]	[●]
Net Proceeds	[●]

[(1)] The amount to be deployed towards general corporate purposes will be determined on finalisation of Issue Price and shall be within 25% of the Net Proceeds.

Details of the Objects of the Issue

Of the stated Objects of the Issue:

(a) The long term working capital arising out of changes in receivable will be financed entirely from the Net Proceeds;

(b) Global expansion - sales and marketing costs will be met partly from the proposed issue and the rest of them will be met by internal generations;

(c) New Product Development costs are proposed to be financed partly out of the Net Proceeds and partly from a foreign currency term loan sanctioned by Axis Bank Limited; and

(d) The working capital loans will be repaid out of the Net Proceeds.

The Net Proceeds, after deduction of all issue expenses, are estimated to be approximately ₹ [●] lakhs.

The fund requirement described below is based on the management estimates and is not appraised by any bank or financial institution. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan and estimates from time to time and consequently our funding requirements and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and, subject to compliance with applicable law, increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable or in case of cost overruns, we expect that the shortfall will be met from internal accruals and/or entering into debt arrangements as required. Further, in case of a shortfall in the Issue Proceeds, we may explore a range of options including utilizing our internal accruals and / or seeking additional debt from existing and future lenders. In the event that the estimated utilization out of the Net Proceeds in a financial year is not completely met, the same shall be utilized in the next financial year.

Variation in the objects of the Issue, if any, shall be undertaken in accordance with the Companies Act and the rules framed thereunder.

Appraisal of the Object of the Issue

The Object of the Issue for which the Net Proceeds will be utilized has not been appraised by any agency.

Schedule of Implementation/Utilization of Net Proceeds

The details of the proposed utilization of the Net Proceeds and the deployment of the Net Proceeds, as currently estimated by our Company, during Financial Year 2018 are set out below.

(in ₹ lakhs)

Particulars	**Amount to be deployed**		**Schedule of Deployment of Net Proceeds in Financial Year 2018**	
	Working capital facilities available	**Net Proceeds**	**H1FY2018**	**H2FY2018**
Long term working capital arising out of receivables	4,500.00	**3,500.00**	1,500.00	2,000.00
Global expansion-sales and marketing	-	**5,000.00**	2,500.00	2,500.00
New Product Development	5,000.00	**2,000.00**	-	2,000.00
Repayment of working capital loans	-	**4,500.00**	4,500.00	-
General corporate purposes	-	**[●]**	**[●]**	**[●]**
Total	**9,500.00**	**[●]**	**[●]**	**[●]**

Details of the Objects of the Issue

1. Long term working capital arising out of changes in receivables

Our business is working capital intensive and we fund a majority of our working capital requirements in the ordinary course of our business through equity, working capital facilities/loans from banks and from our internal accruals.

The table below sets out our current assets and current liabilities as per our Restated Consolidated Summary Statements, and our working capital requirements.

(in ₹ lakhs)

Particulars	**Six months ended September 30, 2016**	**Financial Year 2016**	**Financial Year 2015**
<u>CURRENT ASSETS</u>			

Current Investments	2,106.49	2,939.77	15,141.74
Trade receivables	21,645.10	16,043.19	16,707.54
Cash and cash equivalents	2,593.68	5,520.21	10,621.87
Short-term loans and advances	5,078.61	3,736.05	2,793.55
Other current assets	23,720.00	21,532.08	11,549.46
Total Current Assets (A)	**55,143.88**	**49,771.30**	**56,814.16**
CURRENT LIABILITIES			
Trade Payables	20,802.82	18,206.11	13,635.59
Other Current Liabilities	12,894.52	11,529.03	14,506.01
Short Term Provisions	2,593.88	1,955.01	1,606.63
Total Current Liabilities (B)	**36,291.22**	**31,690.15**	**29,748.23**
WORKING CAPITAL (A-B)	**18,852.66**	**18,081.15**	**27,065.93**

Our business model does require significant part of our Company's current assets being *'trade receivables'* and *'Revenues accrued and not billed under Other current assets (together with trade receivables the **Receivables**).*

Generally, pursuant to our contracts with customers, payments by our customers are based on billing milestones and, consequently, our Receivables Cycle is around, during the six months ended September 30, 2016, Financial Year 2016 and Financial Year 2015, was 176, 162 and 159 days, respectively.

As on December 31, 2016, our Company had an aggregate sanctioned limit of ₹ 21,855.00 lakhs comprising a fund based limit of up to ₹ 14,500.00 lakhs and non-fund based limit of up to ₹ 7,355.00 lakhs, to meet our working capital requirements. As on December 31, 2016, the amounts outstanding under the fund based facility and non-fund based facility are ₹ 11,950.00 lakhs and ₹ 6,795.25 lakhs, respectively.

The basis of estimation of working capital requirement arising out of change in receivables and estimated working capital requirement arising out of change in receivables is set out as below:

Receivables (including revenue accrued not yet billed, awaiting for billing milestone) is expected to increase by ₹7,800.00 lakhs in Financial Year 2018 to support business growth and after adjusting the net impact of other current assets and current liabilities including payables the net working capital increase is estimated to be around ₹ 3,500.00 lakhs. This planned to be funded out of the Net Proceeds.

(in ₹ lakhs)

Particulars	Financial Year 2018 (Estimate)	Financial Year 2017 (Estimate)	Six months ended September 30, 2016 (Actual)*	Financial Year 2016 (Actual)*	Financial Year 2015 (Actual)*
CURRENT ASSETS					
Receivables					
(a) Trade Receivables	30,145.10	24,645.10	21,645.10	16,043.19	16,707.54
(b) Revenue accrued and not billed (included part of Other Current Assets)	25,685.76	23,385.76	22,685.76	20,995.69	10,971.29
TOTAL (a + b)	**55,830.86**	**48,030.86**	**44,330.86**	**37,038.88**	**27,678.83**
CURRENT LIABILITIES					
(a) Trade Payables	27,102.82	22802.82	20,802.82	18,206.11	13,635.59

Net Working Capital	28,728.04	25,228.04	23,528.04	18,832.77	14,043.24

***** *As per the Restated Consolidated Summary Statements*

Key assumption

Our Receivables Cycle has increased from 159 days in Financial Year 2015 to 176 days in the six months ended September 30, 2016. The primary reason for the increase in our receivable cycle was due to the payment milestones moving closer to completion of the project, particularly in the case of contracts executed with government / public sector banks.

We expect that our receivables cycle will remain more or less consistent around the current level since we expect to maintain the current mix of contracts between private and government / public sector entities.

Means of Finance

The fund requirements for the working capital arising out of change in trade receivables are proposed to be entirely from the Net Proceeds.

2. Global Expansion – Sales and Marketing

Our Company is proposing to expand its market share in the Indian as well in global market and increase our revenue base in the coming years. Our Company, to this end, proposes to undertake significant market development activities such as maintaining and enhancing the sales and marketing capacity and competence and launching new marketing activities including pre-sales efforts. This will require our Company to also increase the number of employees engaged in sales and marketing as well engage in various marketing and brand building initiatives for increasing our presence on the global stage. As on December 31, 2016, our Company's global sales and marketing teams comprised 405 employees.

Our Company proposes to deploy ₹ 5,000.00 lakhs from the Net Proceeds towards this object.

(in ₹ lakhs)

Sr. No.	Particulars	Amount
1.	Salaries and wages	3,300.00
2.	Business promotion and marketing events	7,00.00
3.	Activity cost (Travel, transportation, communication and others)	1,000.00
Total		**5,000.00**

Means of Finance

The fund requirements for the aforementioned object are proposed to be partly funded from the Net Proceeds. The rest of the sales and marketing investments would come out of the internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

3. New Product Development

We are a digital technology product solutions provider with a specific focus on the BFSI industry. Our Company provides global financial technology platforms for companies in the global BFSI industry with full spectrum, fully integrated products to upgrade and update existing products.

We operate in a highly dynamic industry in which the core technology continuously evolves and innovates.

Broadly the drivers of change in our industry are:

a. Emergence of new technologies such as Digital and artificial intelligence (**AI**);
b. Change in technology due to change in the channel of delivery of the product – illustratively, development of mobile based banking applications;
c. Change in the banking industry eco-system;
d. Change in the regulatory regime applicable to the BFSI industry; and
e. Development / innovation of new products by our Company.

Accordingly, one of the facets that is critical to our continuing to be competitive is continuous investment in research and development. In order to keep pace with the technological developments in the industry and to continually enhance our competitive advantage, we place significant emphasis on New Product Development. We have always focused on New Product Development aimed at introducing new products, strengthening our product development capabilities, modifying our range of products for local / regional applications as well as improving cost and operational efficiencies.

We engage a R&D team of over 1,000 employees of which around 600 employees are dedicated to developing new products or upgrading and updating existing products through technologies such as 'Digital 360', 'Natural Language Processing', 'Artificial Intelligence', 'Big Data' Canvas technology, mobility and smart search technologies towards improving and augmenting our suite of product offerings.

In Financial Year 2016, *(our Company commenced capitalisation of product development expense effective the fourth quarter (January-March)* of Financial Year 2016) and for the six months ended September 30, 2016, our Company spent ₹ 2,288.75 lakhs and ₹ 4,870.45 lakhs, respectively, towards New Product Development, constituting 10.21% and 10.60% of our total revenue, as per the Restated Consolidated Summary Statements, during the respective periods.

We propose to deploy the Net Proceeds in the manner set out below.

(in ₹ lakhs)

Sr. No.	Particulars	Total Estimated Cost *in* Financial Year 2018
New Product Development (A)		**10,000.00**
Employee cost – employees engaged in Product Development		10,000.00
Foreign Currency Term Loan		**8,000.00**
Funding From Net Proceeds		**2,000.00**
1.	Salary, wages and bonus	1,600.00
2.	License cost	1,00.00
3.	Other direct overheads	3,00.00

Means of Finance

The fund requirement for New Product Development is proposed to be partly funded from the Net Proceeds. The balance fund requirement will be funded from the foreign currency term loan from Axis Bank Limited. On December 26, 2016, our Company entered into a foreign currency loan agreement for availing a sum of USD 20 million (equivalent to approximately ₹ 13,500.00 lakhs) from the Banks (**FCTL**). As set out in the said loan agreement the FCTL will be used for New Product Development. For further details of the FCTL, please see chapter entitled *'Financial Indebtedness'* on page 319 of this Draft Letter of Offer. Accordingly, we confirm that we have made firm arrangements of finance under Regulation 4(2)(g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

4. Repayment of working capital loan

As on December 31, 2016, our Company had an aggregate sanctioned limit of ₹ 21,855.00 lakhs including a fund based limit of up to ₹ 14,500.00 lakhs, to meet our working capital requirements. As on December 31, 2016, the amounts outstanding under the fund based facility was ₹ 11,950.00 lakhs.

Set out below are the funded working capital facilities availed of by the bank.

Sr. No.	Name of Lender	Nature and date of the loan agreement/sanction letter	Amount outstanding as on December 31, 2016 (in ₹ lakhs)*
1.	IDFC Bank Limited	Master facility agreement dated August 27, 2016	2,958.10
2.	The Hongkong and Shanghai Banking Corporation Limited	Facility advise letter dated May 27, 2016, as amended by subsequent facility advise letter dated August 5, 2016	3,415.64
3.	HDFC Bank Limited	Loan agreement dated May 25, 2016	5,576.26

*** As per certificate dated January 25, 2017 from Sivasubramanian & Rao, Chartered Accountants**

Our Company will draw down funds from the aforementioned working capital facilities based on the business needs to support revenue growth and, consequently, the outstanding facility may increase or decrease. We propose to repay the aforementioned funded working facilities, during the year Financial Year 2018, to the extent of ₹4,500.00 lakhs based on the outstanding amounts as on April 1, 2017.

For further details of the financial indebtedness of our Company, please see chapter entitled '*Financial Indebtedness'* on page 319 of this Draft Letter of Offer.

Means of Finance

The fund requirements for the repayment of the aforementioned working capital facility are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

5. General corporate purposes

Our Company, in accordance with the policies set up by our Board, will have flexibility in applying ₹ [●] lakhs of the Net Proceeds for general corporate purposes, including (i) repayment of loans; (ii) capital expenditure; (iii) brand building and other marketing efforts; (iv) acquiring fixed assets including land, building, furniture and fixtures; (v) meeting any expense of our Company, including salaries and wages, rent, administration, insurance, repairs and maintenance, payment of taxes and duties; (vi) meeting expenses incurred in the ordinary course of business; and (vii) such other requirement of our Company, as may be approved by our Board.

Issue Expenses

Our Company intends to use approximately ₹ [●] lakhs towards these expenses for the Issue. The break-up for the Issue expenses is as follows:

Activity	Expense* (in ₹ lakhs)	Expense* (% of total expenses)	Expense* (% of the Issue size)
Lead Manager Fees	[●]	[●]	[●]
Fees of Registrar to the Issue	[●]	[●]	[●]
Fees to the legal advisor, Audit / CA fees, other service providers, commission to SCSBs and statutory fees	[●]	[●]	[●]
Printing and distribution expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others, if any (specify)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

* *Will be completed after finalisation of the Issue Price.*

Project appraisal

None of the Objects of the Issue have been appraised by any bank or financial institution.

Interim use of funds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company will deposit the funds with scheduled commercial banks included in the second schedule to the Reserve Bank of India Act, 1934. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers etc., pending receipt of the Issue Proceeds.

Monitoring of Utilisation of Funds

Under the Regulation 16 of the SEBI ICDR Regulations, an issuer is required to appoint a monitoring agency if the issue size exceeds ₹ 50,000.00 lakhs. Since the Issue will be for less than ₹ 50,000.00 lakhs we are not required to appoint a monitoring agency.

Our Company will, on a quarterly basis, disclose to the Audit Committee and the Board the uses and applications of the Issue Proceeds in accordance with applicable law. Further, on an annual basis, we will prepare a statement detailing the funds which have been utilized for purposes other than those stated in the Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until such time that all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditors. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations if any, in the utilization of the Issue Proceeds from the Object of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee and the Board.

Variation in the Objects

Variation in the objects of the Issue, if any, shall be undertaken in accordance with the terms of the Companies Act and the rules framed thereunder.

Other Confirmations

Our Company will not pay any part of the Net Proceeds as consideration to our Promoters, Directors, Key Management Personnel, associates and Group Companies.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Intellect Design Arena Limited
Polaris House,
244, Anna Salai,
Chennai – 600 006.

Dear Sirs,

Statement of Possible Special Tax Benefits available to Intellect Design Arena Limited and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexure, prepared by Intellect Design Arena Limited ('the Company'), provides the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2016, i.e. applicable for the Financial Year 2016-17 relevant to the assessment year 2017-18, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

   The Central Board for Direct Taxes ('CBDT') has constituted a Committee to suggest framework to compute book profit which constitutes the tax base for Minimum Alternate Tax ('MAT') levy for companies converging to IND-AS. Till date the Committee has made two reports, which are yet to be accepted by the Government. Since the Committee recommendations are not yet notified in the law, we have not expressed our opinion on the transitional impact of Ind-AS.

2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. We do not express any opinion or provide any assurance as to whether:

   i) the Company or its shareholders will continue to obtain these benefits in future;
   ii) the conditions prescribed for availing the benefits have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

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

per Bharath N S
Partner
Membership Number: 210934
Place of Signature: Chennai
Date: January 13, 2017

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Income-tax Act, 1961 and Income-tax Rules, 1962 (together "tax laws") in force in India.

I. Special tax benefits available to the Company

The Company is engaged in software development and is claiming weighted deduction of 200% under section 35(2AB) for expenditure on scientific research on in-house research and development facility (not being an expenditure in the nature of cost of any land or building). However, we have not verified the DSIR approval which the Company has obtained for claiming such deduction.

II. Special tax benefits available to the Shareholders of the Company

There are no special tax benefits available to the Shareholders of the Company.

Notes:

1. *The above Statement of Tax Benefits sets out the only the special tax benefits available to the Company under the current tax laws (i.e. the Income-tax Act, 1961 as amended by the Finance Act 2016) presently in force in India. These benefits are dependent on the Company fulfilling the conditions prescribed under the relevant tax laws;*
2. *The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefits under any other law;*
3. *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her/ its own tax consultant with respect to the specific tax implications arising out of their participation in the issue;*
4. *The tax rates (including rates for tax deduction at source) mentioned in this Statement is applicable for AY 2017-18.*

BASIS FOR ISSUE PRICE

The Issue Price of ₹ [•] per Equity Share will be determined by our Company, in consultation with the Lead Manager, on the basis of assessment of market demand and the following qualitative and quantitative factors for the Equity Shares. The face value of the Equity Shares is ₹ 5 per Equity Share and the Issue Price is ₹ [•] per Equity Share.

Investors should also see the chapters entitled *'Our Business'*, *'Financial Statements'* and section entitled *'Risk Factors'* and on pages 109, 165 and 15 respectively of this Draft Letter of Offer, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue Price are:

1. Rich and diversified customer base;
2. Domain knowledge in, and full spectrum coverage of, the BFSI Industry;
3. Management expertise;
4. Continuous investment in R&D; and
5. Entrenched sales and distribution network.

For further details, please see the chapter entitled *'Our Business'* and section entitled *'Risk Factors'* on pages 109 and 15, respectively, of this Draft Letter of Offer.

Quantitative Factors

Some of the information presented in this section is derived from the Financial Statements prepared in accordance with the Companies Act and the SEBI ICDR Regulations.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. **Earnings Per Share** (**EPS**)

As per the Restated Unconsolidated Summary Statements:

Particulars	Basic EPS* (₹	Diluted EPS* (₹	Weight
Financial Year 2014	-	-	3
Financial Year 2015	(6.05)	(6.05)	2
Financial Year 2016	2.18	2.08	1
Weighted average+	**(1.65)**	**(1.67)**	
For six (6) months ended September 30, 2016**	(0.60)	(0.60)	

** Basic and Diluted EPS of continuing operations*
*** Not annualized*
+ Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights

As per the Restated Consolidated Summary Statements:

Particulars	Basic EPS* (₹	Diluted EPS* (₹	Weight
Financial Year 2014	-	-	3
Financial Year 2015	(7.09)	(7.09)	2
Financial Year 2016	(2.88)	(2.88)	1
Weighted average+	**(2.84)**	**(2.84)**	
For six (6) months ended September 30, 2016**	(1.74)	(1.74)	

** Basic and Diluted EPS of continuing operations*
*** Not annualized*

+ Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights

Note: EPS calculations have been done in accordance with Accounting Standard 20 – "*Earning per share*" issued by the Institute of Chartered Accountants of India.

2. **Price Earnings Ratio** (**P/E Ratio**)

a. P/E Ratio

EPS based on Restated Unconsolidated Summary Statements):

Particulars	P/E at the Issue Price
P/E based on basic and diluted EPS for Financial Year 2016	[●]
P/E based on weighted average basic and diluted EPS for Financial Year 2016	[●]

EPS based on Restated Consolidated Summary Statements):

Particulars	P/E at the Issue Price
P/E based on basic and diluted EPS for Financial Year 2016	[●]
P/E based on weighted average basic and diluted EPS for Financial Year 2016	[●]

b. Industry P/E:

Particulars	P/E
Highest	34.88
Lowest	27.56
Average	31.02

The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "Comparison of Accounting Ratios with Listed Industry Companies" set out below in this chapter.

P/E figures for the peers are computed based on closing market price as on January 24, 2017 at BSE, divided by Diluted EPS (on consolidated basis) based on the annual reports of such companies for the Financial Year 2016

3. **Return on Net Worth** (**RoNW**)

As per Restated Unconsolidated Summary Statements:

Particulars	RoNW%	Weight
Financial Year 2014	-	3
Financial Year 2015	(11.35)%	2
Financial Year 2016	3.93%	1
Weighted average+	**(3.13)%**	
For six (6) months ended September 30, 2016*	(1.09)%	

Return on net worth (%) = Net Profit / loss after tax as restated / Net worth at the end of the year/ period.
** Not annualized*
Net worth for ratios mentioned represents sum of equity share capital, reserves and surplus (securities premium, general reserve and surplus in the Restated Unconsolidated Summary Statements
+ Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year / Total of weights

As per Restated Consolidated Summary Statements:

Particulars	RoNW%	Weight
Financial Year 2014	-	3
Financial Year 2015	(11.22)%	2

Financial Year 2016	(4.69)%	1
Weighted average+	**(4.52)%**	
For six (6) months ended September 30, 2016*	(2.93)%	

Return on net worth (%) = Net Profit / loss after tax as restated / Net worth at the end of the year/ period.
** Not annualized*
Net worth for ratios mentioned represents sum of equity share capital, reserves and surplus (securities premium, general reserve and surplus in the Restated Consolidated Summary Statements
+ Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year / Total of weights

4. **Minimum return on increased Net Worth required for maintaining pre-issue EPS as at September 30, 2016 is:**

To maintain pre-Issue basic & diluted EPS

a. Based on Restated Unconsolidated Summary Statements: [•]

b. Based on Restated Consolidated Summary Statements: [•]

5. **NAV per Equity Share (face value of ₹5 each)**

Particulars	NAV per Equity Share (₹	NAV per Equity Share (₹
As on September 30, 2016	59.75*	55.32**
Issue Price	[•]	[•]
After the Issue	[•]	[•]

**As per Restated Consolidated Summary Statements*
***As per Restated Unconsolidated Summary Statements*
NAV per Equity Share represents, (Net worth at the end of the period)/(Total number of equity shares outstanding at the end of the period)

6. **Comparison of Accounting Ratios with Listed Industry Peers**

Name of Company	Standalone / Consolidated	Face Value (₹per share)	EPS (₹		NAV (₹per share)	P/E		RoNW (%)
			Basic	Diluted		Basic	Diluted	
Intellect Design Arena Limited [1]	Consolidated	5.00	(2.88)	(2.88)	61.43	[•]	[•]	(4.69)%
Peer Group								
Nucleus Software Exports Ltd [2]	Consolidated	10.00	10.03	10.03	141.07	27.56	27.56	7.10%
Ramco Systems Ltd.	Consolidated	10.00	13.33	12.82	207.42	29.46	30.63	6.30%
Mastek Ltd.	Consolidated	5.00	6.02	5.62	138.86	32.57	34.88	4.30%

(1)Based on Restated Consolidated Summary Statements of our Company for the Financial Year 2016
(2) Based on audited standalone / consolidated financials for the Financial Year 2016

Note:
(a) Return on Net Worth is calculated as Net Profit for the year divided by shareholders fund (share capital plus reserves and surplus)
(b) NAV per share is calculated as shareholders fund divided by paid-up number of shares of our company.
(c) P/E figures are computed based on closing market price as on January 24, 2017 of Intellect Design Arena Limited, Nucleus Software Exports Ltd, Ramco Systems Ltd., and Mastek Ltd. at the BSE, available at www.bseindia.com) divided by diluted EPS (on consolidated basis) based on the annual reports of such companies for the Financial Year 2016.

The peer group above has been determined on the basis of listed public companies comparable in size to our Company whose business portfolio is comparable with our Company's business.

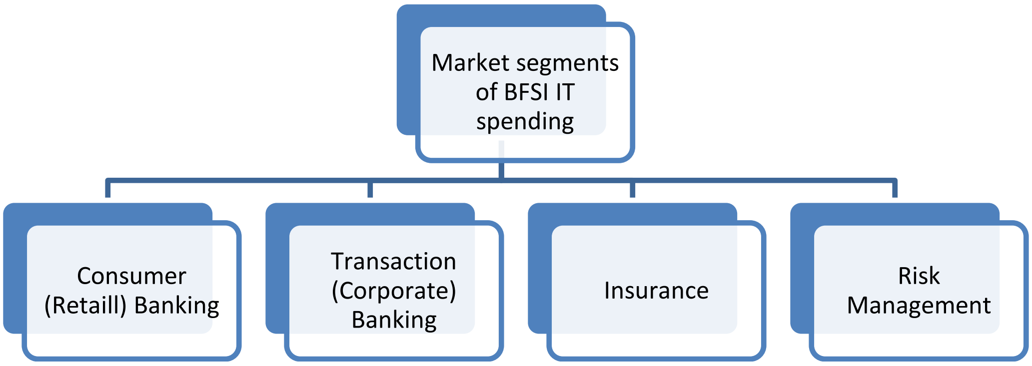
SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

INDIAN IT INDUSTRY

Overview

BFSI(Banking Financial Services & Insurance) Industry is undergoing digital transformation driven by the fast paced changes and adoption of Information Technology (IT). Strategies and investment priorities of software solutions employed are dependent on the business objectives of multiple BFSI segments. There are four key market segments of IT investments in BFSI Industry:



To explain about IT spending in different segments of BFSI industry, it is important to understand Indian IT/Business Process Management (BPM) sector, trends in global banking, to highlight the drivers and scenarios present in software product spending.

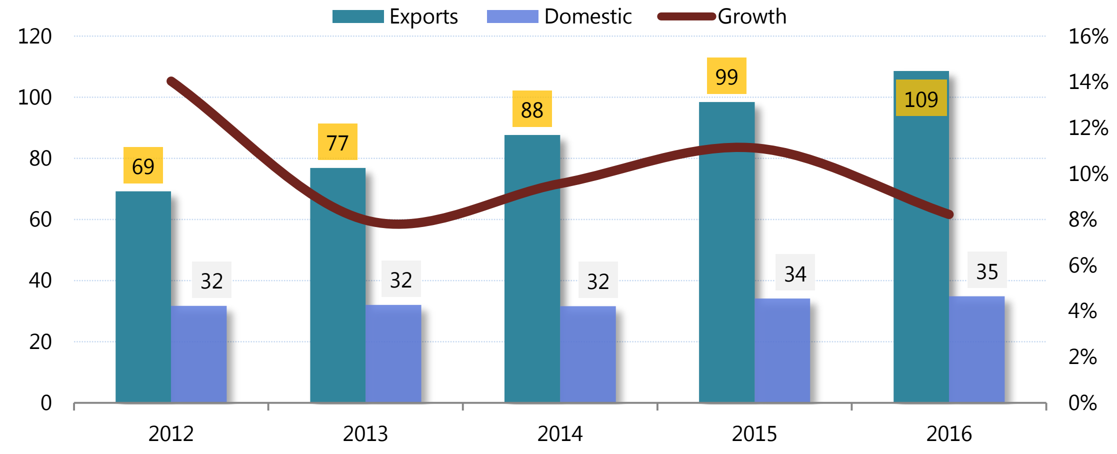
The Information technology (IT) and business process management (BPM) sector (IT/BPM) has become one of the most significant growth catalysts for the Indian economy IT industry in India encompasses the software industry, and Information Technology Enabled Services (ITES) and the Business Process Management industry. Main segments under IT-BPM industry are Services, Software Products and Hardware. Services can be further categorized into IT Services, BPM, and Engineering Research & Development and Product Development. Including hardware, the Indian IT-BPM sector recorded turnover of around $143 billion (Rs. 9.4 trillion) during FY2016 with exports accounting for around $108 billion and contributing to 76% of industry revenues. Domestic IT-BPM sector had an estimated turnover of $35 billion in FY2016, with growth of around 2.3% in FY2016.

An aggregate growth of 8.2% in $ terms in industry revenues has been recorded during FY2016, compared with growth of 11.1% during FY2015. In rupee terms however, revenue growth improved from 12% in FY2015 to 16% in FY2016 primarily because of depreciation of the rupee against the $. Excluding hardware, the Indian IT-BPM industry has recorded a turnover of $130 billion during FY2016, with exports accounting for around $108 billion and contributing to 83% of industry revenues.

Turnover of exports of IT-BPM from India stood at around $109 billion during FY2016, while it was around $35 billion for domestic market. The industry currently employs around 3.7 million people of which around 34-35% are women employees. There are also around 0.17-0.19 million foreign national employed.

Indian IT-BPM industry continues to grow albeit at a lower growth rate with a CAGR of around 9% during 2011-12 to 2015-16, as compared to the double digit growth witnessed earlier. While export growth declined from 16.4% in FY2012 to 10.3% in FY2016; domestic market growth in rupee terms slowed down from 22.1% in FY2012 to 9.6% in FY2016.

India's IT-BPM Industry Turnover
$ billion, FY



Source: NASSCOM and IMaCS Analysis

India's IT-BPM industry is estimated to aggregate revenues of US$143 billion in FY2016, with the IT software and services sector (excluding hardware) accounting for US$130 billion of revenues. Hardware revenues are around $13.6 billion in FY2016. Export revenues are estimated to gross US$109 billion in FY2016, growing by 10.3% in FY2016, and contributing 76% of the total IT-BPM revenues. Domestic IT-BPM revenues increased 2.3% in FY2016 to $34.9 billion. The share of domestic revenues has declined from 33% in FY2010 to 24% in FY2016.

The IT services segment aggregated export revenues of US$61 billion in FY2016, accounting for 56% of total exports and a growth of 9.9% over FY2015. The BPM export segment is expected to have grown at 9% in FY2016 to US$24.7 billion. Traditional geographies like USA and UK are the main markets, with India's BPM exports in FY15 to those countries being 62% and 17% respectively. They are followed by Continental Europe at 12%, Asia Pacific at 8% and 2% to others. At around 3,500+ firms, India has the world's largest number of BPM firms. The top 3 firms account for around 20% of BPM export revenues. Around 500+ MNCs/global in-house centre (GICs) contribute >35% BPM revenues.

Components of Software Services Exports from India
Rs. Billion

Market Segment	2014	2015	2016
(A) Computer Services	3,181.7	3,610.8	4,104.4
i) IT services	2,936.7	3,399.7	3,862.8
ii) Software Product Development	245.0	211.1	241.6
B) ITES/BPO Services	1,141.1	1,403.2	1,658.7
i) BPO Services	934.2	1,089.2	1,336.8
ii) Engineering Services	206.9	314.0	321.9
Total Exports of Software Services (Rs. Billion)	4,322.8	5,014.0	5,763.1
in US $ billion *	71.4	82.0	88.0
Growth	14.1%	14.9%	7.3%

Source: RBI and IMaCS Analysis

Export of computer software services and ITES/BPO services during 2015-16, are estimated at to be at 4,104.4 billion (US$ 62.7billion) and at 1,658.7 billion (US$ 25.3 billion) respectively. Annual growth decelerated to 7.3% in 2015-16, as compared to 14.1% in 2013-14. Computer services remain the largest component in India's software services exports. Share of Software Product Development in the overall exports declined from Rs. 245 billion in 2013-14 to Rs. 211.1 billion in 2014-15, but it recovered to Rs. 241.6 billion in 2015-16 due to improved commercial presence and foreign subsidiaries of Indian companies overseas.

The US and Canada remained the top destination for software services exports from India, followed by Europe, which had nearly one-fourth share. During FY2016, the share of US and Canada in software export was 61.7%, followed by 23.5% for Europe, 8.4% for Asia, 3.4% for Australia and New Zealand, and 3% for other countries.

Domestic IT-BPM revenue (excluding hardware) is expected to have increased 3.5% in FY2016 to $22 billion. By comparison, revenues increased 10.5% in FY2015. Lower growth in FY2016 was because of uncertain environment thus impacting IT spending. Domestic IT services grew by 3.9% in FY2016 to reach $13.8 billion. Domestic BPM services growth increased 0.4% in FY2016 to $3.5 billion. The segment is seeing lower growth in demand for outsourcing from firms operating in financial services, consumer durables, automobiles, retail, telecom, etc. However, the growing consumption pattern in Tier II/III cities and rural areas is also translating into opportunity for value-added services.

The Indian software products segment has witnessed a growth of around 12% year on year, and has achieved a turnover of around USD 6 billion in FY2015. While domestic market has a major share of around USD 4 billion (unlike other segments where exports dominate), exports market has a share of around USD 2 billion. Among various verticals which use software products, BFSI industry is the front runner due to increasing demand for mature technology solutions, and its growing adoption due to availability of digital solutions.

Domestic market for Indian software products is driven by consumer demands and diverse enterprise. On the supply side, MNCs contribute around 60% to the domestic market and they target markets and customers which are not served. Indian software vendors have begun to focus on vertical-specific software and building various niche solutions. Evolution of cloud platforms have helped increased penetration into the market. On the demand side, there is an observed software uptake in areas like security software, mobile application development & device management, analytics, system software, collaboration and ERP. Emerging trend is centred on business intelligence and analytics, as there are increasing investments in database management. Other key technology areas in software products are big data & analytics, enterprise security, marketing automation, enterprise software, and business collaboration.

In the software export market, USA leads with 65% of the market share, followed by UK with 16%, Continental Europe with 10%, APAC with 7%, while the remaining 2% of the market share for rest of the world.

Software product industry is working towards serving unmet needs of clients by innovating products and solutions. New technologies like analytics is expected to grow around 8-9% annually; Robotics and Internet of Things is expected to create economic impact of around USD
2.7-6 trillion per year by year 2025; vertical specific software market is estimated at USD 110 billion and is expected to grow at CAGR of around 4.5%-4.8% over FY2013-2020; and emerging solutions in niche areas like payment, hardware, ad-tech, health-tech etc are becoming mainstream software solutions.

The Indian software product segment has been gaining significant domain knowledge and talent expertise with focus on core technology, product management and sales and marketing activities due to increasing spotlight on global customer markets.

India's International Competitiveness

As per data by the World Trade Organisation (WTO), the major global exporters of computer and information services include Ireland, India, US, UK, and Germany, which together account for around 55% of world exports. Indian exports of IT and Information and Communication Technology (ICT)-enabled services have grown strongly, and India also accounts for a relatively large share of total reported exports by value. Ireland remains an attractive location for offshoring IT services, it nevertheless recorded a dramatic decline in the employment of its IT industry after 2001. By comparison, India's software industry is in quite a different league, as it employs at least 20 times more IT specialists than Ireland. Also, employment in India's IT industry has increased at a high rate in recent years, unlike in US and Ireland. India continues to remain the leader in IT services exports from developing countries despite a growing number of IT location options available with global firms in emerging and developing countries (primarily China, Poland, Czech Republic, and Hungary).

India's competitiveness is also reflected in the distribution of FDI projects in IT-related services across countries. Such projects are equally distributed between developing and developed locations. Top locations in developed countries are UK, Germany, US, and Australia. For future projects, a survey of respondents by the UNCTAD indicated preference for India, the Russian Federation, Bulgaria, Albania, the Philippines, China, Mexico, the Czech Republic and the UAE, in that order. India's attractiveness was because of India's high- to medium- competitive advantages in various factors determining location for FDI projects—market growth, skilled workforce, proximity to customers/markets, low costs, technology universities, IT cluster, and ICT infrastructure.

India is also emerging as a software product hub globally with revenue of around USD 6 billion and over 4000 product firms.. Enterprise software, Enterprise mobility, cloud platforms and their opportunity in the India market are driving innovation in software products. There is an enabling ecosystem like availability of skilled talent, availability of funds, disruptive technologies, and significant industry support to drive the market. Start up activity has witnessed rapid growth with key focus segments, facilitated by emergence of tier-II cities as the hub for product startup companies. The main drivers for product firms to focus on global markets are the global market opportunity (US and EU together have around two-thirds of market share) and easy access to capital. Unlike single or specific application products, Enterprise software require long gestation as well significant investments to build and operate to emerge as one of the Exporters from India

Competitive Forces

The IT Services industry is dominated by India/India-centric providers, constituting more than two-thirds of the market. Large integrated players dominate this segment, providing services across a number of verticals and geographies. Foreign providers contribute around 10-15% of revenues, while IT captives constitute the remaining 10-15%. The BPM industry is evenly split between Indian and foreign players. In exports, the increased presence of foreign subsidiaries of Indian companies has resulted in higher share of private limited companies in total software exports. Although public limited companies continue to have the dominant share of India's software services exports, their share has declined from 58.7% in FY2012 to 43.1% in FY2015, and to 44.3% in FY2016.

The Indian IT-BPM sector consists of over 16,000 organisations offering services across a number of verticals and service lines to clients across the world. The Indian IT industry (software industry in particular) is polarised. At one end of the spectrum, large companies with global operations and infrastructure have emerged; while on the other, many small techno-entrepreneur-driven companies functioning in niche segments have started playing an important role in the evolution of the software industry. Currently, only a few of large companies dominate the Indian software industry, with 10-15 players accounting for around 40% of IT services market. Also complementing the growth of the large players is a sizeable SME segment comprising >16,000 small players and emerging start-ups that are a source of potential future growth for the sector. This segment continues to offer numerous opportunities going forward.

There are over 4,000 product firms operating in the Indian software product industry. This includes around 300 to 400 product-cum-service firms, and over 300 Multinational Corporations and mainly start-ups with almost 3100 in number. Around 40% of these firms have global focus. The industry structure and revenue estimates indicate that software products is moderately concentrated with top 11 players accounting for around 30% of total revenue and MNCs, which focuses on domestic market, accounting for around 40%-45%; product-cum-services firms accounting for around 20%-25% of revenue and with start-ups which are hotbeds of innovation, contributing around 5%-10% of the revenue.

Indian currency is volatile and businesses are exposed to exchange rate risks. The profitability of Indian software companies is affected by pricing pressures on services, volatility of the rupee against the dollar and other currencies and increased wage pressures in India and onsite. Software exports are highly sensitive to exchange rate movements of the rupee against the $ and the Euro. With 73.9% share, the $ remained the major currency of invoicing the software exports in FY2016, followed by 9.4% for pound sterling (GBP). The share of Euro and Australian dollar was 7.6% and 3.1%, respectively in FY2016.

As per UNCTAD's Manual on Statistics of International Trade in Services (MSITS), international trade in services can be conducted through four different modes, viz., (i) transactions between resident and non-resident covering cross-border supply (Mode-1), (ii) consumption abroad (Mode-2), (iii) presence of natural person (Mode-4) and (iv) services provided locally by the affiliates established abroad, i.e., commercial presence (Mode-3). However, as per the BoP manual, foreign affiliates established abroad are treated as the domestic units in the host economy and hence the services delivered by them are not considered as the exports of the home country. To this extent, data on services exports in BoP differs from those in the Foreign Affiliates Trade in Services (FATS) statistics. It has been observed that onsite software services of Indian IT companies have declined during the years. The share of onsite software services exports have declined from 32% in FY2009 to 20% in FY2014-16. However, it is believed that over the next few years, there could be an increasing demand for onshore services from clients, either due to the perception of offshore outsourcing or due to the client considering the outsourcing of more complex activities. As a result, there could be current outsourcing providers purchase or develop onshore capability in the US, Japanese and European markets to serve these clients. The Indian firms that have been conventionally pursuing the offshoring pattern now need to set up offices and enrol locals in inexpensive localities in the US and Europe. The ability of Indian IT professionals to work in the US, Europe and in other countries depends on necessary visas and work permits.

Software Services Exports

Per cent

FY	2012	2013	2014	2015	2016
By Different Modes					
Mode 1 (cross-border supply)	69.0	74.7	69.0	68.4	64.8
Mode 2 (consumption abroad)	0.5	1.6	0.1	0.1	0.2
Mode 3 (commercial presence)	15.4	9.4	13.7	14.4	18.0

Mode 4 (presence of natural person)	15.1	14.3	17.1	17.1	16.1
Share of On-site and Off-site Exports					
Onsite (Mode 4)	17.8	15.8	19.8	20.0	19.9
Offsite (Mode 1 and 2)	82.2	84.2	80.2	80.0	80.1

Source: RBI and IMaCS Analysis

Outlook

The pace of growth in India’s IT industry has moderated during FY2016. This trend could continue into FY2017, with India's software export growth likely to be in the range of 8-10%. Domestic revenues for the same period could grow at a rate of 10-12% in FY2017. As in the recent past; currency volatility, macroeconomic slowdown, changing technology, and increased cost competition are likely to pull down growth of Indian IT-BPM industry. Reduced or lower growth in global IT spending could also lead to increased pricing pressure, and impacts utilisation rates. There is also a growing trend among buyers of IT services towards consolidation of vendors so as to cut costs, improve efficiency, and reduce uncertainty. Growth of the Indian IT-BPM industry over the next five-six years will depend on the changes that the providers are able to make in their service offerings, business models and markets. Over the longer-term, The Indian IT-BPM industry is expected to reach revenues of $350 billion by 2025. The Software product segment of Indian IT-BPM industry is expected to register double-digit revenue growth, with dynamic shift in consumers and new markets. Growth is expected to be driven by Government and Small and Medium sized businesses (SMBs). Niche areas like analytics, big data and IoT solutions are becoming mainstream as start-ups are increasing focus towards innovation in these areas.

RECENT TRENDS IN GLOBAL BANKING INDUSTRY

Since the global financial crisis (GFC) of 2008-09, the global banking industry has been affected by low profitability due to persistent slowdown in world economic growth, weaker credit demand, increased stress levels for many industries, and low interest rates. Pre-crisis profitability levels of many banks had been boosted by high credit growth, reliance on relatively cheap wholesale funding, and elevated risk-taking (such as real estate lending or securitisation exposures). Following the GFC, profitability and return on equity ratios of banks have not recovered to the levels observed before the GFC in both advanced economies (AEs) and emerging market economies (EMEs). Profitability has been constrained by flatter yield curves and declining trend in long-term interest rates. Although decline in the level of interest rates can improve banks' net income in the short run (as their portfolios of securities benefit from one-off capital gains, and funding becomes cheaper), in the long-run returns can decline from lower net interest margins. Furthermore, as interest rates are moving into negative territory, repricing banks' liabilities with assets in order to protect margins could become increasingly difficult. Banks appear reluctant to pass negative short-term rates to depositors. Thus, pressures on net interest margins are particularly pronounced in countries with negative interest rates. Bank stocks also remain under pressure (especially in countries with fragile banking systems) primarily because of weak profitability with expectations of profits remaining low for many years, negative investor sentiment, and investor scepticism about the actual level of impaired or bad loans than reported by banks. In response to persistently weak prospects on economic growth and inflation, markets also expect policy and market interest rates to stay at very low levels for the medium-term.

Profitability and balance sheets of banks have also been impacted by rising legal costs since the GFC. Legal costs have been material for the largest global banks, in particular for US institutions. In its Financial Stability Review of May 2016, the European Central Bank (ECB) noted—from a sample of 26 global banks headquartered in the US, UK, Switzerland and the euro area—that cumulative legal costs reached almost $275 billion since 2008. This amount was predominantly attributable to US banks which had to incur legal costs earlier and in larger amounts than European banks.

As a result of these developments over the past few years, banks in the economies most affected by the GFC have curtailed credit in order to strengthen their balance sheets. Subsequently, while their lending to households’ stagnated, those to corporate sector declined, especially in Europe. By contrast, bank credit remained buoyant in EMEs till recently reflecting low interest rates and capital flows from crisis-hit economies. Credit growth was driven by favourable financial conditions, low interest rates in AEs, and higher capital inflows. However, credit growth in EMEs has moderated because of recent slowdown in economic growth, high growth in stressed assets, and lower capital inflows.

As part of the shift towards core business activities, a number of banks (especially in Europe) have reduced their international presence by withdrawing from some non-core markets/countries. At the same time, some banks have sought to increase their foreign presence, partly due to limited growth opportunities in domestic markets.

Overall, because of balance sheet retrenchment and market forces, the role of non-bank financial intermediaries in funding has grown. Low policy rates and continuing search for yield have encouraged private bond issuance.

The global banking and financial sector has gained some strength since the crisis. Banks have rebuilt capital (mainly through retained earnings) and many have shifted their business models towards traditional banking and existing from non-core lines of business. Banks have also responded to declining revenues and profitability with large cost cuts and improved operational efficiency so as to reduce intermediation costs.

Banks have raised their capital ratios, and reduced balance sheet leverage. This is also driven by the losses incurred which have enhanced investor incentives to scrutinise banks' risk-return trade-offs, favouring higher levels of capitalisation. Banks have opted for different adjustment strategies to improve capital ratios, reflecting the varied economic environment they face. While retained earnings have represented an important source of capital for most banks, capital ratios in Europe have improved through a shrinking of balance sheet. By contrast, large banks in North America and many emerging market and developing economies (EMDEs) have generally improved their ratios through growing balance sheets and loan demand. The average common equity tier 1 (CET1) now exceeds the 2019 benchmark of 7% (CET1 plus conservation buffer) under Basel III. To minimise transition costs, implementation of the new capital standards is phased over several years. The 8% minimum ratio of total capital to risk-weighted assets (RWA) is already in full effect, but the ratios that involve higher-quality capital—CET1 and overall Tier 1—will reach their new, higher levels in 2015. The new capital conservation buffer and the surcharge for global systemically important banks (G-SIBs), both defined in terms of CET1/RWA, will be fully binding in 2019. The overhauling of the Basel regulatory framework is progressing and near completion. The Basel Committee on Banking Supervision (BCBS) has committed to finalise its post-crisis reforms by end-2016, with the phase-in extending to 2019. Other regulatory measures will also be implemented in parallel, which could remove regulatory uncertainty and support banks' capital and liquidity planning. Long-term benefits of higher bank capital requirements include lower probability of future banking crises. Costs include the fact that banks may respond to higher capital requirements by raising their interest rates to offset the decline in their return on equity (ROE). As a result, borrowing costs for households and firms may rise, leading to lower investment and output. Indirect costs could include reduced banks' market-making activities; and subsequently higher liquidity premia and increased costs of issuing debt. These costs are counterbalanced by reduced balance sheet risk.

Even though the banking sector has made some progress, balance sheet repair is still far from complete. Accordingly, many banks have adopted more traditional banking business models promising greater earnings stability and have partly withdrawn from high-risk and capital market activities. Despite an improvement in profitability and progress in balance sheet repair, most banks face the challenge of sustaining profitability. This has been due to long-term disinflation, lower and flatter yields, weakened corporate performance and higher corporate leverage, legacy asset quality issues, regulatory tightening and uncertainty, and increased competitive pressures from non-bank financial intermediaries such as asset managers, insurance companies, and pension funds. In addition, new challenges have arisen because of recent political events such as United Kingdom's eventual exit from the European Union (EU); and unpredictable political environment in US, Europe, and some emerging markets.

Weak bank profitability has emerged as a challenge to financial system stability for many banks. Going forward, banks' profitability, asset quality, and returns is unlikely to return to pre-crisis levels of the past decade. This is the result of the phasing in of phasing-in of post-crisis regulatory reforms intended to strengthen bank balance sheets.

Going forward, cyclical factors and slow economic growth could impact both banking asset growth and borrowers' repayment capacity, as non-performing loans (NPLs) remain unresolved. With the global growth outlook weakening; bank profitability could be impacted by past credit excesses as related high debt burden may challenge borrowers' debt servicing capabilities. Maintaining profitability will therefore require banks to identify profitable business segments, exit from non-core businesses, cut costs, and reap efficiency gains of technological innovation. Improving cost efficiency could require operational enhancements, such as investing in IT and back office, and evaluation of the existing product and service portfolio. Major banks have reduced operating costs through accelerating IT applications to replace physical presence, and monitor assets-liabilities for any stress. As the amount and type of available customer data has expanded rapidly, banks are using IT and big data to inform credit decisions; and develop customised products and services. As greater digitalisation of banking services could mean a rise in cybercrime, building secure and robust IT systems is also becoming of critical importance. IT security budgets and spending are on the rise, with spending focused on data protection; fraud prevention, detection and response; and regulatory compliance.

Ultimately, country-specific factors could dictate banking industry performance. Stronger economic growth could allow banks to expand their business volume and profitability; and reduce NPLs. Without strong economic growth, banks may have to diversify revenue sources through increasing the share of non-fund income such as trading, commissions, and fee-generating services. For all banks, cost efficiencies could be essential for long term improvement in performance. This can be achieved through modifying business models, improving multichannel distribution capacities (through higher reliance on digital platforms) and improving IT systems. Although such measures may entail short-term costs; gains in efficiency and competitiveness are likely to accrue in the medium-term. Therefore, increasing opportunities are seen for IT product companies in BFSI.

BFSI - IT SPENDING TRENDS AND DIRECTIONS

Overview

Global IT spending by the BFSI industry is estimated to have grown 4.5% in 2015 to around $230-235 billion. Of this, around three-fourth is on maintenance and the balance is on new investments. While maintenance spending includes spending to maintain the current IT infrastructure, new investments comprises of spending on development of application software and products; and implementing functional enhancements for existing software applications.

Growth in global IT spending by the BFSI industry is expected to average around 4% during 2016 and 2017, with total spending forecast at around $240-244 billion in 2016. Over the period from 2016 to 2018, spending is expected to increase at a 3-year CAGR of 4%. However, regional growth rates in IT spending on financial services may vary based on economic outlook, regulatory imperatives, and market conditions.

Both consumer (retail) and corporate (institutional/wholesale) banking segments are expected to witness steady increase in IT spending as these segments continue to invest towards upgradation and new investments. The share of maintenance in IT spending could decline to 68-70% by 2018, as new investments gain a larger share.

Key Market and Technology Trends and Directions in BFSI's IT spending as a Competitive Differentiator

In both retail and wholesale banking, digital provision of banking services is a core focus of investment. This is being driven by the rapid adoption and high penetration of broadband internet services; huge increase in penetration of mobile devices such as phones and tablets; increased preference by consumers for transacting banking services on such mobile devices. With massive proliferation of digital devices, banks are now investing higher amounts on providing a quicker and better customer experience through digital services; meet increasing customer expectations of consistent and integrated services across all transaction channels; improve acquisition of new customers, match competitors' capabilities, and differentiate with innovative service provisions. Such investments also benefit banks through lower costs on personnel and branch infrastructure costs; enable quicker provision and cross-selling of services through data analytics; and thus act as a key competitive differentiator. Around one-third of such investments are through outsourced development, followed by a quarter of spending on custom-built vendor product, and 20-22% on base vendor product. Only around 20-22% of such IT spending is on internal development.

BFSI IT spending is being driven by increased regulatory oversight. On the cost side, spending is being driven by the need to improve cost efficiency through investing in IT and back office systems; and evaluation of the existing product and service portfolio. On the products side, spending is dictated by the need to improve upon the customer experience. Banks are investing in big data, and with resultant existing information, investing in the best way to capitalise on such information. This could result in new revenue streams from cross-selling products and services; and cut down costs of service provisioning. Data analytics software has already been rapidly adopted in such functional areas as product management; customer acquisition, service, and retention; risk management; collections; and fraud prevention and control. Increased IT investments in big data could also facilitate increased regulatory compliance; and minimise the risks of monetary and reputational damages.

Cybercrime and attacks on the financial sector are triple that on other others. The costs of such attacks and data breaches are also rising rapidly. As a result, IT security is also gaining critical importance as banks target cybercrime through building secure and robust IT systems. Banks and financial firms are investing in IT systems to detect and prevent anomalies in customer transactions. Regulators are also requiring frequent and comprehensive reporting about models and data used for risk-based models. Security spending is currently directed towards protection and prevention; fraud detection, response and reporting; compliance; and risk reduction. IT technologies and tools that are witnessed increased spending include technologies for access and authentication; vulnerability management; malware prevention; endpoint security; data protection; log management; and analytics.

Banks are also investing in cloud solutions, and already new infrastructure and applications are being launched with a focus on 'cloud'. For the banks, advantages of delivering application functionalities in a cloud environment include lower investment in dedicated system, quicker deployment of services, enhanced provisioning of services, and better management of assets. Although capital expenditure is considerably lower in cloud investments than in core banking systems, banks would still need to invest and develop full-fledged cloud management platforms to service different products, consumers and markets.

An important technological development is the adoption of the Core Banking Solutions (CBS). CBS is networking of branches, that facilitates customers to manage their accounts and avail of all banking services from various branches of the bank that are present on CBS network, irrespective of where the customers maintains their account. The customer becomes the Bank's customer rather than the Branch customer, and can be provided services digitally, any-time, any-where. Thus, CBS is a step in the direction of enhancing customer experience through "Any-where, Any-time Banking". As CBS enhance customer experience, loyalty and retention while reducing the costs of service provision, IT investments in CBS is a key focus for banks. Around 29-30% of such investments is through on-site installation (self-managed), followed by 25-26% (installed co-location, vendor or self-managed), 24-25% (on-premise installation, vendor managed), and 16-18% (application service provider, off-premise).

Due to increasing competition from non-bank financial intermediaries, low interest rate environment, and cost pressures, banks are also investing in IT to upgrade their banking systems. The traditional legacy systems are increasingly unable to support innovation in banking services. In addition, increased and complex regulations—such as the Dodd-Frank Act, Volcker Rule, and Basel III, with stricter compliance requirements—have necessitated the need to invest in quicker response systems.

Banks see significant potential for service improvement through adoption of cognitive technologies. As one of the most data intensive industries, the financial services industry has the greatest opportunity to benefit from cognitive technologies to improve their operations and services, from customer support to investment advisory. Cognitive security is currently in its early stages, but its importance in helping analysts make better and faster decision using vast amounts of data is being increasingly realised. In essence, new patterns will be identified from the vast range of data sources to find new insights for the bank.

REGULATORY OVERVIEW AND CHALLENGES FOR BFSI IT SPENDING

Following the GFC and subsequent huge losses to the banking and financial system and subsequent large public spending to bail out the US and global financial system; regulators now demand that banks to develop better tools to measure and monitor risk. This is also necessitated by the limited and reduced loss-absorption capacity of many global systematically important banks. Regulatory reforms have required bank balance sheets to contain more high-quality capital, liquid assets, bail-inable debt, and more stable funding sources. Regulation has also made some business lines more costly or directed banks to exit such activities. Bank business models have also changed because of conditions laid down in the restructuring plans of banks that received state aid,

Regulators now demand more rigorous and frequent credit portfolio analysis, increased stress testing, full recognition of losses, increased bank capital buffers, and robust concentration management. The expected outcome of these enhanced portfolio management practices is to manage and minimise bank losses in a downturn. Weak economic activity tends to stress banking asset quality, boost bank loan losses and associated provisions, puts bank earnings and balance sheets under pressure and hampers credit supply—which further reinforces a downturn.

An increased number of central banks around the world conduct periodic stress testing of banking and other financial firms. Central banks also consider the ability of banks to conduct their own stress tests and the quality of capital planning processes when assessing banks' capital adequacy plans. Systemically important financial institutions (FIs) may also be required to meet additional capital and leverage surcharges and to hold higher quality liquid assets than smaller financial institutions. This seeks to address the 'too-big-to-fail' market failure, which can frequently encourage excessive risk-taking if the banks believe that they will be bailed out rather than be allowed to go bankrupt.

Increased regulatory oversight and tighter operating rules following the global financial crises have forced banks to examine their legacy reporting and risk management systems. A significant portion of banks' risk management processes at present are still fragmented, manual, and slow; thus making it difficult for banks to comply with the increased number of regulations. As a result, banks are rapidly investing in IT infrastructure including storage and computing capacity to support regulatory requirements of stress tests. The focus is on integrated compliance software to meet complex regulatory requirements; and investments in IT to address and manage risks associated with banking services. Going forward, banks would have to adopt greater digitisation of services and operations; primarily because manual processes are costly, time consuming, error prone; with significant regulatory penalties for non-compliance.

KEY MARKET SEGMENTS IN BFSI IT SPENDING

Consumer (Retail) Banking

The major drivers for IT investment in consumer banking are enhancing customer experience and increasing revenue through customer acquisition, retention, and cross-selling of other banking services. Other drivers are increasing operating efficiency, reducing operating expenditure, meeting regulatory demands, improving operational resilience and eventually transforming business capabilities. As the banking system struggles with lower profitability and increased competition from non-bank firms, the balance of relationship has moved towards the customer. This has increased the importance of customer satisfaction, experience, and retention.

Over the period 2013-15, the global retail banking IT market has grown at a 3-year CAGR of 3% to an estimated $128 billion. With the recent slowdown in world economic growth and reduced banking profitability indicators, IT spending growth on retail banking growth is forecast to grow at 2.5-2.7% in 2016 to $131-132 billion (compared with 2.5% in 2015). As per recent forecasts by the International Monetary Fund (IMF), world economic growth is forecast to improve from 3.1% in 2016 to 3.4% in 2017, and 3.6% in 2018. A moderate improvement in world economic growth could result in IT spending on retail spending to grow at 2.7-2.9% in 2017, and 3.4-3.5% in 2018. Over the period from 2016-20, because of increased focus on modernising IT systems, global retail banking IT spending market is forecast to grow at an annual average rate of 3.4% to exceed $150 billion by 2020.

North America is the main market for retail banking IT investment due to market size and scale of the banking system. The US has some of the biggest banks in the world. In addition, the volume contract activity undertaken by huge number of very small banks present has contributed to the size of IT investment market. Larger banks in the US typically invest into the areas of retail banking relating to payments or analytics. Smaller banks tend to have IT investments in lending. Banking IT investment in North America is expected to reach around $50-51 billion, with growth of around 2.5%. Over the medium-term, spending could grow at an annual rate of 3.5-4% to $58-61 billion by 2020. European market has the second biggest market, with IT investment in retail banking increasing 2.4% in 2016 to around $43 billion. Growth is expected to improve to 2.6-2.8% in 2017, and retail IT banking spending is expected to increase at an annual rate of 3% during 206-20. With increased banking penetration and high growth of Asia-Pacific banks, this region has significant potential. Retail bank IT spending in the Asia-Pacific emerging economies is estimated to have increased 6% in 2016 to $14 billion. Growth is expected at 6% in 2017 and 6.4-6.5% per annum during 2016-20. After the US, China is the second-largest retail banking IT investment market in the world in 2016, with a market size of roughly $8.5 billion, with annual growth expected at 6.5% during 2016-20.

The retail banking business environment is undergoing rapid change, and banks are increasingly required to invest in their IT capabilities to compete and be profitable. With the significant proliferation and high penetration of broadband services and mobile devices, customers are increasingly using digital channels to access and transact banking services. These developments are driving significant banking IT investments towards more sophisticated digital banking channels with the objective of enhanced service functionalities. Given the rapidly evolving and changing customers' expectations from digital banking, banks need to anticipate such needs and invest in IT so as to have robust, flexible, and agile banking system. The front-office market is also set for significant growth in IT spending as customers are increasingly demanding sophisticated digital experience and hence the replacement cycle for front end solutions is rising.

Two important IT areas in consumer banking are mobile payment solution technology and online banking solution technology. Mobile payment solutions technology improve service and customer experience. Around 60% of banks are expected to increase spending on mobile payment solution technology to either adopt or replace existing solution. An increasing number of banks are also investment in deployment of IT products/software for data analytics to help them with customer intelligence; and enable quicker provision and cross-selling of services. With the increased use of digital channels by customers for payment, card-not-present fraud has also necessitated improved authentication methods.

For the vendors of IT products, software and solutions; banks are now preferring vendors that offer solutions which cater to customer expectations. User-friendliness and consistency of experience are therefore important features. It is essential for vendors to provide a robust, flexible stand-alone solution that can meet both present and future needs and expectations of banking customers. is essential to remain a viable option in this market. In terms of regional priorities for customer acquisition by vendors, although the mature markets of the US and Europe continue to be large markets for banking IT investment, the emerging and developed economy banking markets in Asia-Pacific are already sizeable, and growing at an impressive pace. Banking product and software vendor should seriously consider the potential of these markets if it does not already have a footprint in the region.

While revenue generation is the main focus of retail banks, there is increased focus on enhancing the customer experience in response to an increasingly competitive business environment. IT investments could gain in importance as customers increasingly use digital channels to interact with their banks, and this development could facilitate IT spends in front office, with spending being undertaken in digital channels and functionality development. However, banks would also need to transform their core systems, so as to make it agile, robust, flexible and future-proof. As for geography, while the mature markets of the US and Europe could continue to be large markets for banking IT investment, higher growth at 6-6.5% per annum over the medium-term is expected in the emerging markets in the Asia-Pacific region.

Transaction (Corporate) Banking

Transaction (corporate, wholesale) banking is the suite of products and services to manage working capital and to run the day-to-day business, from a customer perspective. This mainly includes payments, collections and cash management services. Current transaction banking models have been built in an ad-hoc method, and such legacy systems often do not meet emerging customer' requirements. For example, corporate customers are demanding new services such as cash-flow forecasting, multi-bank bank consolidation be delivered and subsequently aligned with their financial supply chains.

The major drivers for a significant shift in the transaction banking model are fast-changing customer demands and regulatory requirements. Other drivers for changes happening in transaction banking are value-added services demanded by customers, relationship services which influences client sales, and client delivery organizations, network services which involves partnerships with third parties, operations and support in the organization's processes. Transaction services will provide different ways to integrate accounts payable/receivable systems with basic treasury management systems for its customers. There is hence a requirement to have more open IT communication with customers to integrate current and future banking services.

The major drivers for increased corporate IT spending by banks include (a) pressure on margins requiring IT investments in modernising key systems to cut costs and improve efficiencies; (b) lower customer acquisition alongwith increasing non-bank transactions by existing customers; (c) emergence of new banking models, non-traditional competitors, and increased presence of non-banking financial firms into traditional bank services; (d) regulatory compliance and system maintenance; (e) keeping up and being ahead of competitors' capabilities and investments.

With increased digitalisation of corporate banking, IT spending by banks on cyber security is a major priority area because of potential for large-scale compromise of customer accounts, and the financial and reputational risk that could result. this would cause.

The other major market segments witnessing Banking IT spending for corporate segment include:

> **Online Corporate Banking**: These IT systems are implemented by banks so as to allow corporate clients to initiate, approve, and cancel/stop transactions, perform administrative functions, and access balance reporting. These also include sign-in portals, user entitlements, and user authentication for corporate clients. IT tools that support lending origination, processing, and execution. Around 50% of banks expect IT spending on this technology to increase over the next few years. Around 35-40% of such spending is currently through a co-location installation and are self- or vendor-managed. This share could increase to 43-45% over the next few years. On-site installation is preferred either to comply with corporate policy or to minimise the risk of data breaches, service disruption, system failure, and over dependence on external suppliers. Around one-third of such spending could be through a base vendor product, followed by outsourced development (30-32%), custom built vendor product (20%), and internal development (16-18%).

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> **Lending**: These systems are IT tools that support lending origination, processing, and execution. Around 55-60% of banks expect IT spending on this technology to increase over the next few years. Around one-third of such spending is currently through on premise installation and are self-managed. However, around 50-55% of future deployments could be through an on-premise installation and be self-managed or through an application service provider. On-site installation is preferred either to comply with corporate policy or to minimise the risk of data breaches, service disruption, system failure, and over dependence on external suppliers. Around one-third of such spending could be

through a base vendor product, followed by internal development (28-30%), outsourced development (24-25%), and custom built vendor product (15-17%).

Trade Financing: These IT systems are banking tools for trade finance. Such systems enable receipt and processing of letters of credit and other trade finance instruments. Around 55-60% of banks expect IT spending on this technology to increase over the next few years. Around 40% of such spending is currently through co-location installation and are self- or vendor-managed. This share could decline to 33-35% for future deployments. Around 43-45% of such spending could be through outsourced development, followed by internal development (28-30%), base vendor product (14-16%), and custom built vendor product (10-12%).

Payables: These are systems that consolidate multiple payment types into a single electronic file for delivery to customers for executing the back end payments. Around 60% of banks expect IT spending on this technology to increase over the next few years. Spending could be directed at replacing existing systems and adopting new systems. Around 50% of such spending is currently through a co-location installation and are either self or vendor managed. However, around 28-30% of future deployments could be through an on-premise installation and be vendor managed. On-site installation is preferred so as to minimise the risk of service disruption or system failure. Around one-third of such spending could be internal development, followed by outsourced development (30-33%), custom built vendor product (30-33%), and base vendor product (4-5%).

Receivables: These systems involve use of IT to automate the processing of incoming payments and remittances, whether in paper or electronic format, while providing enhanced information delivery. Around 53-55% of banks expect IT spending on this technology to increase over the next few years. Spending could be directed at replacing existing systems and adopting new systems. Around 39-40% of such spending is currently through a co-location installation and are either self or vendor managed. However, around 38-40% of future deployments could be through an on-premise installation and be self- or vendor- managed. On-site installation is preferred so as to minimise the risk of service disruption or system failure. Around 42-44% of such spending could be through outsourced development, followed by base vendor product (29-30%), internal development (18-20%), and custom built vendor product (9-10%).

Mobile Corporate Banking: These banking IT systems allow employees of banks' corporate clients to conduct transactions such as payments, deposits, and account management, from a mobile device. An estimated 60% of banks expect IT spending on this technology to increase over the next few years. Currently, around 45-47% of such spending is through co-location installation and are either self or vendor managed. This share could decline to 42-44% for future deployments. Around 52% of such spending could be through outsourced development, followed by base vendor product (25-27%), internal development (12-14%), and custom built vendor product (10%).

Insurance

In spite of a challenging economic and business environment over the past few years, global insurance business grew 3.8% in real terms in 2015 (in terms of direct premiums written), compared with 3.5% growth in 2014. In nominal terms, global insurance premiums declined 4.2% in US$ terms due to currency depreciation against the US$, particularly in the advanced markets. In the present business environment, challenges facing insurers include understanding the opportunities (and potential competition) from artificial intelligence; ensuring that their business models are robust and in tune with emerging market trends; investing in legacy making system and process improvements to address market conditions; managing risk and increased regulatory complexity; and facing challenges of new market segments.

IT investments by insurance firms can help them reduce costs, expand distribution channels, and improve speed to market for new products. Investments in IT are being directed to digitise various processes; meet consumer-centric demands; and manage and understand data available in the normal course of business. Apart from meeting existing customer demand, insurers are investing in IT to enhance customer experience in transacting existing business and purchasing new products. Insurers are investing in data analytics and various modelling techniques to segment markets, identify risks, and better target existing and potential customers. Investments in IT are also directed at demonstrating capital adequacy and financial solvency for regulatory compliance purposes.

Considering IT spending as a percentage of premiums, global IT spending by insurance companies is expected to increase around 4% in 2016 to around $185 billion. Over the period 2016-18, such spending is expected to increase at an annual rate of 5.3-5.5% to around $205-210 billion by 2018. During 2016, IT spending by insurers in North America is expected to reach $80 billion. Other major markets are Europe ($58 billion), and Asia-Pacific ($35 billion). Insurance IT spending Asia-Pacific is expected to grow at a high annual rate of 5.8-6% to $39 billion in 2018. By comparison, spending growth is expected to decline in Europe, and grow at a slow rate in North America. Nevertheless, the share of North American market is expected to increase from 43% in 2016 to 45% in 2018.

An estimated 41-43% of IT investment by insurance firms is dedicated to the implementation of new projects including software, services and development staff. The balance 57-59% is spent on maintaining existing technology and infrastructure. Insurers spend around 40% of their IT budgets on internal staff, around 25% on external staff and services (application development, managed services, maintenance, etc.) for large insurers and slightly less for smaller insurers. Around 15%-20% is spent on hardware and software maintenance and roughly around 10% for new hardware and software investments.

Key technology themes of focus in Insurance industry for IT spending are:

Digitalisation: Insurance firms are investing in IT products, software, and processes to meet the increased demand for insurance services accessible on mobile devices such as phones and tablets. Building up a platform for offering such services would require insurance firms to offer self-service to their policyholders through mobile devices and websites. To develop customer self-service capability, insurers are increasingly investing in providing policyholders with direct access to their relationship with the insurer, which includes claim information, policy information and payment related details, and providing self-service functions such as fund switching. Consumers' usage of mobile devices to transact their insurance needs would require insurance firms to prepare security guidelines and build integration links; resulting in increased business potential for vendors of IT products and services. In Asia-Pacific markets, the insurance agent is still an important distribution channel. Effective technology support helps an insurer retain top agents, attract new business, and improve the efficiency of communication. Current major investment focus in these markets includes financial need analysis tools, quote and illustration, e-applications, and integration of agent tools with policy administration processes. Insurers' sales organisation can quickly capture all pre-approval customer details and documents in electronic mode, facilitate quick sales closure of sale, and issue policy documents.

Analytics: Insurers worldwide are increasingly investing in data analytics tools and software. The primary objective of such investment includes segmentation of markets and consumers to facilitate focused sales and marketing efforts, optimising processes, and fraud detection. Insurers are using data present in the marketplace and also their own systems to analyse risk and profitability. Various analytics tools are used to increase effectiveness and accuracy of underwriting and pricing decisions. Usage-based insurance (UBI) is now commonly adopted in the transport sector. UBI has migrated from pay as you drive (PAYD) to pay how you drive (PHYD) which is based on monitoring driver behaviour continuously and analysing the data. Through data gathered from lifestyle and health monitors, life insurers have started implementing IT solutions which help policyholders reduce premiums or even win prizes. Going forward, the main areas of IT investments in data analytics by insurers are:

- Data analytics technology for sales support, renewals, underwriting, claims, etc,
- Adoption of new data analysis techniques, which includes speech analysis techniques, output analysis required for various business systems to automate business process
- Automation of claims, underwriting processes and decision-making
- Analytic applications with dashboards, metrics, and key performance indicators (KPIs) so as to evaluate business operations, identify potential areas of revenue generation and cost controls, and understand customer needs and expectations.

Legacy and Ecosystem Transformation Investment Trends: There is an observed focus on continued rollout of next-generation core systems since almost 50% of the insurance industry claims to be working on technology renewal of their core systems. This is being driven by the need for faster time to market for new products and services; efficient processes and systems; increased productivity; and lower long-term maintenance costs. The investment approach could be replacement of legacy systems with modern technology and/or using service-oriented architecture (SOA) to achieve greater efficiency and flexibility. By modernising, standardisation, and consolidating of IT infrastructure; insurers expect to reduce costs of manpower; and achieve greater efficiency in operations.

Risk Management

IT spending on risk management primarily comprises spending on risk arising out of credit, operations, markets, asset-liability management (ALM) and liquidity, pricing and valuation, market and products, financial crimes and frauds, risk governance, etc. Risk IT spending is gaining increased importance as rising as banks and financial institutions have begun to comply with increased regulations and their higher complexity. Non-compliance or inadequate compliance could result in high legal costs and fines, apart from reputational damage and fines. Investment is also increasing in prevention and management of cyber-attacks, data leaks and breaches, hacks, and deficiencies in cyber security. Finally, as banks suffer from increased pressures on profitability, IT investment in risk management can generate significant reduction in costs and increased operational efficiencies.

IT investment by banks and FIs is expected at around $70 billion in 2016. Of this, around $22-23 billion could be spent on risk governance and integration, followed by $19 billion on prevention and management of financial crimes, $10 billion on reducing exposure to default and respond to various standards on financial reporting and capital adequacy. Other major areas of investment include market risk ($7-7.5 billion); operational risk ($5 billion); and ALM and liquidity ($4 billion). Around 60% of total spending is on maintenance of existing IT systems. The balance 40% is on building new IT systems. Earlier only 20% of the IT spending on risk management used to be for new systems for risk IT, and the rest for maintenance. However, the ratio has now changed to 40% for new investments and 60% for maintenance. Investments in new IT risk management systems has been driven by need to stricter regulatory compliance requirements and demand for quicker risk modelling and compliance reporting.

Of the overall spending of $70 billion, risk IT expenditure in BFSI is estimated at $33 billion, followed by $23-23.5 billion in capital markets, and $14.5-15 billion in the insurance sector. Geographically, IT investments in risk management are concentrated in Europe ($28 billion), and North America ($25 billion). Nearly 30% of risk IT expenditure or $23 billion is in the US. Thus, these two regions account for around 75-77% of total IT spending on risk. Other major markets are UK ($8.7-8.8 billion), Germany ($5.3 billion), and Japan ($2.8-2.9 billion). Investments in Asia-Pacific are estimated at $13-13.5 billion. Although major EMEs in Asia-Pacific such as India and China offer significant risk IT investment opportunities, the BFSI sector in these countries is dominated by large state-owned banks, In India, investments into existing technology projects—such as the Reserve Bank of India's (RBI) new real-time payment infrastructure and national identification scheme—offer significant growth potential. New areas for growth include online banking; e-commerce, cards and payment systems; loans and other commercial banking activities.

The biggest category of risk IT investments is risk governance and integration area with spending of around $22-23 billion in 2016. This primarily includes investments in risk data aggregation and reporting (RDAR) at around $10.5 billion and enterprise stress testing ($4-4.2 billion). Other major areas include enterprise stress testing ($4-4.1 billion); model risk management ($2.1-2.2 billion); regulatory management ($1.7-1.8 billion); and governance, audit, and reporting ($2 billion). Investment in risk governance and integration area is being driven by newer and complex regulations such as Basel III and national legislation such as the US Dodd-Frank Act.

IT investments in financial crime risk category are expected at around $19 billion in 2016. Spending driven by regulations is primarily on anti-money laundering and watch-list sanctions monitoring. These two areas could account for around $5.5 billion in IT risk management spending by banks/FIs during 2016. Other major areas of investment include around $8 billion on anti-fraud measures, $2 billion on cyber security systems, and $2.5-2.7 billion on third-party risk management. FIs are looking for outsourced financial technology (FinTech) utilities in the cloud and external Software-as-a-Service (SaaS) providers to meet their new processing and regulatory compliance requirements. In the rapidly expanding financial crime risk management space, banks and FIs are investing in financial intelligence units to assess compliance, fraud and potential cyber threats. There is a rising trend on investments in 'big data' analytics, and also assisted intelligence techniques. A key market trend observed is the growth in the extent of integration of financial crime reporting management, operational risk and cyber security.

Traditionally, many of the FIs have built their own risk IT infrastructure or used on-premise customised off-the-shelf solutions by IT service providers. Internal risk infrastructure spending accounts for around 53-55% of total risk IT investment but this trend is observed to be changing. However, internal risk infrastructure is now considered inflexible, outdated, expensive, and unable to meet with increased regulatory, operating, and competitive demands. As a result, around 45-47% ($33 billion) is now spent on external vendor software systems ($18-18.5 billion) and professional services ($14.7 billion). Investments on external vendor IT systems and services is expected to deliver better risk oversight and reporting.

MAJOR PLAYERS IN SOFTWARE PRODUCT FOR BFSI INDUSTRY

To remain competitive, BFSI companies need to add new business capabilities to maintain and grow their profits, by being competitive, and it is observed that off-the-shelf solutions are the best approach to get powerful and flexible business capabilities. Financial services firms are increasingly focussing on delivering customer experience by using off-the-shelf solutions. Such solutions are driving various banking platform deals between the financial institutions and vendors. Current market footprint of various vendors can be assessed by observing their ability to expand its market by attracting new customers through new deals, and ability to continue to keep creating value for its existing customers through combined deals. Vendors can be segregated by their market presence and roles.

It is estimated that the top 5 vendors accounted for around 45-50% of new business in 2015-16. However, no single vendor dominates the market with a share of 25% or more. Top global players who operate in at least six world regions are Oracle and Temenos. Major global players who operate in at least four world regions are Intellect Design Arena, EdgeVerve, SAP, SAB and TCS. Other major players in software banking product operating in up to three regions of the world include Asseco, Avaloq, Diasoft, Path Solutions, FIS, Capital Banking Solutions, Sopra Banking Software, Cobiscorp, CSI, D+H, DLYA, BML Istisharat, Eri Bancaire, FlexSoft, Natech, etc.

As for solution segmentation, there are broadly four categories of vendors:

Single-channel digital vendors are usually mobile niche players), provide functionality for a specific digital banking channel like mobile or online banking. Some of the major players are Konya, Tacit, and Shift.

Bundled digital vendors integrate mobile and online banking to provide solution as a package. The majority of the vendors for BFSI IT solutions are under this category, and some major players include Fiserv, Q2 and Jack Henry & Associates Inc.

Digital banking platform vendors offer solution under single platform and they usually adopt a bundled approach further to enable user interface (UI) to channels like kiosk, ATMs, and branch tablets. Some major players in this segment are Temenos, Intellect Design, Infosys, Technisys and ebankit.

Integration platform/omni channel vendors provide software products to enable banks create an enhanced experience by focussing on tying together and integrating into existing environments rather than providing new functionalities. Some major players of such type are IBM, Alkami, Pega and Avoka.

Intellect Design's has an Intellect Customer Engagement Product which is an app-based omni-channel solution running on proprietary Intellect CANVAS platform on a single code base. Using Configure Once Run Anywhere (CORA) framework, each app can be configured to render business functionalities for various digital channels. Its Intellect Customer Engagement Product catalogue offers apps to support retail banking application catering, account services, payments, transfers, deposits, loans, credit cards, self-services (user settings, login, pre-login, tools, and dashboards).

Many vendors cut across these categories, with many providing solutions in between bundled digital and complete digital. Some may offer both online banking and mobile banking but not an integrated solution. Over the recent past, there has been observed trend for the vendors moving towards digital channels, and from single-channel to bundled banking platforms. Companies which currently provide full spectrum digital solutions in the BFSI industry include EdgeVerve, Intellect Design, Oracle and others,

While the focus in the software product segment is on core banking, regulatory compliance and customer data management; other areas of banking platforms which are seeing increased IT investments and entry of new vendors are online- and mobile-banking, customer relations management (CRM), cash management, payments, and financial risk management.

SWOT ANALYSIS

Based on the market assessment of BFSI and the current and expected landscape for software products and services deployed in this domain, a SWOT analysis for the IT software and products industry is highlighted as follows:

Strengths

- Investments in IT enable the banking system to offer superior and user friendly technologies.
- Anywhere-anytime banking is facilitated and instant information is increasingly available to users as soon as the transaction is done.
- Paper work is significantly reduced and so as physical handling of paper instruments.
- Cost of financial transactions is relatively lowered with the usage of IT.
- Competition arising in the private sector and foreign banks has led to innovation with the creation of products and services like plastic cards, e-wallet, online transaction history, renewal or premature closure of deposits, bills payment, online buying and selling shares/ mutual funds, online loan processing, online loans, online tax payments etc.
- With increasing use of IT in customer relationship management, there is faster response to customer complaint or queries.
- Transparency in transactions is enhanced, and accountability is required for regulatory compliance requirements.

- There is significant improvement in trade relations amongst countries, with easier enablement of transactions like transfer of funds through online banking.
- Financial institutions are able to reach out to remote locations in various countries which improves access to BFSI services in rural areas.

Weakness

- Online transactions can pose increased complexity to many customers.
- Cyber fraud and crimes pose a threat to the confidentiality and integrity of data and information exchanged online.
- With the increasing usage of common platforms for digital banking products, dependency on internet is significant, which means that the whole system can be paralysed because of online outages and cyber-attacks.
- In developing countries like India, 'digital divide' can happen, where the poor have limited or no access to internet, which makes it difficult to include them in the financial system.
- Technological infrastructure employed can become ineffective if they are not maintained regularly at all branches; and updated/upgraded to meet rapidly changing customer needs.
- With advanced software products used in the BFSI industry, inadequate training for personnel using the system can significantly reduce effectiveness of IT spending, and create barriers and limitations for future IT spends.

Opportunities

- Emerging economies are witnessing an increase in banking system penetration and usage, which provide growth potential for financial institutions and IT vendors.
- Demand for sophisticated and competitive BFSI services has increased and evolved, and banks have an opportunity to tap the market by offering solutions that involve increased use of IT solutions and services.
- Financial inclusion can be significantly improved with the usage of software products in BFSI.
- Competitive and regulatory pressures have incentivised banks to invest in IT solutions for consumer and corporate banking; and risk management.
- Advancement in current IT base is to be done to provide efficient and secure platform for online transactions and avoid system failures. Demand for safe and secure payment gateways can drive such advancement.

Threats

- Cyber security is a major concern, since cyber criminals can trick users into divulging their personal information through spam sites, social media, etc.
- Investments into software products by banks can lead to high transaction costs for banks if customers' adoption of online transactions and usage does not increase as expected at the time of making investments.
- If the technology upgrade is not timely, financial institutions face potential customer churn and financial losses due to intense competition in the BFSI industry.
- Customer loyalty has witnessed a declining trend since they can evaluate and use services which are more convenient and sophisticated for them.

KEY RISKS AND CHALLENGES RELATED TO SOFTWARE PRODUCTS FOR BFSI

For the IT vendors on the demand side, financial Institutions continue to focus on IT investments more to improve customer experience than for business capabilities that can deliver full digital banking. Many banks are observed to be investing in omni-channel and mobile banking solutions, without significant investments in flexible real time banking business solutions required to support these solutions. This can lead to significantly lesser IT investments in indirect customer facing business capabilities such as core banking and payments, which are essential for digital banking to continue to grow in the medium to long term. On the supply side, increased concentration is emerging with some vendors dominating the deals for offering software solutions to the BFSI.

Digitisation has led to channel proliferation. The growing number and diversity of devices that customers are using to interact with the bank (as well as new devices that are coming soon to the market) are making the traditional banking systems seem unable to meet with these customer demands. User interface needs to be responsive to adjust to a wide range of devices, from design perspective. With transitions to innovation and cloud platforms observed in the BFSI industry, new requirements for business integrity, security, skills and training, infrastructure and compliance requirements are expected to emerge; thereby forcing IT vendors to respond to these needs in order to remain competitive.

OUTLOOK

IT industry:

The pace of growth in India's IT industry has moderated during FY2016. This trend could continue into FY2017, with India's software export growth likely to be in the range of 8-10%. Domestic revenues for the same period could grow at a rate of 10-12% in FY2017. As in the recent past; currency volatility, macroeconomic slowdown, changing technology, and increased cost competition are likely to impact growth. Reduced or lower growth in global IT spending could also lead to increased pricing pressure, and impact utilisation rates. There is also a growing trend among buyers of IT services towards consolidation of vendors so as to cut costs, improve efficiency, and reduce uncertainty. Growth of the Indian IT industry over the next five-six years will depend on the changes that the providers are able to make in their service offerings, business models and markets. Over the longer-term, The Indian IT industry is expected to reach revenues of $350 billion by 2025.

IT spending in BFSI Industry:

Global IT spending by the BFSI industry is estimated to have grown 4.5% in 2015 to around $230-235 billion and growth is expected to average around 4% during 2016 and 2017. However, regional growth rates in IT spending on financial services may vary based on economic outlook, regulatory imperatives, and market conditions.

IT in Retail banking:

In the key market segments in BFSI IT spending, the global retail banking IT market is estimated to have grown at a 3-year CAGR of 3% between 2013 and 2015, to an estimated $128 billion. With the recent slowdown in world economic growth and reduced banking profitability indicators, IT spending on retail banking is expected at 2.5-2.7% in 2016. A moderate improvement in world economic growth could result in IT spending on retail spending to grow at 2.7-2.9% in 2017, and 3.4-3.5% in 2018. Over the period from 2016-20, because of increased focus on modernising IT systems, global retail banking IT spending market is forecast to grow at an annual average rate of 3.4% to exceed $150 billion by 2020. The main market for retail banking IT investment is North America, due to its market size and scale of banking system. While the mature markets of the US and Europe could continue to be large markets for banking IT investment, higher growth at 6-6.5% per annum over the medium-term is expected in the emerging markets in the Asia-Pacific region. Within the important areas of consumer banking, around 60% of banks are expected to increase spending on mobile payment solution technology to either adopt or replace existing solution, to enhance customer experience.

IT in Transaction (Corporate) Banking:

Transaction (Corporate) banking model is fast changing due to customer demands and regulatory requirements. Other drivers for increased corporate IT spending by banks are pressure on margins, emergence of new banking models, and providing cyber security.

IT in Insurance:

Insurance is another market segment for BFSI IT spending, where global IT spending is expected to increase around 4% in 2016 to around $185 billion. Over the period 2016-18, such spending is expected to increase at an annual rate of 5.3-5.5% to around $205-210 billion by 2018. Focus of IT spending is towards digitisation, analytics and legacy transformation.

IT in Risk Management:

Risk IT spending has become a key area in the recent times due to increased regulations and compliance. Investment is also increasing in prevention and management of cyber-attacks, data leaks and breaches, hacks, and deficiencies in cyber security. IT investment by banks and FIs is expected at around $70 billion in 2016. Of this, around 30% billion could be spent on risk governance and integration, followed by spending on prevention and management of financial crimes; reducing exposure to default; and respond to various standards on financial reporting and capital adequacy.

Software product vendors:

Financial services firms are increasingly focussing on delivering customer experience by using off-the-shelf solutions. Such solutions are driving various banking platform deals between the financial institutions and vendors. Different categories of vendors are single-channel digital, bundled digital, digital banking platform, and integration platform. EdgeVerve, Temenos, TCS and Sopra Banking Platform are the current leaders, followed by players such as Intellect Design Arena, SAP and Misys.

In summary:

While the key strengths for IT spending in BFSI are centred on the need for providing superior and user-friendly technologies and improving revenues for the financial institutions; challenges arise out of significant dependence on internet for provision of services; increasing risk of cybercrimes; and unavailability of uniform technology platforms across branches. Opportunities for IT spending in BFSI companies lie in increasing demand for sophisticated and competitive BFSI services due to growing economies; and movement towards financial inclusion. However, threats are present in providing cyber security, high transaction costs due to infrequent transactions by customers; and inadequate training/capabilities of banking personnel in handling IT technologies employed by the company. Many banks are observed to be investing in omni-channel and mobile banking solutions, without significant investments in flexible real time banking business solutions required to support these solutions. This can lead to significantly lesser IT investments in indirect customer facing business capabilities such as core banking and payments, which are essential for digital banking to continue to grow in the medium to long term. On the supply side, increased concentration is emerging with some vendors dominating the deals for offering software solutions to the BFSI.

The growing number and diversity of devices that customers are using to interact with the bank (as well as new devices that are coming soon to the market) are making the traditional banking systems seem unable to meet with these customer demands. User interface needs to be responsive to adjust to a wide range of devices, from design perspective. With transitions to innovation and cloud platforms observed in the BFSI industry, new requirements for business integrity, security, skills and training, infrastructure and compliance requirements are expected to emerge; thereby forcing IT vendors to respond to these needs in order to remain competitive.

OUR BUSINESS

Overview

We are a digital technology product solutions provider with a specific focus on the BFSI industry. Our Company directly, and through our Subsidiaries, provides financial platforms for companies in the global BFSI industry with full spectrum, fully integrated products that are operated in over 200 financial institutions across 24 countries.

Our Company's technology products are built on the Digital platform and our business operations are divided into four distinct verticals:

(i) Global Consumer Banking and Central Banking;
(ii) Risk, Treasury & Markets;
(iii) Global Transaction Banking; and
(iv) Insurance.

Our Company's iDigital platform enables us to make our products scalable, extendable, secure and capable of facilitating digital transformation of banking operations and customer experience. Further, the iDigital platform also caters to various other entities within the traditional financial service sector such as insurance and mutual fund and also, the nascent and emerging financial service entities such as e-commerce and digital wallets.

Our Company and our Subsidiaries have a marked global footprint and our Company's products are operated across 6 (six) continents in 24 countries including USA, Canada, Chile, UK, Spain, South Africa, Egypt, Dubai, Singapore, Malaysia, Vietnam, Philippines, Indonesia, Thailand and other countries besides India. Our Company and its Subsidiaries cater to some of the world's largest banks and financial institutions, central banks and insurance companies.

Our Company's business was, until the recent past, a part of Polaris Financial Technology Limited (now Polaris Consulting & Services Limited) and our technology products business was hived off in 2014 into our Company pursuant to a Scheme of Arrangement-cum-Demerger. For further details pertaining to the demerger please see the chapter entitled *'History and Certain Corporate Matters'* on page 125 of this Draft Letter of Offer.

Our Company's consolidated revenue as restated in the Financial Year 2016 and the Financial Year 2015 was ₹ 83,675.99 lakhs and ₹ 63,627.76 lakhs respectively. Our Company's consolidated profit / loss after tax as restated in the Financial Year 2016 and the Financial Year 2015 ₹ (2,901.02) lakhs and ₹ (7,081.89) lakhs, respectively. Our Company's unconsolidated revenue as restated in the Financial Year 2016 and the Financial Year 2015 was ₹ 56,367.39 lakhs and ₹ 47,514.17 lakhs, respectively. Our Company's unconsolidated profit / loss after tax as restated in the Financial Year 2016 and the Financial Year 2015 was ₹ 2,194.12 lakhs and ₹ (6,042.45) lakhs, respectively.

Our Company's consolidated revenue as restated in the six months ended September 30, 2016, was ₹ 45,965.45 lakhs. Our Company's consolidated profit / loss after tax as restated for the six months ended September 30, 2016 was ₹ (1,760.02) lakhs. Our Company's unconsolidated revenue as restated in the six months ended September 30, 2016, was ₹ 27,284.01 lakhs. Our Company's unconsolidated profit / loss after tax as restated for the six months ended September 30, 2016 was ₹ (608.39) lakhs.

Competitive Strengths

Rich and diversified customer base

Our Company is rated among the top global digital technology core banking solutions providers for the banking industry. As of December 31, 2016, we had a customer base of 208 Indian and international customers. Our Company counts many Indian, transnational and international banks including central banks and financial institutions amongst its customers. One of the key indicators of our success is the brand neutrality that we have been able to achieve and maintain over the years. Our Company has been catering, and continues to successfully cater to customers who compete with each other in their respective business segments. To illustrate, we cater to banks and financial services providers competing within the retail banking and transaction banking verticals, treasury & markets and insurance entities, underlining the acceptance of our products across the sector. In addition, as on September 30, 2016, as per the Restated Consolidated Summary Statements, we generate only 19.20% of our consolidated revenue from operations from India, Middle East and Africa; with Americas contributing 12.92% and Europe contributing 32.32% of the consolidated revenue from operations and with the remaining being generated from other countries in which we operate.

Domain knowledge in, and full spectrum coverage of, the BFSI Industry

Our Company has developed and implemented over a dozen product suites using service oriented architecture (**SOA**) and digital technologies including digital core banking, digital transaction banking, digital lending with origination and debt management, credit card management, payment service hub and true omni-channel digital face. Further, our company has developed and implemented complete digital distribution and underwriting workstation suites for the insurance industry. We believe we provide full spectrum financial solutions, which means that our customers can find all their digital technology solutions under one umbrella. Further, we believe that some of our products such as *'Xponent'* and '*Sanction Screen'* – artificial intelligence (**AI**) based insurance and transaction banking product, respectively – facilitate better risk appreciation and mitigation platform and are state of the art.

Management expertise

We believe that we have a strong management team led by persons with significant experience in the global banking software industry. Our Board comprises Directors who have extensive experience in the setting up and managing companies in the global banking software sector. Our Directors and senior management team have vast experience and their significant expertise has been recognised at various fora such as the Confederation of Indian Industry (**CII**) Life Time Achievement Award and ICICI Venture – CII Connect Entrepreneur Award, Dronocharya award from TIE, Padma Shri, and Shanti-swarup Bhatnagar award. Our management team comprises skilled and capable professionals and each business vertical is headed by persons with significant expertise in their respective fields. Our senior management team also assists the Board in identifying new opportunities and in implementing our business strategies. For further details please see the chapter entitled '*Our Management*' on page 140 of this Draft Letter of Offer.

Continuous investment in R&D

Our Company was, prior to the implementation of the Scheme of Arrangement-cum-Demerger, one of the business verticals of Polaris Financial Technology Limited (as it then was). Over the years (including while our Company's digital technology products business was part of Polaris Financial Technology Limited) we made significant investments in R&D to build pure digital production, a three-tier service-oriented architecture (**SOA**), which has won accolades from industry analysts.

As of December 31, 2016, our Company has a dedicated R&D team comprising around 836 people in India and overseas constituting around 21.00% of our total workforce. Further, a significant number of our R&D personnel were part of our business operations even prior to the demerger of our business pursuant to the Scheme of Demerger and, consequently, have experience and understand the technological imperatives that drive our business.

Further, to surmount technology obsolescence, our Company commissioned its first design center in March 2013 for digital transformation. Our R&D team continuously works on latest technologies like Digital 360, natural language processing, artificial intelligence and smart search technologies to integrate and build solutions leveraging our inherent technological strength.

Our R&D expenditure for the six months ended September 30, 2016, the Financial Year 2016 and the Financial Year 2015 was ₹ 8,412.85 lakhs, ₹ 12,918.52 lakhs and ₹ 12,203.58 lakhs, constituting 18.30%, 15.44% and 19.18%, respectively, of our total consolidated revenue, as per the Restated Consolidated Summary Statements. Of this, as of September 30, 2016, approximately 57.89% is for new product development and the rest is for research and engineering.

Entrenched sales and distribution network

Our Company has a large and entrenched sales and distribution network spread across the 6 (six) continents and 24 countries. Our company employs different sales strategies including consulting led sales, proof – of –value led sales, hosting partners and leverage partner network. Our Company's sales strategy revolves around customer acquisition and we continue to devote financial resources on increasing our sales and marketing bandwidth. During the six months ended September 30, 2016, Financial Year 2016 and Financial Year 2015, our Company's sales and marketing expenses, as per the Restated Consolidated Summary Statements, were ₹ 14,937.04 lakhs, ₹ 25,156.48 lakhs and ₹19,296.68 lakhs, respectively.

Our Company also employs region specific sales strategy and we follow a top-down model comprising separate sales head for each geography who oversee 'business development managers' who cater to existing customers and 'new business development managers' who focus on new customer acquisition. In addition, every region is equipped with a 'Solutions

Director' and a team of techno-functional personnel who understand the product effectively and these '*Intellect Evangelists*' assist the sales team in providing the custom-made solution offerings.

As on December 31, 2016, our Company's sales and marketing teams employ over 405 persons globally.

Business Strategy

Maintaining our Company's focus on entities in advanced markets

Broadly, our Company's operations and the product suites offered vary depending on the geography which takes into account the per capita income of the countries in which our Company operates. This is simply because the digital needs of each income group vary based on where they are on the technology curve. For instance, advanced markets such as the US, UK, Japan, Singapore, Australia and Canada these countries are further along in the use of digital technology and a greater focus of their technology spend is on areas such as risk, regulation and compliance. Our Company also realized higher operating margins from our operations in the advanced markets as against emerging markets.

In the six months ended September 30, 2016, the Financial Year 2016, the Financial Year 2015, revenue generated from advanced markets was ₹ 28,203.00 lakhs, ₹ 34,468.07 lakhs and ₹ 20,864.07 lakhs, respectively, constituting 46.33%, 42.52% and 47.78% of our Company total revenue during such periods of our Company's revenues come from advanced markets and the rest from emerging markets.

Accordingly, given the higher gross revenue generation and the higher operating margins from operations in advanced markets, our Company will continue to focus on entities in advanced markets.

Increasing market penetration in emerging markets

Emerging markets like India, Middle Eastern countries such as UAE, Qatar and Oman, Turkey, Thailand, Philippines, China, countries in Eastern Europe and Latin America generally have implemented basic core banking systems. Accordingly, the technology spends of BFSI operators in these countries is skewed towards upgrading their existing technologies onto digital platforms, extending the technology for serving specialised products for corporates and high net-worth individuals and sophisticated treasury management. Further, these countries are also seeing the advent of new local and / or international banks and financial institutions, which require new technology platforms capable of catering to local needs and complying with local regulations. Accordingly, in these markets, our Company offers, our core banking suite, which comprises of wealth and private banking, loan origination, lending, debt management, collateral and limits management along with omni-channel platform, under the iGCB, and complete risk, treasury and markets solution, under the iRTM. Our Company has also implemented Central Banking solutions to a few Central Banks in this region.

Further, certain other emerging markets such as Vietnam, Cambodia, Indonesia, Bangladesh, Sri Lanka, and countries in Eastern and Western Africa are in the nascent stages implementing digital platform. Therefore, financial institutions operating in such countries are generally seeking to build an efficient technology infrastructure of core banking. Accordingly, our Company offers all products under the iGCB portfolio and certain solutions under iRTM to entities operating in these geographies.

While operations in the emerging markets offer the potential for growing faster, the operating margins are generally lower than those in advanced markets.

Business Operations

Set out below is a description of business operations.

Our iDigital platform

The iDigital platform facilitates the digital transformation of existing operations and customer experience. The iDigital platform is a combination of a Channel Renovation Platform (**Canvas**) and an Operational Consolidation Platform (**Hub**).

Canvas: Canvas is a transformative distribution technology for channel solution design, development and deployment. It is a versatile product that enables financial institutions to offer their end customers as well as internal users an omni-channel platform, thereby creating an integrated and continuous experience.

The Hub: Intellect's 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.

Business Verticals

Our Company's business operations are divided into the following four distinct verticals:

(i) Global Consumer Banking and Central Banking;
(ii) Risk & Treasury Management;
(iii) Global Transaction Banking; and
(iv) Insurance.

iGCB – Global Consumer Banking

iGCB is our Company's consumer banking business. The iGCB solution spans business processes across retail, private and corporate banking, capital markets and asset management. A key functional advantage of the iGCB platform is its ability to co-exist with legacy systems while supporting the road-map for future modernisation.

Under iGCB, our Company provides a full-spectrum suite of consumer banking products spanning core, lending, wealth, mobile and internet banking, cards and central banking.

With a dramatic shift in customer preferences, banks, globally, are re-aligning their strategies to provide superior customer experience. The present trend in consumer banking i.e., 'customer firmly at the centre' requires a calibrated and uniquely integrated single digital platform. iGCB platform provides a *'Digital Outside'* strategy that is totally customer facing and anchored around channel renovation – ensuring omni-channel transaction experience i.e., the same experience at all customer touch points across laptops, mobile communication devices and touchpads. The *'Digital Inside'* strategy facilitates consolidation of operations through integrated process orchestration and centralized risk management which enables a bank to 'operate lean'. In addition, iGCB harnesses the SOA to modernize banks' technology platforms and facilitates the quick launch of new products for catering to their emerging lines of business and new customer segments.

Set out below are some of our key products.

Intellect Digital Core

Intellect Digital Core harmonizes the power of digital technological platforms such as Canvas and a comprehensive core banking solutions that touch the customers through various channels. Providing deeper insight of the customer to the bank and bank to the customer, Intellect Digital Core is a truly 360 degree digital banking platform i.e., it works in tandem with existing legacy systems, with '*digital inside'* and '*digital outside'* and serves as a one-stop shop for digital transformation of legacy systems in banks and financial institutions.

Intellect Digital Lending

Intellect Digital Lending drives deep design differentiation by enabling, customization of lending portfolios, risk optimisation and speed, using proprietary digital technologies. It encompasses a comprehensive *Loan Life Cycle Management System* that provides end-to-end solutions addressing the banks business objectives in the digital age. The product is designed to drive digital transformation in the lending business and caters to retail, corporate and SME banking and other financial institutions.

Intellect Digital Wealth

Intellect Digital Wealth is a comprehensive solution for private banks, wealth & asset management firms, advisory firms, broker dealers and independent financial advisors. The platform has integrated components of client relationship management, financial needs analysis, order management, portfolio analytics and management, financial advisors business exchange, and margin lending. The platform digitizes the key business processes across the wealth management life cycle i.e., acquisition, planning, execution and monitoring. It presents digital tools across channels to improve efficiencies and empowers clients by providing actionable insights for informed decisions. It supports the comprehensive range of investment products including equity, mutual funds, bonds, promissory notes, structured notes, structured deposits, futures, options, private equity funds and real estate. Intellect wealth solution is a 3-level model portfolio and rebalancing engine and a performance analysis cum robo advisory engine that allows customers and fund managers to make informed decisions.

Intellect Quantum Central Banking

Intellect Quantum Central Banking system (**QCBS**) is an end-to-end core banking solution designed for the unique requirements of central banks. The solution deploys an array of technology frameworks including Extreme Account Posting (XAP), Run Time Re Use (RTRU), and Look Ahead Processing (LAP) technologies to drive progressive modernisation of central banks. With QCBS, Central Banks are equipped with, amongst others, Enterprise GL, Common Banking Services, Currency in Circulation and Bullion Management, Collateral Management, Liquidity Providing Transactions, Public Debt Management & Depository, Government Services, Treasury, Reserve Management, RTGS, SWIFT, Payment, Receipts & Settlement Engines, Agency Banking.

Digital FACE

Digital FACE is an omni-channel applications (apps)-based customer engagement platform to help banks achieve their digital transformation. It models business by customers, users, transactions, work flows and analytics. Apps can be built quickly through configuration and wiring to data services. Functionality is driven by segmentation and canvases are aligned around personal preferences and productivity. The offering consists of Internet, Mobile, Smart Branch and Tablet Banking (worksite/Doorstep Banking).

iRTM – Risk, Treasury & Markets

iRTM is our Company's risk, treasury and markets platform. iRTM is a cross asset, high performance platform that covers the complete trade cycle. It functions *via* a user configurable straight-through-processing (**STP**) mechanism across the front, middle and back office, which improves the efficiency of trading functions by eliminating redundant manual processes. iRTM adaptability to evolving customer requirements enables banks to usher in new products using our Company's Smart Build Methodology. iRTM supports various asset classes over a highly configurable and scalable platform.

iRTM is designed to seamlessly tie-in with the client's existing technology landscape. The iRTM platform can be either fully or partially deployed depending on the extent of technology requirement of each entity. The liquidity risk, treasury and capital markets solutions provided through the iRTM platform are equipped with comprehensive regulatory reporting capabilities which can be customized to various regulatory environments such as Basel III and treasury trading policies and controls, MiFID.

Set out below are a few of the key product offerings under the iRTM platform.

OneTreasury – is an enterprise level integration solution which enables the user to integrate its treasury, liquidity risk and market risk.

OneLRM – is a functional tool that facilitates compliance with Basel III requirements by providing the user real-time view of risk exposures and profit & loss, enabling *'just-in-time'* funding towards reducing the cost on borrowings.

OneMARKETS – is a securities trading and asset servicing platform. This product supports multi-asset, multi-lingual and multi-market transactions.

iGTB – Global Transaction Banking

iGTB is our global transaction banking business. iGTB offers a comprehensive solution that covers the entire corporate financial supply chain from payments to treasury management, in a fully integrated manner, supporting bundled and cross-product solutions, with omni-channel access. The platform is capable of aggregating multiple bank information, leveraging efficient shared services and providing uniform entitlement comprehensive reporting.

Set out below are some of the key product offering sunder the iGTB platform.

Digital Face (CBX): CBX is a device-ready, fully scalable online banking channel comprising an *'Apps Vault'* of over 400 applications. This product facilitates personalised entitlements, products, workflows and user interface. CBX is a digital business continuity product offering with fully integrated services across account services, payments, collections and receivables, liquidity, supply chain finance, trade finance.

Liquidity: Liquidity is a global solution product for domestic, cross-border and multi-bank cash concentration. Liquidity uses rule based algorithmic liquidity to empower the user with flexible hierarchical or mesh structures aligned to their corporate needs. This product can be, and has been, customized, with regional variants such as Nordic cash pooling and tax efficient sweeps for China.

Digital Transaction Banking (**DTB**) – Through the iGTB platform our Company provides global integrated cash and trade solution viz. DTB. DTB seamlessly integrates account services, reporting, collections and receivables including electronic invoice presentment and payment, liquidity, trade finance, supply chain finance and treasury products. The product was designed for, and has been implemented by, banks across the spectrum whether small, regional or global.

*Payments Services Hub (***PSB***)* – PSB assists banks in their implementation of a next generation payments infrastructure for corporate clients. PSBs enable banks to increase payment volumes and meet regulatory challenges by providing enterprise-wide visibility into payment operations - across all transaction channels and business lines.

Intellect SEEC

Our Company is one of the foremost providers of insurance software. Our Company provides the insurance software under the Intellect SEEC platform that has extensive portfolio covering distribution, underwriting and claims. Our Company has, under the Intellect SEEC platform, been developing innovative insurance solutions to lower operating costs and increase premium volumes and margins. Intellect SEEC is designed to be an innovative, low-cost solution that seeks to simplify the operational aspect of a complex business.

Our Company's insurance products are offered under the Intellect SEEC platform. Under Intellect SEEC we offer products that are suitable for both life and non- life insurers. The products have been designed with a view to enable insurance companies to focus on their strategic imperatives and enhance the customer experience

Our key product offering under the Intellect SEEC platform are:

Intellect Distribution and Service Suite – is a comprehensive digital suite for new business and post-issue servicing that seamlessly integrates with the insurer's policy administration system. Designed in the mobile-first era, the suite delivers an end-to-end digital experience. The suite comprises seven business apps that can be deployed as standalone units or in a combination. Built with state-of-the-art technology, the suite can be quickly made market ready and at lower cost. Insurers get the benefit of one platform that serves all product lines since it can be used for every channel including all types of advisors, direct-to-customer models and call centers.

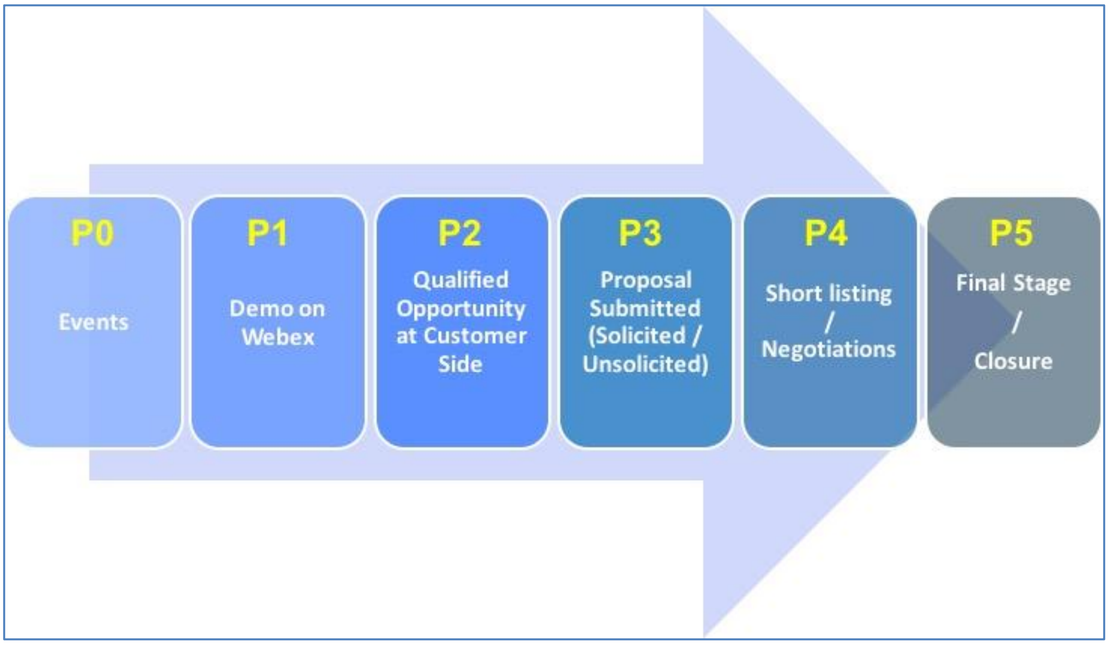
The suite is customer friendly and is designed to exist in the insurer's existing IT landscape, maximizing the use of existing IT assets. The suite can reduce operational cost by enabling customization of process design.

Xponent – *'Xponent'* is an artificial intelligence (**AI**) based product designed to facilitate better risk understanding and, consequently, enables a more accurate underwriting process. *'Xponent'* assimilates data on a risk and analyzes a business, its people and its complete operating environment taking into account a variety of external factors such as hazards in proximity, legal and reputational factors, actions on/off employees and officers. This enables the user to distinguish between statistically similar businesses, thereby allowing the insurer to adjust coverage and rates appropriately. It also eliminates low-value tasks such as information gathering, data entry and information assessment thereby enabling an underwriter to focus on assessing risk. Further, since this is an AI-based product it learns and improves with use, minimizing training time.

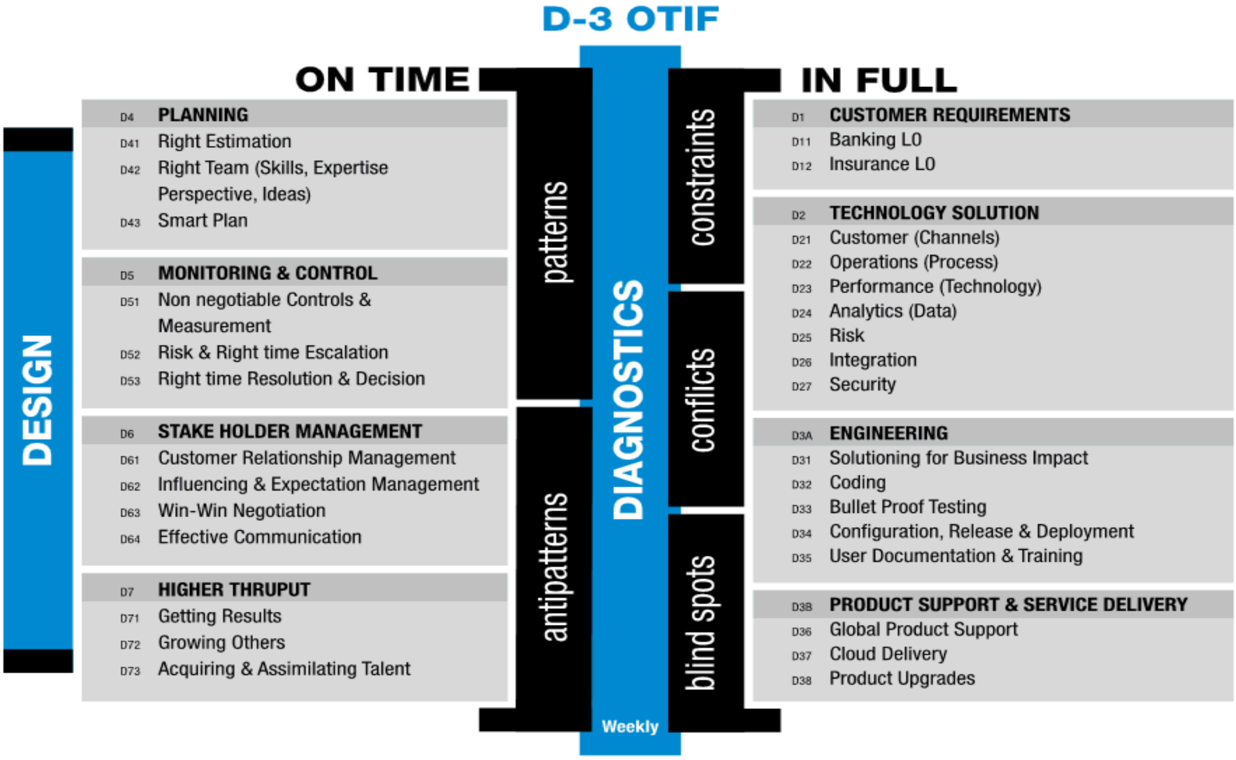
Project Management

Our Company has a well-entrenched project management process. The schematic below sets out our sales cycle process and delivery process framework.

Sales Cycle Process



Delivery Excellence Framework



Research and Development

R&D is integral to our Company's operations. Our R&D team continuously works on latest technologies such as 'Digital 360', 'Natural Language Processing', 'Artificial Intelligence', 'Big Data' and smart search technologies to augment our suite of product offerings by integrating and building solutions leveraging these technologies.

Our R&D expenditure for the six months ended September 30, 2016, the Financial Year 2016 and the Financial Year 2015 was ₹ 8,412.85 lakhs, ₹ 12,918.52 lakhs and ₹ 12,203.58 lakhs, constituting 18.30%, 15.44% and 19.18%, respectively, of our total consolidated revenue, as per the Restated Consolidated Summary Statements. Of this, as of September 30, 2016, approximately 57.89% is for new product development and the rest is for research and engineering.

As of December 31, 2016, our R&D team employed 836 employees constituting 21.00% of our total work force.

FinTech 8012 Design Center

FinTech 8012 Design Center (conceived as FT8012 Design Center) is a reflection of our Company's commitment to continuous and impactful innovation. Spread over a 30,000 sq. ft. area, the FinTech 8012 Design Center is divided into 6 exploration-through-enablement zones. AEDE principles (Absorb, Engage, Discover, Enable) are an integral part of the design thinking process and workflow.

Our Company believes that '*Design Thinking*' will fundamentally improve the lifecycle of finance and commerce, with contextual and business relevance. To that end, the FinTech 8012 Design Center aims to provide a holistic ambience to bring business, operational and technology agenda of the BFSI industry together. FinTech 8012 Design Center provides participants to, amongst others, identify and explore areas of concern, probe inter-dependencies and integrated varied roles within their organisation.

Sales and Marketing

Sales and marketing is a critical part of our business operations.

Broadly, our Company's operations and the product suites offered vary depending on the geography which takes into account the per capital income of the countries in which our Company operates. This is simply because the digital needs of each income group vary based on where they are on the technology curve.

For instance, advanced markets such as the US, UK, Japan, Singapore, Australia and Canada are further along in the use of digital and a greater focus of their technology spend is on areas such as risk, regulation and compliance. Our Company also realized higher operating margins from our operations in the advanced markets as against emerging markets.

Whereas in emerging markets like India, Middle Eastern countries such as UAE, Qatar and Oman, Turkey, Thailand, Philippines, China, countries in Eastern Europe and Latin America generally have implemented basic core banking systems. Accordingly, the technology spends of BFSI operators in these countries is skewed towards upgrading their technologies onto digital platforms, extending the technology for serving specialised products for corporates and high net-worth individuals and sophisticated treasury management. Further, newer banks are coming up in these markets or international banks opening subsidiary operations for which they require to build new technology platforms meeting local needs.

Finally, in other emerging markets such as Vietnam, Cambodia, Indonesia, Bangladesh, Sri Lanka, and countries in Eastern and Western Africa are in the nascent stages implementing digital platform. Therefore, financial institutions in this group are generally seeking to build an efficient technology infrastructure of core banking.

Our Company focusses its marketing efforts broadly on the parameters set out above. As on December 31, 2016 our Company's sales and marketing team comprised 405 employees. During the six months ended September 30, 2016, Financial Year 2016 and Financial Year 2015, our Company's sales and marketing expenses, as per the Restated Consolidated Summary Statements, were ₹ 14,937.04 lakhs, ₹ 25,156.48 lakhs and ₹19,296.68 lakhs, respectively.

Competition

Our Company operates in highly competitive global markets. Our Company competes globally across all its verticals with major Indian and global financial technology product providers such as Oracle Corporation, Temenos Group, EdgeVerve, SAP, SAB, Infosys Limited and Tata Consultancy Service Limited.

Property

Our Company operates its business from a mix of owned and leased properties. Our Registered Office is located at 244, Anna Salai, Chennai – 600 006, Tamil Nadu, India and our Corporate Office is located at Plot No. 3/G3, SIPCOT IT Park, Siruseri, Chennai – 600 130, Tamil Nadu, India.

In addition, we own and lease various properties from which our operations in India are carried out. Details of the property from which we operate as of December 31, 2016 are as follows:

Sr. No.	Locations	Address	Land owned / leased / rented
1.	Chennai (Registered Office)	244, Anna Salai, Chennai – 600 006, India.	Leased
2.	Chennai (Corporate Office)	Plot No. 3/G3, SIPCOT IT Park, Siruseri, Chennai – 600 130, India.	The land has been leased.
3.	Chennai	Seethakanthi Business Centre, Door nos. 684, 685, 686, 687, 688, 689, 690, Anna Salai, Nungambakkam Revenue Division, Block No.6, Egmore, Nungambakkam Taluk, Chennai – 600008, India	Owned
4.	Gurgaon	Plot No. 249, Udyog Vihar Phase IV Gurgaon- 122001, India	Owned
5.	Mumbai	Silver Metropolis, Unit No. 801, 802, 901, 902, 1001, 1002, 8th, 9th & 10th Floors, CTS No. 213/A/2 & 214, Jay Coach, Western Express Highway, Goregaon East, Mumbai – 400 063, India.	Owned
6.	SEEPZ, Mumbai	Unit 174 & 184, SDF VI, SEEPZ, Andheri East, Mumbai – 400 096, India.	Leased*
7.	Hyderabad	SEEC Towers, Plot No. 6, APIIC Layout, Adj. BSNL Office, Hi-Tech City, Madhapur, Hyderabad – 500 081, India.	Leased
8.	Hyderabad	"The Capital", 203, Financial District, Manikonda, Hyderabad – 500 019, India.	Leased
9.	Thane	7th Floor, (Level 10), G:Corp Tech Park, Ghodbunder Road, Thane (W), Thane – 400 601, India.	Leased

** Lease has expired and our Company is in the process of renewal.*

In addition to the above, we also own/rent/lease certain guest houses / residential properties for our senior management and employees.

Further, our Company operates out of offices leased in different countries to support its overseas operations.

Employees

Our Company believes that human capital is one of our greatest strengths and that our employees are partners in our Company's growth and are a critical factor of our success.

Accordingly, our Company's human resource (**HR**) policies have been designed and developed to address crucial aspects of our employees' welfare. Our HR strategy is employee-centric and focuses heavily on training and retaining our employees, as well as offering them competitive compensation. Our Company believes that that recognition and reward should be spontaneous and public. In this regard, our Company has devised schemes to reward and record employees' performance such as:

(i) FT credits - A peer-level, point-reward system that can be given awarded by any employee to anyone in the organisation – senior, junior or peer. This reward can be converted to utility products;

(ii) Global annual excellence award – awarded to an employee who has made a significant contribution to the organisation during the past year; and

(iii) GEM – 'Going the extra mile' is an award for employees who have taken the initiative in taking that one extra step beyond the call of duty.

(iv) Konark – 'Konark' is a special program in Intellect designed with a view to spot, reward and nurture role models and change agents in the organisation.

As of December 31, 2016 we had more than 4,000 full time employees and more than 173 contract labour in relation to our operations. In addition, we also, from time to time, employ contract labour at our facilities depending upon our requirements.

Intellectual Property

Our intellectual property includes patents and trade marks associated with our business. Our Company and our Subsidiaries own, and have applied for, several trade marks registered under various classes of trade marks.

Sr. No.	Application Number	Class	Date of registration / application / renewal application	Status as on December 31, 2016	Validity
CBX (Logo)					
1.	2084681*	42	Application made on January 12, 2011	Awaiting reply to Examination Report	-
2.	2084682**	9	Registered on October 30, 2012	Registered.	Valid till 12 January 2021.
3.	2084683**	16	Registered on October 30, 2012	Registered.	Valid till 12 January 2021.
4.	2868769	35	Application made on December 22, 2014	Objected	-
5.	2868770	41	Application made on December 22, 2014	Accepted & Advertised on September 5, 2016.	-
CBX (Word)					
6.	2868767	35	Application made on December 22, 2014	Objected	-
7.	2868768	41	Application made on December 22, 2014	Objected	-
8.	2868771	9	Application made on December 22, 2014	Objected	-
9.	2868772	16	Application made on December 22, 2014	Objected	-
10.	2868773	42	Registered on 24 August 2016	Registered.	Valid till December 22, 2014
FABx					
11.	2878972	9	Application made on January 8, 2015	Objected	-
12.	2878974	16	Application made on January 8, 2015	Objected	-
13.	2878976	35	Application made on January 8, 2015	Objected	-
14.	2878975	41	Application made on January 8, 2015	Objected	-
15.	2878973	42	Application made on January 8, 2015	Objected	-
FTGrid					
16.	2113507*	42	Application made on March 11, 2011	Opposed	-
iGTB					
17.	2868758	9	Application made on December 22, 2014	Objected	-
18.	2868759	16	Application made on December 22, 2014	Advertised before acceptance	-
19.	2868760	35	Application made on December 22, 2014	Objected	-

20.	2868761	41	Application made on December 22, 2014	Objected	-
21.	2868766	42	Application made on December 22, 2014	Accepted & Advertised	-
INTELLECT					
22.	2084684*	9	Registered on 29 July 2016	Registered	Valid till January 12, 2021.
23.	2084685**	42	Registered on November 15, 2012	Registered	Valid till January 12, 2021.
Intellect Suite-Enterprise Platform for Boundaryless Banking-keep growing					
24.	1305833***	9,42	Registered on February 23, 2007. Last renewed on December 2, 2014.	Registered	Valid till August 30, 2024
INTELLECT SUITE-Enterprise Platform for Boundaryless Banking					
25.	1298277***	9,16	Registered on September 21, 2006. Last renewed on December 2, 2014.	Registered	Valid till June 9, 2024.
RETAIL EXCEL (WORD)					
26.	1095957**	9	Registered on March 18, 2008. Last renewed on 26 April 2012	Registered	Valid till April 16, 2022.
27.	1095958**	16	Registered on March 15, 2008. Last renewed on 26 April 2012	Registered	Valid till April 16, 2022.
RETAIL EXCEL - POWER OF SIMPLICITY (WORD)					
28.	1096814**	9	Registered on April 6, 2005. Last renewed on April 23, 2012.	Registered	Valid till April 19, 2022
29.	1096815**	16	Registered on July 9, 2008. Last renewed on April 23, 2012.	Registered	Valid till April 19, 2022
TRUE OMNICHANNEL					
30.	2936349	9	Application made on April 1, 2015	Registered	Valid for 10 years from date of application
31.	2936350	16	Application made on April 1, 2015	Objected	-
32.	2936351	35	Registered on November 18, 2016.	Registered	Valid for 10 years from date of application.
33.	2936352	38	Application made on April 1, 2015	Objected	-
34.	2936353	41	Application made on April 1, 2015	Objected	-
35.	2936354	42	Application made on April 1, 2015	Objected	-

** We have made an application by way of a letter dated March 24, 2015 seeking to amend the name of the applicant in the trademark applications in respect of each of these marks from Polaris Software Lab Limited to Intellect Design Arena Limited.*

*** We have made an application by way of letter dated March 24, 2015 seeking to register the assignment of each of these trade marks from Polaris Software Lab Limited to Intellect Design Arena Limited.*

**** We have made an application by way of letter dated December 1, 2014 seeking to register the assignment of each of these trade marks from Polaris Software Lab Limited to Intellect Design Arena Limited.*

In addition to the above, we have also applied for certain other trade marks which are yet to be registered; in respect of a few of these, we have also sought a change in the applicant's name from Polaris Software Lab Limited to Intellect Design Arena Limited.

Further, our Company has made application for registration of certain designs. Details of the designs for which our Company has made an application are set out below:

Sr. No.	Application Number	Name of Article	Date of / registration Application	Status as on December 31, 2016
1.	275944	INDOOR BREAKROOM	February 4, 2016	Application under process.
2.	275945	INDOOR DISCUSSION SPACE WITH CONFERENCE AND PRIVATE CHAMBER FACILITIES	February 2, 2016	Application under process.
3.	275946	INDOOR DISCUSSION SPACE WITH ATTACHED SHELF FACILITY	February 2, 2016	Application under process.
4.	275947	INDOOR GROUP ACTIVITY SPACE WITH PRIVATE CONFERENCE AND CHAMBER FACILITIES	February 4, 2016	Application under process.
5.	276129	LOBBY SPACE WITH BREAKROOM CONNECTIVITY	February 2, 2016	Application under process.
6.	278454	INDOOR WORKSPACE	March 28, 2016	Application under process.
7.	278455	INDOOR WORKSPACE WITH PRIVATE CONFERENCE AND CHAMBER FACILITIES	March 28, 2016	Application under process.
8.	278456	TEAMSPECIFIC INDOOR WORKSPACE	March 14, 2016	Application under process.
9.	278457	INDOOR DISPLAY SPACE	March 28, 2016	Application under process.
10.	278458	INDOOR DISPLAY WALL	March 14, 2016	Application under process.
11.	278459	TEAMSPECIFIC INDOOR WORKSPACE WITH PRIVATE CONFERENCE AND CHAMBER FACILITIES	March 14, 2016	Application under process.

Our Company has also made application for registration of certain copyrights. Details of the copyrights for which our Company has made an application are set out below:

Sr. No.	Application Number	Class of Work	Title of Work	Date of Application	Status as on December 31, 2016
1.	11431/2016-CO/SW	Computer Software	Digital Cards	September 28, 2016	Pending
2.	11185/2016-CO/SW	Computer Software	Intellect Commerce	September 24, 2016	Pending
3.	11188/2016-CO/SW	Computer Software	CBX	September 24, 2016	Pending

Insurance

Our Company maintains a comprehensive set of insurance policies, which are renewable every year. We maintain insurance cover for our assets to cover all normal risks associated with operations of our business, including fire, accidents and other natural disasters. We typically maintain insurance policies, subject to specified limits, such as standard fire and special perils for our offices and insurance for machineries and electronic equipment as appropriate. In addition, we maintain a commercial general liability policy, director and officers' liability insurance policy and a professional indemnity policy. In respect of our employees we maintain, amongst others, group medical and group personal accident insurance policies. Our policies are subject to customary exclusions and deductibles.

We are currently in the process of making an insurance claim for the damage suffered by our Company due to the 'Cyclone Vardah' which struck Chennai in December 2016.

Corporate Social Responsibility Initiatives

Our Company and its employees are conscious of their role in society and are keen to give participate in social welfare measures. As a part of our Company's corporate social responsibility (**CSR**) policy, our Company and our employees are involved with the Ullas Trust, a joint initiative with VirtusaPolaris. The Ullas Trust recognises academic excellence in students from the economically challenged sections of our society and encourages them to chase their dreams and aspirations. Ullas selects young achievers from Municipal, Corporation and Government schools every year through an entrance examination and a well-defined selection process and awards them merit scholarships. Ullas Trust operates out of our Company's campuses in Chennai, Hyderabad, Mumbai and Delhi. Our Company has recently approved a proposal to devote 2.00% of our Company's license revenue towards Ullas Trust. In addition, the Employees of our Company contribute in aggregate a sum of approximately ₹ 24,00,000/- p.a. to Ullas Trust.

REGULATIONS AND POLICIES

The following is an overview of the relevant regulations and policies in India which are applicable to our business and operations in India. The regulations set out below are not exhaustive and are only intended to provide general information to the Investors and are neither designed nor intended to substitute for professional legal advice.

The Information Technology Act, 2000

The Information Technology Act, 2000, as amended (**IT Act**) was enacted with the purpose of providing legal recognition to electronic transactions. The IT Act provides for the legal recognition of electronic records, electronic signatures and also makes provisions for the authentication of electronic records through digital signatures. Further, the IT Act provides for civil and criminal liability including fines and imprisonment for various computer related offenses like identity theft, violation of privacy, cyber terrorism, breach of confidentiality and privacy and also punishes abetment and attempts to commit such offences. The IT Act is also applicable to any offence or contravention committed outside India by any person irrespective of their nationality if the offence or contravention involves a computer, computer system or computer network located in India.

Trade Marks Act, 1999

Trade mark protection is provided under the Trade Marks Act, 1999, as amended (**Trade Marks Act**). The Trade Marks Act governs the statutory protection of trade marks from deceptively similar trade marks. The purpose of the Trade Marks Act is to encourage investment flow in trading and commercial by granting them protection under the statute. It provides provision for registration of a trademark and grounds for refusal of its registration by the registrar of Trade Mark. It prohibits registration of deceptively similar trade marks and provides for penalties for infringement, falsifying and falsely applying for trade marks. The term of protection of a registered trade mark is 10 years, which can be renewed from time to time in perpetuity. In India, the trade marks enjoy protection under both statutory and common law and the Trade Marks Act permits registration of trade marks for goods and services. Certification marks and collective marks can also be registered under the Trade Marks Act. An application for trade mark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trade mark in the future as India follows first to file rule. The marks which are granted registration under the Trade Marks Act are capable of being represented graphically and which are capable of distinguishing the goods or services of one person from those of others. Under the Trade Marks Act, the protection against infringement of registered mark is provided and civil remedy against passing off is given for unregistered mark. The Trade Marks Act also provides for assignment and transmission of the trade marks under which the proprietor of a trade mark is vested with the power to assign or transmit the trade mark with or without the goodwill of the business.

The Patents Act, 1970

The Patents Act, 1970 (**Patents Act**) governs the patent regime in India. The form and manner of application for patents is set out under Chapter III and Chapter VIII deals with the grant of patents. As a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights (**TRIPS**), India was required to ensure that its patent laws were in compliance with the TRIPS by January 1, 2005. Under this new patent regime, India started granting protection to process as well as product patent. Any process or product needs to satisfy the requirements of novelty, utility and non-obviousness to be protected under the Patents Act. The term of a patent protection under the Act is 20 years from the date of filing of the Patent Application. The Patents Act also lays down the inventions which are not patentable. The requisite of a patent application and its procedure is mentioned in the Patents Act along with the procedure for opposition proceedings. The Patents Act requires an applicant to give provisional and complete specification of the product or process for its protection under the Patents Act. Patents Act, as it currently stands, disentitles computer programs per se from patent protection. The public use or publication of an invention prior to the making of an application for a patent, may disentitle the said invention to patent protection on the grounds of lack of novelty. An invention to no longer pass the test of novelty, if any earlier patent on such invention already exists in any country prior to the publication of information relating to such invention or an earlier product showing the same invention or a prior disclosure or use of the invention is done.

Following its amendment by the Patents (Amendment) Act, 2005, the Patents Act permits opposition to grant of a patent to be made, both pre-grant and post-grant. The grounds for such patent opposition proceedings, inter alia, include lack of novelty, inventiveness and industrial applicability, non-disclosure or incorrect mention of source and geographical origin of biological material used in the invention and anticipation of invention by knowledge (oral or otherwise) available within any local or indigenous community in India or elsewhere. The provision of the Act enables the Government of India to import, make or use any patent for its own purpose and in case of a drug can provide for compulsory licensing after 3 years of from the date of grant of patent for the purpose of public health under specified conditions in the Patents Act. It provides for protection against infringement includes civil proceedings for damages, account of profits, and injunction to the patent holder. The Patents Act also prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. Following a patent application in India, a resident must wait for six weeks prior to making a foreign application or may obtain the written permission of the Controller of Patents to make foreign applications prior to this six week period. The Patents Act also provides for revocation of the patent and the surrender of patent by the patent holder.

Copyright Act, 1957

The Copyright Act, 1957 (**Copyright Act**) governs copyright protection in India. Under the Copyright Act, copyright may subsist with the creators of original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. The source code as well as the object code of a Computer Software would constitute a literary work and would be given protection under the Act. It provides for protection to a performer for its performance as well as to the broadcasters with broadcast reproduction rights. Under the Copyright Act, the registration of these works is not a prerequisite for acquiring or enforcing a copyright, but registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The term of protection of these works is for a period of 60 years following the demise of the author. The reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the copyright holder would amount to infringement of copyright. With respect to computer software, in addition to the above, any unauthorised sale or commercial rental of computer software would also amount to infringement of copyright. However, the copyright holder has the power to assign or license a copyrighted work to any person. The remedies available in the event of copyright infringement under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. It also provides for criminal remedies including imprisonment of the accused and the imposition of fines and seizure of infringing copies. The Copyright Act prescribes certain fair use exceptions which permit certain acts and compulsory licensing of work with or without the consent of the copyright holder, which are otherwise considered copyright infringement.

Shops and establishments legislation

The provisions of shops and establishments legislations, as may be applicable in a state in which establishments are set up, regulate the conditions of work and employment and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. Our Company has its registered office in the state of Tamil Nadu. Accordingly the provisions of the Tamil Nadu Shops and Establishments Act, 1947 are applicable to our Company. The Tamil Nadu Shops and Establishments Act, 1947, as amended, regulates the conditions of work in shops, commercial establishments, restaurants, theatres and other establishments in Tamil Nadu and makes provisions for the opening and closing of shops, daily and weekly hours of work, employment of children and young persons, health and safety measures, wages. The Bombay Shops and Establishments Act, 1948, as amended, is applicable to shops and commercial establishments in Maharashtra. The Delhi Shops and Establishments Act, 1954, as amended, is applicable to shops and commercial establishments in Union Territory of Delhi.

Environmental Legislations

The Environment (Protection) Act, 1986 (**EPA**) is an umbrella legislation designed to provide a framework for the government to coordinate the activities of various central and state authorities established under various laws, such as the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, etc. The EPA vests with the Government the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of manufacturing processes and materials likely to cause pollution.

The Water (Prevention and Control of Pollution) Act, 1974 (**Water Act**) aims to prevent and control water pollution by factories and manufacturing units and to maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, using of any new or altered outlet for the discharge of sewage or causing new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

The Air (Prevention and Control of Pollution) Act, 1981 (**Air Act**) provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of four months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

Labour laws

We are subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of labourers and/or employees of our Company. The Industrial Disputes Act, 1947, as amended, provides for a statutory mechanism of settlement of all industrial disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person.

Our Company is subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of our labourers and/or our employees. Accordingly, our Company is regulated by the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended (**CLRA Act**), and the rules framed thereunder which requires our Company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (**EPF Act**) applies to factories employing 20 or more employees and such other establishments and industrial undertakings as notified by the government from time to time. The EPF Act requires all such establishments to be registered with the Regional Provident Fund Commissioner and requires the employers and their employees to contribute in equal proportion to the employees' provident fund, the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State Provident Fund Commissioner.

The Employees' State Insurance Act, 1948 (**ESI Act**) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is required to register such factory or establishment under the ESI Act and maintain prescribed records and registers. Every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages up to ₹ 15,000 per month is entitled to be insured under the ESI Act.

Other laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder and other applicable statutes enacted by the Centre or relevant State Governments and authorities for our day-to-day business and operations. Our Company is also subject to various central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as Fin Tech Grid Limited on April 18, 2011 with the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands as a public limited company under the Companies Act, 1956. On June 15, 2012, our Company received a certificate for commencement of business from Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands. On February 3, 2014, a fresh certificate of incorporation was issued by Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands consequent to change of name of our Company. Pursuant to an order of the High Court of Judicature at Madras dated September 15, 2014 sanctioning the Scheme of Arrangement-cum-Demerger, the digital technology product solutions business was demerged from Polaris Consulting & Services Limited (formerly known as Polaris Financial Technology Limited) into our Company. For further details of change in the name and registered office of our Company, please see the chapter entitled '*History and Certain Corporate Matters*' on page 125 of this Draft Letter of Offer.

Pursuant to the Scheme of Arrangement-cum-Demerger, the Equity Shares were listed on the NSE and BSE on December 18, 2014.

The registered office of our Company is situated at 244 Anna Salai, Chennai- 600 006, Tamil Nadu, India.

Corporate profile of our Company

For information on our Company's business profile, activities, services, managerial competence, and customers please see the chapters entitled *'Our Management'*, *'Our Business'* and *'Industry Overview'* on pages 140, 109 and 92, respectively of this Draft Letter of Offer.

Changes in Registered Office

There has been no change in the registered office of our Company since its incorporation.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

"1. To carry on the business of providing computer software services such as Cloud Computing, including Software as a Service, Platform as a Service, Data Hosting and Fin Tech data centre and related services, to act as applicable service providers, application hosing, Lintux Services, remote maintenance of software application, security, business process outsourcing service, provide service to disaster recovery, business continuity services, including infrastructure as a Service, audit services and software co-location services, to develop software products encompassing, computer equipment communication, all forms of multimedia communications technology and financial applications, ERP (Enterprise Resource Planning), MRP (Manufacturing Resource Planning) for these domains.

2. To establish and run electronic data processing centers and training centers to carry on software consultancy on GPRS services & network and infrastructure facilities/framework, business of data processing, system studies, management consultancy, techno-economic feasibility study of projects, design and development of Management Information Systems, CAD/CAM/CAE (Computer Aided Design, Manufacturing and Engineering), GIS (Geographical information Systems), manufacturing/developing of software applications, software services, conferences in respect of any of the objects of the company and for spreading of imparting the knowledge and use of computers programming languages including the publication of books, journals, bulletins, study/course materials, circulars and newletters.

3. To obtain technical knowledge know-how, literature, brochures, technical data, etc., from abroad and export / disseminate them to other countries and engage in manpower recruitment for overseas requirements and also bring in necessary skilled personnel into the recruitment for overseas requirement and also bring in necessary skilled personnel into the country and also to provide computer networking facility and services for the purpose of electronic mail, electronic news, electronic commerce, electronic archives and to design, create, develop, establish, maintain, run, lease, buy, sell, technological services, software, on demand services & solutions, hardware, including servers, central processing units, otherwise deal in equipment, systems, satellites, communication systems, networking systems including GPRS services & network and Infrastructure facilities/framework with respect to Financial Technologies services.

4. To Carry on the business of system study, analysis, design, development, customisation, implementation, maintenance, licensing, trading, manufacturing, distributing, importing, exporting of software products and/or systems, equipments, devices and tools including Licenses/Intellectual Property Rights of Third parties; and to act as consultants in software for usage in computer systems, communications system or in any devices, equipment, tool or system that has a requirement for a software; and to make available the software for use in any mode..(sic)"

Amendments to the Memorandum of Association

Set out below are the amendments to the Memorandum of Association since the incorporation of our Company.

Date of Shareholders' Resolution	Particulars
January 6, 2014	Amendment to the Clause V of the MOA for sub-division of Equity Shares of ₹10 each into 2 Equity Shares of ₹5 each, resulting in a change in the authorised share capital from ₹5,00,000 divided into 50,000 Equity Shares of ₹10 each to ₹5,00,000 divided into 1,00,000 Equity Shares of ₹5 each.
March 3, 2014	Amendment to Clause III (A) of the MOA to include a new main object as item no. 4, namely: "*To carry on the business of system study, analysis, design, development, customisation, implementation, maintenance, licensing, trading, manufacturing, distributing, importing, exporting of software products and/or systems, equipments, devices and tools including Licenses/Intellectual Property Rights of Third parties; and to act as consultants in software for usage in computer systems, communications system or in any devices, equipment, tool or system that has a requirement for a software; and to make available the software for use in any mode*."
September 25, 2014*	Amendment to the Clause V of the MOA pursuant to the Scheme of Arrangement-cum-Demerger, there was an increase in authorised share capital of our Company from ₹5,00,000 divided into 1,00,000 Equity Shares of ₹5 each to ₹55,00,00,000 divided into 11,00,00,000 Equity Shares of ₹5 each .
July 21, 2016	Amendment to Clause V of the MOA to increase in authorised share capital of our Company from ₹55,00,00,000 divided into 11,00,00,000 Equity Shares of ₹5 each to ₹75,00,00,000 divided into 15,00,00,000 Equity Shares of ₹5 each.

*** *September 25, 2014 is the effective date of the Scheme of Arrangement-cum-Demerger, pursuant to which the authorised share capital of our Company was increased.*

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar Year	Event / Milestone
2016	BSE moved Intellect script from Group B to Group A.
2016	Launched OneMarket suite.
2016	Intellect ranked#1 at IDC Financial Insights Fin Tech Rankings Real Results Awards 2016 for its Core banking implementation at Sonali Bank.
2015	Launched One LRM (Liquidity Risk Management).
2015	Launch of FT8012 Design Center in Mumbai.
2014	Reserve Bank of India celebrated two years of successful implementation.
2014	Our Company was listed on the NSE and BSE.
2014	Demerger of the Product Business from Polaris Financial Technology Limited to our Company pursuant to the Scheme of Arrangement-cum-Demerger with effect from April 1, 2014.
2011	Incorporated as Fin Tech Grid Limited.

Awards, Recognitions and Accreditations

We have received the following awards, recognitions and accreditations:

Calendar Year	Particulars
2016	Our Company was ranked #1 at IDC Financial Insights FinTech Rankings Real Results Awards 2016 for its core banking implementation at Sonali Bank.

2016	Confederation of Indian Industry honors our Promoter with Lifetime Achievement Award.
2016	Intellect Design Arena Limited recognized as a Leader in Gartner's Magic Quadrant for Global Retail Core Banking.
2016	Vietnam Bank for Social Policies wins Celent Model Bank Award with our Company's Digital Core
2016	Our Company wins 'Payment Provider of the Year' Award at Central Banking Awards 2016.
2016	UnMail, an enterprise social network solution created by our Company won in the 'Excellence in Innovation' category in the IDC Insights Award 2015.
2015	Our Company wins 'Technology Provider of the Year' Award at Central Banking Awards 2015.
2015	Our Company wins awards in the 'Advanced Technology' and 'Breadth of Functionality' categories at the XCelent Awards.
2015	Our Promoter was named 'Visionary of India 2014-15 at the Brand Vision India 2020 Summit & Awards
2015	Our Company won 'Year's Most Credible Innovative Product' award for Octopus, our Company's enterprise social networking platform at TECHNOVITI 2015.
2015	Our Company was recognised as a 'Global Pursuer' and a 'Global Player' in the Global Banking Platform Deals Survey 2014 by Forrester Research, Inc.
2015	Our Company was ranked #1 in 3 categories at IDC Financial Insights FinTech Real Results Awards - 2015.

Other Details Regarding our Company

For details regarding the description of our activities, the growth of our Company, technology, the standing of our Company in relation to the prominent competitors with reference to its products, management, segment, capacity/ facility creation, market capacity build-up, marketing and competition please see chapters entitled *'Our Business'* and *'Industry Overview'* on page 109 and 92 of this Draft Letter of Offer, respectively.

For further details regarding our management and its managerial competence please see the chapter entitled *'Our Management'* on page 140 of this Draft Letter of Offer.

Scheme of Arrangement-cum-Demerger of Polaris Financial Technology Limited with our Company

On September 15, 2014, the Madras High Court approved a scheme of arrangement-cum-demerger (**Scheme of Arrangement-cum-Demerger**) between Polaris Financial Technology Limited (**Polaris**) and our Company and their respective shareholders. Pursuant to the Scheme of Arrangement-cum-Demerger, Polaris demerged one of its two specialised business divisions viz., the financial technology (**FT**) products division.

The objective of the demerger was to ensure increased focus on each business division and to eliminate any perceived conflict of interest and pursue individual network of alliances to further growth of each business.

In terms of the Scheme of Arrangement-cum-Demerger:

1. Polaris would continue to operate the FT services business whereas the Product Business was demerged into our Company *as a going concern* with effect from April 1, 2014 i.e. the appointed date.

2. Every shareholder of Polaris was to be issued one new equity share in our Company for every equity share held in Polaris i.e. a 1:1 ratio.

3. The equity shares of our Company were to be listed on the BSE and the NSE. Further, since the software products business is considered inherently riskier that software services business, the shareholders of our Company were given an option of receiving one fully secured non-convertible debentures of face value of ₹ 42/- bearing coupon rate of 7.75% per annum, in lieu of the every equity share of face value of ₹ 5/- each of our Company. The tenure of such debentures was 90 days from the date of allotment.

   The effective date of the Scheme of Arrangement-cum-Demerger was September 25, 2014.

   Pursuant to the Scheme of Arrangement-cum-Demerger the entire products business undertaking of Polaris including those set out below was demerged as a going concern to and, from the appointed date and upon the Scheme of Arrangement-cum-Demerger becoming effective, vested in, our Company:

1. All the assets and property of the products business whether moveable or immoveable, tangible or intangible, present or future including customers and third-parties and investments in the share capital of subsidiaries, registrations, permits, approvals, licenses, contracts, and certificates from international bodies were hived off from Polaris and transferred to our Company;

2. The investment in Indian and foreign subsidiaries where such subsidiaries carried on both the services and products business was to be apportioned after the appointed date further to restructuring of such subsidiaries to ensure that the products business of each entity is demerged or spun-off into our Company;

3. All liabilities including rupee loans, contingent liabilities *(excluding income tax liabilities, if any)*, debts, current liabilities *(excluding income tax liabilities, if any)*, pertaining/allocated to our Company;

4. All excise duty exemptions, income tax benefits, exemptions, approvals and recognitions for scientific research issued by the prescribed authority including the right of deduction under section 10AA of the Income Tax Act, 1961, in respect of the profits of the Product Business for the period remaining as on the appointed date out of the total period of deduction available;

5. All suits, actions and proceedings of whatsoever nature by or against the Product Business;

6. All employees in the service of the product business undertaking such that their services shall be continuous and without interruption, terms and conditions of employment shall be no less favourable; and

7. The pre-demerger shareholding of the shareholders of our Company (including Polaris) was cancelled in accordance with the provisions of Section 100 to 103 of the Companies Act, 1956, resulting in the shareholding pattern of our Company mirroring Polaris' shareholding pattern.

Pursuant to the Scheme of Arrangement-cum-Demerger, and from the appointed date and upon the Scheme of Arrangement-cum-Demerger becoming effective, the authorized share capital of our Company increased from₹ 5,00,000/- divided into 1,00,00 equity shares of face value of ₹5 each to ₹55,00,00,000/- divided into 11,00,00,00 equity shares of ₹5 each and the appropriate amendments were made to the Memorandum and Articles of our Company.

Further, the issued, subscribed and paid-up capital of our Company was ₹ 5,055.84 lakhs comprising 10,11,16,772 equity shares of face value of ₹ 5 each. For further details of our Company's capital structure please see chapter entitled '*Capital Structure*' on page 58 of this Draft Letter of Offer.

Scheme of Amalgamation of Indigo TX Software Private Limited and Laser Soft Infosystems Limited with our Company

On December 29, 2016, and December 30, 2016, our Company has filed with the NSE and the BSE, respectively, the draft scheme of amalgamation (**Scheme of Amalgamation**) between Indigo TX Software Private Limited (**Indigo TX**), Laser Soft Infosystems Limited (**Laser Soft**) and our Company and their respective shareholders.

Indigo TX and Laser Soft, were acquired in 2010 by Polaris Consulting and Services Limited. Subsequently, however, our Products Business was demerged into our Company and, presently, the Laser Soft and Indigo TX have no independent operations. Accordingly, with a view to eliminate administrative costs, and to reduce regulatory compliance and avoid multiplicity of transactions, the said companies are proposed to be merged with our Company.

In terms of the Scheme of Amalgamation:

1. The business of Indigo TX and Laser Soft will be amalgamated into our Company *as a going concern* with effect from April 1, 2016 i.e. the appointed date.

2. Since Indigo TX is a wholly owned subsidiary of our Company, upon the Scheme of Amalgamation being sanctioned by the Madras High Court, all the equity shares held by our Company and its nominees in Indigo TX shall be cancelled and extinguished as on the appointed date.

3. Upon the Scheme of Amalgamation being fully effective, our Company will issue and allot one equity share of ₹ 5/- each fully paid up in our Company for every 4.68 equity shares of ₹ 10/- each fully paid up held in Laser Soft to the

equity shareholders of Laser Soft whose names are recorded in the register of members of Laser Soft on the record date.

Pursuant to the Scheme of Amalgamation the entire business undertaking of Indigo TX and Laser Soft including those set out below will be amalgamated as a going concern to and, from the appointed date and upon the Scheme of Amalgamation becoming effective, vested in, our Company:

1. All the assets and property of the business whether moveable or immoveable, tangible or intangible, present or future including sundry debtors, loans and advances, cash and bank balances and deposits, investments, contracts, intellectual property rights will be hived off from Indigo TX and Laser Soft and transferred to our Company;

2. All floating charges created by Indigo TX and Laser Soft in favour of their bankers for all the movable assets, documents of title to goods, receivables, claims and other current assets that are acquired by Indigo TX and Laser Soft, shall be deemed to be the security and shall be available as security for the loans, cash credit and other working capital facilities, both fund based and non-fund based, which were sanctioned by the bankers of Indigo TX and Laser Soft either utilised fully or partly or unutilised by Indigo TX and Laser Soft subject to the limits sanctioned by their respective bankers so transferred and vested in our Company pursuant to the Scheme of Amalgamation;

3. All debt, liabilities, loans, borrowings, bills payable, deposits, security deposits, interest accrued, duties and obligations of Indigo TX and Laser Soft shall be transferred to our Company;

4. All suits, actions and proceedings of whatsoever nature by or against Indigo TX and Laser Soft;

5. All contracts, deeds, bonds, agreements, insurance policies and other instruments of Indigo TX and Laser Soft will be transferred to our Company; and

6. All staff, workmen and other employees in the service of Indigo TX and Laser Soft such that their services shall be continuous and without interruption, terms and conditions of employment shall be no less favourable.

Pursuant to the Scheme of Amalgamation, and from the appointed date and upon the Scheme of Amalgamation becoming effective, the authorized share capital of our Company will increase to ₹ 67,40,00,000/- divided into 13,48,00,00 equity shares of ₹ 5 each and the appropriate amendments will be made to the Memorandum and Articles of our Company.

Capital raising activities through equity and debt

Except as mentioned in chapter entitled *'Capital Structure'* on page 58 of this Draft Letter of Offer, our Company has not raised any capital through the issuance of equity shares. For details on the debt facilities availed of by our Company please see chapter entitled *'Financial Indebtedness'* on page 319 of this Draft Letter of Offer.

Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity

For details regarding the defaults or rescheduling of borrowings with financial institutions in respect of our current borrowings from lenders, see the chapter entitled *'Financial Indebtedness'* on page 319 of this Draft Letter of Offer.

Time and cost overruns

There have been no time and cost overruns in the development or construction of any of our project since the incorporation of our Company.

Injunctions or restraining order against our Company

There are no injunctions or restraining orders against our Company.

Lock outs and strikes

There have been no lock-outs or strikes at any of the unit of our Company or the Subsidiaries.

Changes in the activities of our Company during the last five years

Prior to the demerger of the Product Business into our Company, our Company did not carry on any business operation.

Partnership Firms

Our Company is not a partner in any partnership firm.

Our Shareholders

As on January 20, 2017, the total number of Shareholders of our Company is 68,409. For further details regarding our Shareholders please see chapter entitled '*Capital Structure*' on page 58 of this Draft Letter of Offer.

Strategic or Financial Partners

As on the date of this Draft Letter of Offer, our Company does not have any strategic or financial partner.

Our Holding Company

Our Company has no holding company.

Accumulated Profit/ (Loss)

Except for the accumulated profits/(loss) that are considered in the Restated Consolidated Summary Statements, there are no accumulated profits or losses of Subsidiaries that are not accounted for by our Company in the Restated Consolidated Summary Statements.

Our Subsidiaries

As on the date of this Draft Letter of Offer, our Company has 22 subsidiaries, comprising of 7 Indian subsidiaries and 15 foreign subsidiaries, of which 12 are direct subsidiaries and 10 are step down subsidiaries.

1. **Laser Soft Infosystems Limited**

   Corporate Information

   Laser Soft Infosystems Limited was incorporated as 'Laser Soft Infosystems' on February 16, 2000 as a public company with unlimited liability under the Companies Act, 1956. Pursuant to its conversion into a limited liability company, the name was changed to 'Laser Soft Infosystems Limited' and a fresh certificate of incorporation was issued by the Registrar of Companies, Tamil Nadu, Chennai on February 23, 2000. It was a subsidiary of Polaris Consulting & Services Limited. Pursuant to the Scheme of Arrangement-cum-Demerger, it became a subsidiary of our Company. It has its registered office at 244 Anna Salai, Chennai – 600 006, Tamil Nadu, India.

   Business

   Laser Soft Infosystems Limited is in the business of development of products for the banking and financial service sector. The product offerings cover the entire range of banking operations and include core banking and specialized products like treasury, trade finance, cash management and recon systems.

   Capital Structure

   The authorised share capital of Laser Soft Infosystems Limited is ₹ 12,00,00,000 divided into 1,20,00,000 equity shares of ₹ 10 each and the issued and paid up share capital of Laser Soft Infosystems Limited is ₹ 7,83,13,200 divided into 78,31,320 equity shares of ₹ 10 each.

   Shareholding

   Our Company holds 78,28,838 equity shares of ₹ 10 each aggregating to 99.97 % of the issued, subscribed and paid up share capital of Laser Soft Infosystems Limited.

2. **Intellect Commerce Limited**

Corporate Information

Intellect Commerce Limited was incorporated as 'Polaris Retail & Communication Limited' on November 23, 1998 as a public limited company under the Companies Act, 1956. The name was changed to 'Polaris Retail Infotech Limited' and a fresh certificate of incorporation as was issued by the Registrar of Companies, Tamil Nadu, Chennai on September 30, 1999. The name was further changed to 'Polaris Enterprise Solution Limited' and a fresh certificate of incorporation as was issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands on January 3, 2011. The name was further changed to 'Polaris Enterprise Solutions Limited' and a fresh certificate of incorporation as was issued by the Registrar of Companies, Tamil Nadu, Chennai on March 18, 2011. It was a subsidiary of Polaris Consulting & Services Limited. Pursuant to the Scheme of Arrangement-cum-Demerger, it became a subsidiary of our Company. The name was further changed to 'Intellect Commerce Limited' and a fresh certificate of incorporation was issued by the Registrar of Companies, Chennai on November 18, 2015. It has its registered office at Carex Center, 713, Anna Salai, Chennai – 600 006, Tamil Nadu, India.

Business

Intellect Commerce Limited is in the business of providing retail software, store management software, point of sale (POS) software, warehouse management software, inventory software and loyalty management software for leading retail chains across various verticals like fast-moving consumer goods, fashion & lifestyle, specialty and food & beverages.

Capital Structure

The authorised share capital of Intellect Commerce Limited is ₹ 11,00,00,000 divided into 1,00,00,000 equity shares of ₹ 10 each and 10,00,000 preference shares of ₹ 10 each, and the issued and paid up share capital of Intellect Commerce Limited is ₹ 9,00,00,000 divided into 90,00,000 equity shares of ₹ 10 each.

Shareholding

Our Company holds 89,99,994 equity shares of ₹ 10 each aggregating to 99.99 % of the issued, subscribed and paid up share capital of Intellect Commerce Limited.

3. **Indigo TX Software Private Limited**

Corporate Information

Indigo TX Software Private Limited was incorporated on October 13, 2004 as a private company under the Companies Act, 1956. It was a subsidiary of Polaris Consulting & Services Limited. Pursuant to the Scheme of Arrangement-cum-Demerger, it became a subsidiary of our Company. It has its registered office at 244 Anna Salai, Chennai – 600 006, Tamil Nadu, India.

Business

Indigo TX Software Private Limited is in the business of developing and providing enterprise brokerage platform for banks, brokers, and other financial intermediaries. Our Company's platform supports investment and trading in equities, equity derivatives, currency derivatives, interest rate derivatives, IPO's, mutual funds, and commodities in the Indian market.

Capital Structure

The authorised share capital of Indigo TX Software Private Limited is ₹ 40,00,000 divided into 20,00,000 equity shares of ₹ 2 each, and the issued and paid up share capital of Indigo TX Software Private Limited is ₹ 39,70,400 divided into 19,85,200 equity shares of ₹ 2 each.

Shareholding

Our Company holds 19,85,200 equity shares of ₹ 2 each aggregating to 100% of the issued, subscribed and paid up share capital of Indigo TX Software Private Limited.

4. **SFL Properties Private Limited**

Corporate Information

SFL Properties Private Limited was incorporated on May 22, 2006 as a private company under the Companies Act, 1956. It was a subsidiary of Polaris Consulting & Services Limited. Pursuant to the Scheme of Arrangement-cum-Demerger, it became a subsidiary of our Company. It has its registered office at 244 Anna Salai, Chennai– 600 006, Tamil Nadu, India.

Business

SFL Properties Private Limited is in the business of buying, acquiring, purchasing land and, or building or industrial units either through auctions or by direct negotiations and developing / promoting / converting the said land / building including addition of fresh construction on the said land and building, commercial complexes or other buildings.

Capital Structure

The authorised share capital of SFL Properties Private Limited is ₹ 2,00,00,000 divided into 20,00,000 equity shares of ₹ 10 each, and the issued and paid up share capital of SFL Properties Private Limited is ₹ 1,56,00,000 divided into 15,60,000 equity shares of ₹ 10 each.

Shareholding

Our Company holds 15,60,000 equity shares of ₹ 10 each aggregating to 100% of the issued, subscribed and paid up share capital of SFL Properties Private Limited.

5. **Intellect Payments Limited**

Corporate Information

Intellect Payments Limited was incorporated on October 17, 2015 as a public company under the Companies Act, 2013. It is a subsidiary of our Company. It has its registered office at 244 Anna Salai, Chennai– 600 006, Tamil Nadu, India.

Business

Intellect Payments Limited is in the business digital technology product solutions with a specific focus on the payments industry.

Capital Structure

The authorised share capital of Intellect Payments Limited is ₹ 15,00,00,000 divided into 3,00,00,000 equity shares of ₹ 5 each, and the issued and paid up share capital of Intellect Payments Limited is ₹ 2,55,00,000 divided into 51,00,000 equity shares of ₹ 5 each.

Shareholding

Our Company holds 50,99,994 equity shares of ₹ 5 each aggregating to 99.99% of the issued, subscribed and paid up share capital of Intellect Payments Limited.

6. **Intellect India Limited**

Corporate Information

Intellect India Limited was incorporated on January 6, 2016 as a public company under the Companies Act, 2013. It is a subsidiary of our Company. It has its registered office at 244 Anna Salai, Chennai– 600 006, Tamil Nadu, India.

Business

Intellect India Limited is in the business of providing digital technology product solutions with a specific focus on the banking, financial services and insurance sectors. A uniquely focused products business, it addresses the needs of financial institutions in varying stages of technology adoption.

Capital Structure

The authorised share capital of Intellect India Limited is ₹ 5,00,000 divided into 1,00,000 equity shares of ₹ 5 each, and the issued and paid up share capital of Intellect India Limited is ₹ 5,00,000 divided into 1,00,000 equity shares of ₹ 5 each.

Shareholding

Our Company holds 99,994 equity shares of ₹ 5 each aggregating to 99.99% of the issued, subscribed and paid up share capital of Intellect India Limited.

7. **SEEC Technologies Asia Private Limited**

Corporate Information

SEEC Technologies Asia Private Limited was incorporated on March 23, 1998 as a private company under the Companies Act, 1956. It is a step down subsidiary of our Company. It is a subsidiary of Intellect Design Arena Inc., USA which is a subsidiary of Intellect Design Arena Pte Ltd, Singapore which in turn is a foreign subsidiary of our Company. It has its registered office at Plot No.6, APIIC Software Units Layout Hi-Tec City, Madhapur, Hyderabad, Kurnool, Telangana, India – 500 081.

Business

SEEC Technologies Asia Private Limited is in the business of providing product and component services company for insurance vertical. it enables insurance firms deliver a seamless customer experience across all products, channels and lines of business.

Capital Structure

The authorised share capital of SEEC Technologies Asia Private Limited is ₹ 3,50,00,000 divided into 35,00,000 equity shares of ₹ 10 each, and the issued and paid up share capital of SEEC Technologies Asia Private Limited is ₹ 3,49,90,020 divided into 34,99,002 equity shares of ₹ 10 each.

Shareholding

Our Company through, our subsidiary, Intellect Design Arena Inc., USA, holds 34,99,000 equity shares of ₹10 each aggregating to 99.99% of the issued, subscribed and paid up share capital of SEEC Technologies Asia Private Limited.

8. **Intellect Design Arena SA, Switzerland**

Corporate Information

Intellect Design Arena SA was incorporated on August 11, 2000 under the laws of the country of Switzerland. It is a foreign direct subsidiary of our Company. It has its registered office at Avenue de la Gare 49, CH 2001, Neuchatel, Switzerland.

Business

Intellect Design Arena SA is in the business of information technology consulting.

Capital Structure

The authorised, issued and paid up share capital of Intellect Design Arena SA, Switzerland is CHF 3,50,000.

Shareholding

Our Company holds 100% of the issued, subscribed and paid up share capital of Intellect Design Arena SA.

9. **Intellect Design Arena Co. Ltd, Vietnam**

Corporate Information

Intellect Design Arena Co. Ltd was incorporated on April 7, 2010 under the laws of the country of Vietnam. It is a foreign direct subsidiary of our Company. It has its registered office at M Level, HSC Building, 162 B Dien Bien Phu Street, Ward 6, District 3, Ho Chi Minh City, Vietnam.

Business

Intellect Design Arena Co. Ltd. is in the business of software development and products maintenance and support.

Capital Structure

The authorised share capital of Intellect Design Arena Co. Ltd is VND 1,80,00,00,000 and the issued and paid up share capital is VND 90,00,00,000.

Shareholding

Our Company holds 100% of the issued, subscribed and paid up share capital of Intellect Design Arena Co. Ltd.

10. **Intellect Design Arena FZ LLC, Dubai**

Corporate Information

Intellect Design Arena FZ LLC was incorporated under the laws of the country of United Arab Emirates. It is a foreign direct subsidiary of our Company.

Business

Intellect Design Arena FZ LLC is in the business of information technology consulting and services.

Capital Structure

The authorised, issued and paid-up share capital of Intellect Design Arena FZ LLC is AED 15,00,000.

Shareholding

Our Company holds 100% of the issued, subscribed and paid up share capital of Intellect Design Arena FZ LLC, Dubai.

11. **Intellect Design Arena Limited, United Kingdom**

Corporate Information

Intellect Design Arena Limited was incorporated on June 3, 1998 under the laws of the country of United Kingdom. It is a foreign direct subsidiary of our Company.

Business

Intellect Design Arena Limited is in the business of software development, software engineering and information technology consultancy.

Capital Structure

The authorised share capital of Intellect Design Arena Limited, United Kingdom is GBP 1,000,000 and the issued and paid up share capital is GBP 8,89,000.

Shareholding

Our Company holds 100% of the issued, subscribed and paid up share capital of Intellect Design Arena Limited.

12. **Intellect Design Arena Ltda, Chile**

Corporate Information

Intellect Design Arena Ltda was incorporated on August 30, 2006 in under the laws of the country of Chile. It is a step down subsidiary of our Company. It is a subsidiary of Intellect Design Arena Limited, United Kingdom which is a foreign direct subsidiary of our Company.

Business

Intellect Design Arena Ltda is in the business of software consulting and products.

Capital Structure

The authorised share capital of Intellect Design Arena Ltda is unlimited and the issued and paid up share capital of is USD 12,222.

Shareholding

Our Company through Intellect Design Arena Limited, United Kingdom and Intellect Design Arena Inc. Canada, our Subsidiaries holds 100% of the issued, subscribed and paid up share capital of Intellect Design Arena Ltda.

13. **Intellect Design Arena Pte. Ltd, Singapore**

Corporate Information

Intellect Design Arena Pte. Ltd was incorporated on February 17, 1997 in Singapore under the laws of the country of Singapore. It is foreign direct subsidiary of our Company. It has its registered office at No.1, North Bridge Road, #19-04, High Street Center, Singapore – 179 094.

Business

Intellect Design Arena Pte. Ltd is in the business of providing computer software services, software development, implementation and maintenance of the software.

Capital Structure

The issued and paid up share capital of Intellect Design Arena Pte. Ltd is SGD 3,799,500.

Shareholding

Our Company holds 3,799,500 equity shares of SGD 1 each aggregating to 100% of the issued, subscribed and paid up share capital of Intellect Design Arena Pte. Ltd.

14. **PT Intellect Design Arena, Indonesia**

Corporate Information

PT Intellect Design Arena was incorporated on December 16, 2014 under the laws of the Indonesia. It is a step down subsidiary of our Company. It is a subsidiary of Intellect Design Arena Pte. Ltd, Singapore which is a foreign direct subsidiary of our Company. It has its registered office at Menara BCA 50th floor, JI. MH Thamrin No.1, Jakarta Indonesia.

Business

PT Intellect Design Arena is in the business of to provide digital technology product solutions with a specific focus on the banking, financial services and insurance sectors. A uniquely focused products business, Intellect addresses the needs of financial institutions in varying stages of technology adoption.

Capital Structure

The authorised share capital of PT Intellect Design Arena is IDR 12,092,000,000 and the issued and paid up share capital is IDR 3,023,000,000.

Shareholding

Our Company through Intellect Design Arena Pte. Ltd, Singapore, our Subsidiary, holds 2,490 equity shares aggregating to 99.60% of the issued, subscribed and paid up share capital of PT Intellect Design Arena.

15. **FT Grid Pte Ltd, Singapore**

Corporate Information

FT Grid Pte Ltd was incorporated on May 4, 2011 under the laws of the country of Singapore. It is a subsidiary of Intellect Design Arena Pte Ltd, Singapore which is a foreign direct subsidiary of our Company. It has its registered office at #19-04, North Bridge Road, High Street Center, Singapore – 179094.

Business

FT Grid Pte Ltd is in the business of computer software services, software development, implementation and maintenance of the software.

Capital Structure

The authorised, issued and paid up share capital of FT Grid Pte Ltd is SGD 1,000.

Shareholding

Our Company through Intellect Design Arena Pte Ltd, our Subsidiary, holds 100% of the issued, subscribed and paid up share capital of FT Grid Pte Ltd.

16. **Intellect Design Arena Philippines, Inc., Philippines**

Corporate Information

Intellect Design Arena Philippines, Inc. was incorporated on June 15, 2011 under the laws of the Republic of Philippines. It is a subsidiary of Intellect Design Arena Pte Ltd, Singapore which is a foreign direct subsidiary of our Company. It has its registered office at 37th Floor CEO Suite, LKG Tower, 6801 Ayala Avenue, Makati City, Philippines.

Business

Intellect Design Arena Philippines, Inc. is in the business of computer software services, such as, but not limited to system study, analysis and designs, development and implementation of software systems and trading of software products.

Capital Structure

The authorised share capital of Intellect Design Arena Philippines, Inc. is PHP 100,000,000 divided into 10,00,00,000 equity shares of PHP 1 each, and the issued and paid up share capital of Intellect Design Arena Philippines, Inc. is PHP 25,000,007 divided into 25,000,007 equity shares of PHP 1 each.

Shareholding

Our Company through Intellect Design Arena Pte Ltd, Singapore, our Subsidiary, holds 21,847,612 equity shares of PHP 1 each aggregating to 99.99% of the issued, subscribed and paid up share capital of Intellect Design Arena Philippines, Inc.

17. **Intellect Design Arena Pty Ltd., Australia**

Corporate Information

Intellect Design Arena Pty Ltd was registered on October 27, 2015 under the laws of the country of Australia. It is a subsidiary of Intellect Design Arena Pte Ltd (Singapore) which is a foreign direct subsidiary of our Company. It has its registered office at Level 12, 31 Market Street Sydney, New South Wales – 2000, Australia.

Business

The main object of Intellect Design Arena Pty Ltd is to provide digital technology product solutions with a specific focus on the banking, financial services and insurance sectors.

Capital Structure

Intellect Design Arena Pty Ltd has 100,000 ordinary shares issued at AUD 1 per share.

Shareholding

Our Company through Intellect Design Arena Pte Ltd, Singapore, our Subsidiary, holds 100% of the issued, subscribed and paid up share capital of Intellect Design Arena Pty Ltd.

18. **Intellect Design Arena Inc., USA**

Corporate Information

Intellect Design Arena Inc. was incorporated on June 24, 2005 under the laws of the State of Delaware, USA. It is a foreign step down subsidiary of our Company. It is a subsidiary of Intellect Design Arena Pte Ltd, Singapore which is a foreign direct subsidiary of our Company.

Business

Intellect Design Arena Inc., US is in the business of software development engineering and information technology consultancy.

Capital Structure

The issued and paid up share capital of Intellect Design Arena Inc.is USD 7,050,000.

Shareholding

Our Company through Intellect Design Arena Pte. Ltd., Singapore, our Subsidiary, holds 100% of the issued, subscribed and paid up share capital of Intellect Design Arena Inc.

19. **Intellect Design Arena Inc., Canada**

Corporate Information

Intellect Design Arena Inc. was incorporated on March 2, 2015 under the laws of the country of Canada. It is a foreign step down subsidiary of our Company. It is a subsidiary of Intellect Design Arena Pte Ltd, Singapore which is a foreign direct subsidiary of our Company. It has its registered office at 130 King Street West, Suite 1800, Toronto, M5X 1E3, Canada.

Business

Intellect Design Arena Inc. is in the business of to provide digital technology product solutions with a specific focus on the banking, financial services and insurance sectors.

Capital Structure

The authorised share capital of Intellect Design Arena Inc. is unlimited and the issued and paid up share capital Intellect Design Arena Inc. is CAD 500,000.

Shareholding

Our Company through Intellect Design Arena Pte Ltd, Singapore, our Subsidiary, holds 100% of the issued, subscribed and paid up share capital of Intellect Design Arena Inc.

20. **Intellect Design Arena, SDN BHD, Malaysia**

Corporate Information

Intellect Design Arena Sdn. Bhd. was incorporated on July 22, 2015 under the laws of the country of Malaysia. It is a subsidiary of Intellect Design Arena Pte. Ltd., Singapore which is a foreign direct subsidiary of our Company. It has its registered office at Suite 1007, 10th Floor, Wisma Lim Foo Yong, No. 86, Jalan Raja Chulan, 50200, Kuala Lumpur Malaysia.

Business

Intellect Design Arena Sdn. Bhd. is in the business of providing high performance financial technology solution to banking and financial institutions and insurance industries sector in Malaysia.

Capital Structure

The authorised share capital of Intellect Design Arena Sdn. Bhd. is RM 1,000,000 and the issued and paid up share capital is RM 514,002.

Shareholding

Our Company through Intellect Design Arena Pte Ltd, Singapore, our subsidiary, holds 100% of the issued, subscribed and paid up share capital of Intellect Design Arena, SDN BHD.

21. **Intellect Design Arena Limited, Thailand**

Corporate Information

Intellect Design Arena Limited was incorporated on July 23, 2012 as a limited company under the laws of the country of Thailand. It is a foreign step down subsidiary of our Company. It is a subsidiary of Intellect Design Arena Pte Ltd, Singapore which is a foreign direct subsidiary of our Company. It has its registered office at Level 33, Interchange 21, 399 Sukhumvit Road, Bangkok, 10110, Thailand.

Business

Intellect Design Arena Limited is in the business of software design, development, installation and related services.

Capital Structure

The authorised, issued and subscribed share capital of Intellect Design Arena Limited is THB 22,350,000 and paid up share capital Intellect Design Arena Limited, is THB 44,70,000.

Shareholding

Our Company through our subsidiary, Intellect Design Arena Pte Ltd, Singapore, holds 44,69,998 equity shares of THB 5 each aggregating to 99.99% of the issued, subscribed and paid up share capital of Intellect Design Arena Limited.

22. **Sonali Polaris FT Limited, Bangladesh**

Corporate Information

Sonali Polaris FT Limited was incorporated under the laws of the country of Bangladesh. It is a joint venture of our Company, Sonali Bank Limited and Bangladesh Commerce Bank Ltd. It has its registered office at 7th Floor, 35, Kemal Ataturk Avenue, Bonani, Dhaka - 1213, Bangladesh.

Business

Sonali Polaris FT Limited is in the business of software services.

Capital Structure

The authorised share capital of Sonali Polaris FT Limited is BDT 50,00,00,000.

Shareholding

Our Company holds 38,25,000 equity shares aggregating to 51% of the issued, subscribed and paid up share capital of Sonali Polaris FT Limited.

Guarantees

For details on the guarantees issued by us and our Subsidiaries, joint ventures and associate companies, please refer to '*Financial Indebtedness*' on page 319 of this Draft Letter of Offer.

Other Material Contracts

Our Company has not entered into any material contract, not being a contract entered into in the ordinary course of the business or a contract entered into more than two years before the date of this Draft Letter of Offer.

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Letter of Offer, our Board comprises of six Directors.

The following table sets forth details regarding our Board of Directors:

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ proprietorship
1.	Mr. Arun Jain ***Designation**:* Chairman and Managing Director ***Address**:* 2nd Floor, Varishtha Garden, 20 Club Gate Road, Raja Annamalai Puram, Chennai – 600 028. ***Occupation**:* Service ***Nationality**:* Indian ***Term**:* August 30, 2014 – August 29, 2017 ***DIN**:* 00580919	57	***Other Directorships*** • Maveric Systems Limited • Polaris Banyan Holding Private Limited • Intellect Payments Limited • Startup Nukad India Foundation • School of Design Thinking Private Limited • Jain International Trade Organisation • Adrenalin eSystems Limited ***Partnerships*** NIL ***Trusteeships*** • Polaris Foundation Trust • Aaum Trust • ADK Jain Memorial Trust • Chandraprabhu TTD Charities Trust • Konark Trust • Polestar Foundation Trust • Ullas Trust ***Proprietorship*** NIL
2.	Mr. Anil Kumar Verma ***Designation**:* Whole Time Director ***Address**:* 5 Lily Street, Burdwood Height, NSW 2136, Australia. ***Occupation**:* Service ***Nationality**:* Australian ***Term**:* February 1, 2015 to January 31, 2018 ***DIN:*** 01957168	61	***Other Directorships*** • Oculus Healthcare Private Limited • Artec Interactives Private Limited ***Partnerships*** NIL ***Trusteeships*** NIL ***Proprietorship*** NIL
3.	Dr. Ashok Jhunjhunwala	63	***Other Directorships***

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ proprietorship
	Designation: Independent Director ***Address:*** C2 2-5, Third Loop Road, IIT Campus, IIT Madras, Chennai – 600 036. ***Occupation***: Service ***Nationality***: Indian ***Term***: September 17, 2014 to September 16, 2017 ***DIN***: 00417944		• IIT Madras Research Park • Biotechnology Industry Research Assistance Council • IITM Incubation Cell • Sasken Communcations Technologies Limited • Tata Teleservices (Maharashtra) Limited • Tata Communications Limited • Tejas Networks Limited • Exicom Tele-Systems Limited • Mahindra Reva Electrical Vehicles Private Limited ***Partnerships*** NIL ***Trusteeships*** NIL ***Proprietorship*** NIL
4.	Mr. Venkataratnam Balaraman ***Designation***: Independent Director ***Address:*** Guru Guha, New No. 24, Old No, Third Main Road, Kasturba Nagar, Chennai – 600 020. ***Occupation***: Management Consultant ***Nationality***: Indian ***Term***: September 17, 2014 to September 16, 2017 ***DIN***: 00267829	70	***Other Directorships*** • Computer Age Management Services Private Limited • Mahindra World City Developers Limited • India Nippon Electricals Limited • Parry Enterprises India Limited • Mother Dairy Fruit & Vegetable Private Limited • Delphi – TVS Diesel Systems Limited ***Partnerships*** NIL ***Trusteeships*** NIL ***Proprietorship*** Board Room Advantage
5.	Ms. Aruna Krishnamurthy Rao ***Designation***: Independent Director ***Address:*** 2302 Heritage,	57	***Other Directorships*** NIL ***Partnerships***

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ proprietorship
	Hiranandani Gardens, Powai, Mumbai – 400 076 ***Occupation:*** Service ***Nationality:*** Indian ***Term:*** October 9, 2014 to October 8, 2017 ***DIN:*** 06986715		NIL ***Trusteeships*** NIL ***Proprietorship*** NIL
6.	Mr. Arun Shekhar Aran ***Designation:*** Independent Director ***Address:*** 902, Brindaban III, Poonam Nagar, Andheri East, Mumbai 400 093. ***Occupation:*** Service ***Nationality:*** Indian ***Term:*** July 21, 2016 to July 20, 2019 ***DIN:*** 00015335	57	***Other Directorships*** • NUC Soft Limited • OSS Software Solutions Labs Private Limited • NUCSOFT OSS Labs Private Limited ***Partnerships*** NIL ***Trusteeships*** NIL ***Proprietorship*** NIL

Relationship between our Directors

None of our Directors are related to each other, as defined in the Companies Act, 2013.

Brief Biographies of Directors

Mr. Arun Jain is the Chairman and Managing Director of our Company. He holds a Bachelor of Science (Electrical Engineering) Electronics from the University of Delhi. He is one of our Promoters. His expertise in the industry spans over a period of more than 30 years. Mr. Arun Jain is the recipient of prestigious accolades including the ‘Indo-ASEAN Business Initiative Award’, the 'ICICI Venture – CII Connect Entrepreneur Award', Lifetime Achievement Award from Confederation of Indian Industry (CII) and Connect 2016 Visionary of India 2014-15. The Times Group featured him in ‘Pathfinders’, as one among extraordinary personalities in the IT & ITES industry.

Mr. Anil Kumar Verma is the Whole Time Director of our Company. He holds a Bachelor of Electrical Engineering from Indian Institute of Technology, Delhi and is a post-graduate in instructional design from the University of Wollongong, Australia. His expertise in the industry spans over a period of more than 35 years. He has been associated with NASSCOM Australia. Australian Computer Society, Australian Information Industry Association – Financial Services Group) and Financial Services Insittute of Australia (FINSIA).

Dr. Ashok Jhunjhunwala is an Independent Director of our Company. He holds a Bachelors in technology from Indian Institute of Technology, Kanpur and his Master in Science and Ph.D from the University of Maine, USA. He was with the Washington State University and has been at Indian Institute of Technology, Madras ever-since where he leads the telecommunications and computer networks group. Dr. Ashok Jhunjhunwala has been awarded the Padma Shri in the year 2002. He has been awarded the Dr. Vikram Sarabhai Research Award, Shanti Swarup Bhatnagar Award, Millennium Medal at India Science Congress, H. K. Firodia for “Excellence in Science & Technology”, Sri Om Prakash Bhasin Foundation Award for Science & Technology, Jawaharlal Nehru Birth Centenary Lecture Award by INSA, IBM Innovation and Leadership

Forum Award by IBM, Honorary Doctrate by the Institute of Blekinge Institute of Technology, Sweden, Bernard Low Humanitarian Award, Bharat Asmita Vigyaan – Tantragyaan Shresththa Award for the best use of Science and Technology through innovation, and University of Maine, USA, JC Bose Fellowship by DST, Government of India, Dronacharya by TiE and Top Innovator of Top 11 Innovators Challenge. He has been associated with State Bank of India, Bharat Electronics Limited, National Research Development Corporation, Institute for Development and Research in Banking Techonology, Videsh Sanchar Nigam Limited and Bharat Sanchar Nigam Limited.

Mr. Venkataratnam Balaraman is an Independent Director of our Company. He is a Bachelor of Technology in chemical engineering from the University of Madras and a Masters in Business Administration from the Indian Institute of Management, Ahmedabad. He has been associated with Pond's Exports Limited, Hindustan Lever Limited, Adrenalin eSystems Limited, Parry Enterprise India Limited, Polaris Consulting & Services Limited, Mother Dairy Fruit & Vegetable Private Limited, Computer Age Management Services Private Limited and Mahindra World City Developers Limited. He has 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.

Ms. Aruna Krishnamurthy Rao is an Independent Director of our Company. She holds a Bachelor of Science (Special) from the Gujarat University, Master of Business Administration from the Gujarat University and Masters in Science in Information Systems from the Maryland University, USA. She is the executive vice president and group chief technology officer of Kotak Mahindra group. Prior to her stint in Kotak Mahindra Group, she had a 20 year experience. She has been associated with Citicorp Overseas Software Limited and Polaris Software Lab Limited (as Polaris Consulting & Services Limited was then called)

Mr. Arun Shekhar Aran is an Independent Director of our Company. He holds a Bachelor of Technology in Mechanical Engineering from Indian Institute of Technology, Delhi and Post Graduate Diploma in Management specializing in Systems from Indian Institute of Management, Ahmedabad . He has been associated with Asian Paints (I) Limited, Nucleus Software Workshop Private Limited and NUC Soft Limited.

Confirmations

None of our Directors are or were directors of any listed company during the last five years preceding the date of this Draft Letter of Offer, whose shares have been or were suspended from being traded on the BSE or the NSE.

None of our Directors are or were directors of any listed company which has been or was delisted from any stock exchange except as set out below:

Particulars	**Directors**		
	Mr. Arun Jain	**Dr. Ashok Jhunjhunwala**	**Mr. Venkataratnam Balaraman**
Name of the Company	Polaris Financial Technology Limited *(as it then was)*	Polaris Financial Technology Limited *(as it then was)*	Polaris Financial Technology Limited *(as it then was)*
Name of the stock exchange	Madras Stock Exchange	Madras Stock Exchange	Madras Stock Exchange
Date of delisting from the stock exchange	With effect from October 15, 2014	With effect from October 15, 2014	With effect from October 15, 2014
Compulsory / Voluntary delisting	Voluntary	Voluntary	Voluntary
Reasons for delisting	Voluntary delisting pursuant to SEBI (Delisting of Securities) Regulations, 2009	Voluntary delisting pursuant to SEBI (Delisting of Securities) Regulations, 2009	Voluntary delisting pursuant to SEBI (Delisting of Securities) Regulations, 2009
Whether relisted	No	No	No
Term of directors	September 29, 1995 to March 4, 2016	June 16, 2001 to March 4, 2016	April 27, 2013 to March 4, 2016

Except as disclosed in the chapter entitled *'Outstanding Litigations and Material Developments'* beginning on page 329 of this Draft Letter of Offer, no proceedings / investigations have been initiated by SEBI against any company, the board of directors of which also comprise any of the Directors. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested, by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company. Except for the service contracts entered into with Mr. Arun Jain and Mr. Anil Kumar Verma, our Company has not entered into any service contracts with our Directors.

Terms of appointment of Executive Directors

Mr. Arun Jain, Chairman & Managing Director

Mr. Arun Jain was appointed as our Chairman and Managing Director, pursuant to a Board resolution dated August 30, 2014 and a special resolution passed by the members of our Company on September 17, 2014, for a period of three years. Our Company entered into an agreement dated August 30, 2014. The terms of his appointment include:

1. He draws no remuneration from our Company.

2. He is entitled to perquisites up to an amount not exceeding ₹20,00,000/- per annum.

3. The perquisites include the following:

   a. Reimbursement of medical expenses & leave travel allowance for self and family.

   b. Use of care with chauffeur and telephone at residence.

   c. Medical and accident insurance premium as per rules of our Company and keyman insurance, if any.

   d. Leave in accordance with the leave rules of our Company.

4. His functions include the management of the business of our Company with power to appoint and dismiss employees of our Company, to enter into contracts on behalf of our Company in the ordinary course of its business and to do and perform all other acts and things, which, in the ordinary course of business, he may consider necessary or proper or in the interests of our Company.

5. He is not entitled to any sitting fees for attending meetings of the Board or any Committee.

Mr. Anil Kumar Verma, Whole-Time Director

Mr. Anil Kumar Verma was appointed as our Whole-Time Director, pursuant to a Board resolution dated January 30, 2015 with effect from February 1, 2015 to January 31, 2018. Our Company entered into an agreement dated January 30, 2015 as amended by an agreement dated August 1, 2015. The terms of his appointment include:

1. He draws a base pay of AUD 2,40,000 per annum with a variable pay of AUD 60,000.

2. He is entitled to receive perquisites of 2,25,000 stock options as per the stock option schemes of our Company.

3. He is not entitled to sitting fees for attending meetings of the Board or any Committees.

4. Agreement can be terminated by either party by serving a three months' notice or our Company paying three months' remuneration in lieu of such notice.

The Central Government *vide* its letter dated October 7, 2015 approved the appointment of Mr. Anil Kumar Verma as an Executive Director of our Company.

Payment or benefit to Directors of our Company

The sitting fees / other remuneration paid to our Directors in Financial Year 2016 are as follows:

1. **Remuneration to Executive Directors**

Sr. No.	Name of the Director	Amount paid

1.	Mr. Arun Jain	NIL
2.	Mr. Anil Kumar Verma	AUD 2,40,000

2. **Remuneration to Non-Executive Directors**

Our Company has, pursuant to a board resolution dated September 24, 2014, fixed the sitting fees of our Non-Executive Directors at ₹15,000 per meeting of the Board and Audit Committee and ₹5,000 per meeting of any other Committee. However, pursuant to the board resolution dated April 27, 2015, the sitting fee for attending Board meetings was increased to ₹ 50,000 per meeting and ₹ 30,000 per meeting for any other Committee. Our Company has paid the following amounts as sitting fees to our Non-Executive Directors in Financial Year 2016:

Sr. No.	Name of Director	Amount paid (in ₹ lakhs)
1.	Dr. Ashok Jhunjhunwala	8.90
2.	Mr. Venkataratnam Balaraman	8.90
3.	Ms. Aruna Krishnamurthy Rao	NIL
4.	Mr. Arun Shekhar Aran	NIL

Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with the major shareholders, clients, suppliers or others, pursuant to which any of our Directors were appointed on our Board.

Shareholding of Directors in our Company

Except as disclosed below, none of our Directors hold any Equity Shares as of the date of this Draft Letter of Offer.

Sr. No.	Name of Director	No. of Equity Shares	Percentage	Total number of stock options granted but not exercised
1.	Mr. Arun Jain	48,09,365	4.76	Nil
2.	Mr. Anil Kumar Verma	41,000	0.04	2,05,000
3.	Dr. Ashok Jhunjhunwala	28,800	0.03	15,000
4.	Mr. Venkataratnam Balaraman	Nil	Nil	25,000
5.	Mr. Arun Shekhar Aran	4,74,565	0.47	Nil
6.	Ms. Aruna Krishnamurthy Rao	6,860	0.01	Nil

Our Articles of Association do not require our Directors to hold any qualification shares.

Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors currently hold any office or place of profit in our Company.

Interest of Directors

Except as stated in *'Related Party Transactions'* on page 163 of this Draft Letter of Offer, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Except as disclosed in the chapter entitled '*Our Promoters and Promoter Group*' on page 153 of this Draft Letter of Offer, our Promoters have no interest in any property acquired by our Company two years prior to the date of this Draft Letter of Offer.

The Directors may also be regarded as interested in the Equity Shares or employee stock options held by them, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and Promoters, pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Except as stated in the chapter entitled '*Our Promoters and Promoter Group*' on page 153 of this Draft Letter of Offer, none of our Directors have any interest in the promotion of our Company, other than in the ordinary course of business.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Director, except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

None of our Directors is party to any bonus or profit sharing plan of our Company.

Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company, pursuant to which they are entitled to any benefits upon termination of employment.

Changes in our Board in the last three years

Name	Date of Appointment/ Change/ Cessation	Reason
Mr. Govind Singhal	April 18, 2011	Appointment
Mr. Govindarajan Krishnamurthy	April 18, 2011	Appointment
Mr. Jaideep Billa	April 18, 2011	Appointment
Mr. Jaideep Billa	February 4, 2014	Resignation
Mr. Subramaniam Swaminathan	February 4, 2014	Appointment as Additional Director
Mr. Arun Jain	August 30, 2014	Appointment
Mr. Govindarajan Krishnamurthy	September 17, 2014	Retirement
Mr. Subramaniam Swaminathan	September 17, 2014	Resignation
Dr. Ashok Jhunjhunwala	September 17, 2014	Appointment
Mr. Venkataratnam Balaraman	September 17, 2014	Appointment
Mr. Govind Singhal	September 30, 2014	Resignation
Mr. Anil Kumar Verma	September 30, 2014	Appointment as Additional Director
Ms. Aruna Krishnamurthy Rao	October 9, 2014	Appointment
Mr. Anil Kumar Verma	February 1, 2015	From Additional Director to Whole Time Director
Mr. Arun Shekhar Aran	May 3, 2016	Appointment as Additional Director
Mr. Arun Shekhar Aran	July 21, 2016	Re-designation from Additional Director to Independent Director

Borrowing Powers of Board

In accordance with the Articles of Association and the provisions of the Companies Act, 2013, the Board may, from time to time at its discretion, by a resolution passed its meeting, accept deposits from members either in advance of call or otherwise, and generally raise or borrow money or secure the payment of any sum or sums of money for the purposes of our Company provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of our Company and its free reserves (that is to say, reserves not set apart for any specific purpose), the Board shall not borrow such money without the consent of the Shareholders in a general meeting. Pursuant to the special resolution dated October 9, 2014 our Shareholders have authorised our Board of Directors to borrow up to a limit of the then paid up share capital and free reserves.

Corporate Governance

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

The constitution of our Board is in compliance with the Companies Act and the SEBI Listing Regulations with the Stock Exchanges and in accordance with best practices in corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board of Directors detailed reports on its performance periodically.

Currently, our Board has six Directors. In compliance with the requirements of Regulation 17 of the SEBI Listing Regulations, we have two Executive Directors and four Non-Executive Directors. Our Board comprises four Independent Directors, one of whom is a woman Director.

Committees of our Board

The details of committees of the Board are set out below:

Audit Committee

Our Company constituted the Audit Committee in accordance with the Section 177 of the Companies Act, and Clause 49 of the Listing Agreement, now under the SEBI Listing Regulations by way of a resolution dated October 15, 2014. The Audit Committee presently consists of the following Directors of the Board:

1. Dr. Ashok Jhunjhunwala, Independent, Non – Executive Director – Chairperson;
2. Mr. Venkataratnam Balaraman, Independent, Non – Executive Director, Member;
3. Mr. Anil Kumar Verma, Executive Director, Member; and
4. Ms. Aruna Krishnamurthy Rao, Independent, Non – Executive Director, Member; and
5. Mr. Arun Shekhar Aran, Independent, Non-Executive Director, Member.

The scope of the Audit Committee shall include the following:

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related;
9. To investigate any activity within its terms of reference;
10. To seek information from any employee;
11. To obtain outside legal or other professional advice;
12. To secure attendance of outsiders with relevant expertise, if it considers necessary;
13. The committee shall have full access to the information contained in the records of the bank, in respect of matters with in its purview; and
14. To review and administer the related party transactions.

Nomination and Remuneration & Compensation Committee

Our Company constituted the Nomination and Remuneration & Compensation Committee in terms of Section 178 at the Board meeting held on October 15, 2014. The Nomination and Remuneration Committee presently consists of the following Directors of the Board:

1. Mr. Venkataratnam Balaraman, Independent, Non – Executive Director, Chairperson;

2. Mr. Arun Jain, Chairman & Managing Director, Member;
3. Dr. Ashok Jhunjhunwala, Independent, Non – Executive Director, Member; and
4. Ms. Aruna Krishnamurthy Rao, Independent, Non – Executive Director, Member.

The terms of reference of the committee are set out below:

1. The Nomination and Remuneration & Compensation Committee, hereinafter referred to as "Committee" shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every directors' performance;
2. The committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
3. The committee shall, while formulating the policy under sub-section(3) ensure that-
4. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
5. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
6. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives to the working of the company and its goals;
7. The Chairperson of the committee shall attend the Annual General Meeting of our Company; and
8. Policy as aforesaid would be disclosed in the Board's Report.

Stakeholders Relationship Committee:

Our Company has constituted the Stakeholders Relationship Committee in terms of the Section 178 of the Companies Act in the meeting of the Board of Directors held on October 15, 2014. The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

1. Mr. Venkataratnam Balaraman, Independent, Non – Executive Director – Chairperson;
2. Mr. Anil Kumar Verma, Executive Director, Member;
3. Dr. Ashok Jhunjhunwala, Independent, Non – Executive Director, Member; and
4. Ms. Aruna Krishnamurthy Rao, Independent, Non – Executive, Member.

The scope of the committee is set out below:

1. Consider and resolve the grievances of security holders of our Company;
2. The Chairperson of the committee shall attend the Annual General Meeting of our Company; and
3. Empowered to allot Equity Shares pursuant to stock options schemes.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by way of a resolution dated October 15, 2014. The Corporate Social Responsibility Committee presently consists of the following members:

1. Mr. Anil Kumar Verma, Executive Director, Chairperson;
2. Mr. Arun Jain, Chairman & Managing Director, Member;
3. Mr. Venkataratnam Balaraman, Independent, Non – Executive Director, Member;
4. Dr. Ashok Jhunjhunwala, Independent, Non – Executive Director, Member; and
5. Ms. Aruna Krishnamurthy Rao, Independent, Non – Executive Director, Member.

The terms of reference of the committee are set out below:

1. 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 of the Companies Act;
2. To recommend the amount of expenditure to be incurred on the activities referred to above;
3. To monitor the Corporate Social Responsibility Policy of the company from time to time;
4. To ensure that the company spends, in every financial year, at least two per cent of the average net profits for CSR. If our Company fails to spend such amount, the Board shall, in its report specify the reasons for not spending the amount;

5. Eradicating extreme hunger and poverty;
6. Promotion of education;
7. Promoting gender equality and empowering women;
8. Reducing child mortality and improving maternal health;
9. Combating human immunodeficiency virus, malaria and other diseases;
10. Ensuring environmental sustainability;
11. Employment enhancing vocational skills;
12. Social business projects; and
13. Contribution 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.

In addition to the above committees, we also have the following management committees:

Risk Management Committee

The Risk Management Committee was constituted by way of a resolution dated October 15, 2014. The Risk Management Committee presently consists of the following members:

1. Mr. Arun Jain, Chairman and Managing Director – Chairperson;
2. Mr. Venkataratnam Balaraman, Independent, Non – Executive Director, Member;
3. Dr. Ashok Jhunjhunwala, Independent, Non – Executive Director, Member;
4. Mr. Subramaniam Swaminathan, Chief Financial Officer, Member; and
5. Mr. T. V. Sinha, Chief Risk Officer, Member.

The terms of reference of the committee are set out below:

1. Delegation of monitoring and reviewing of the Risk Management Policy;
2. Such other functions as it may deem fit.

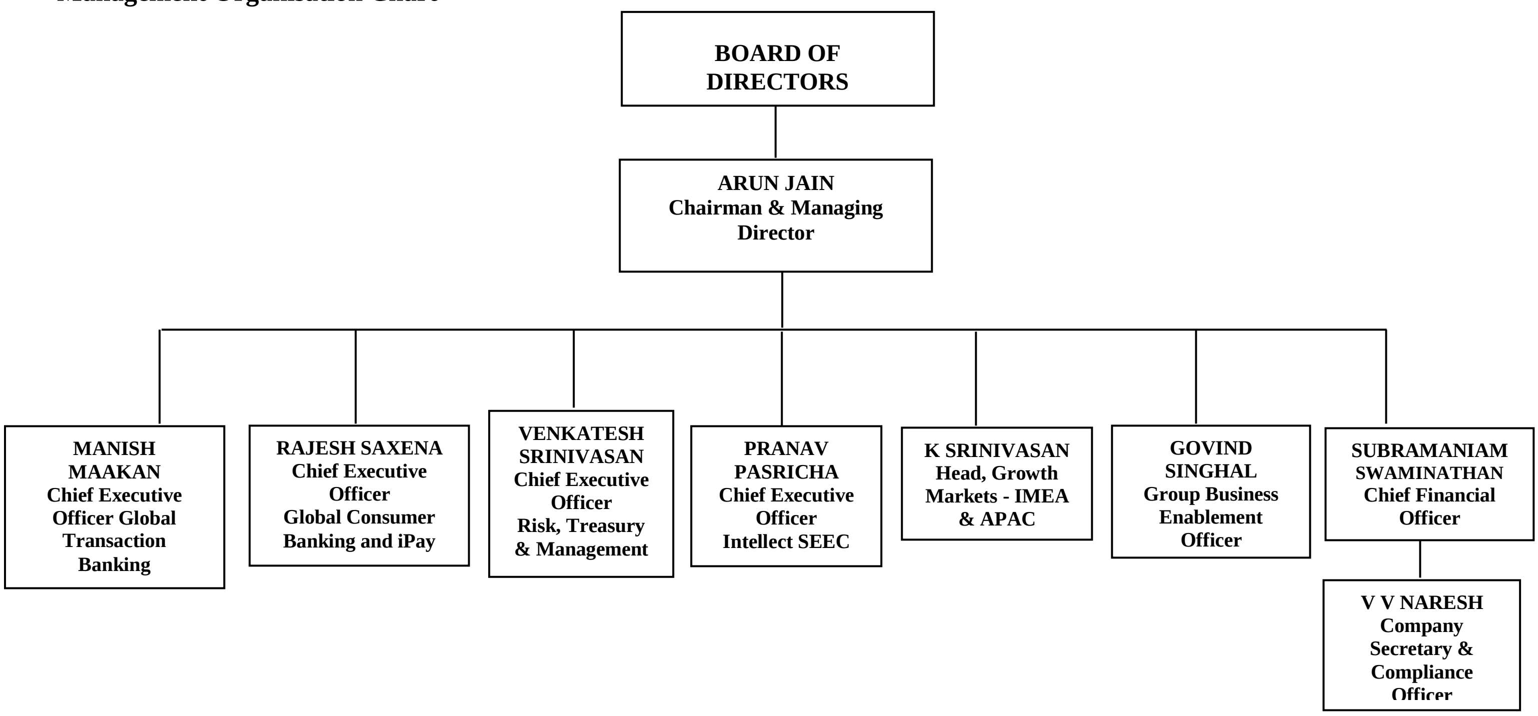
Share Transfer Committee

The Share Transfer Committee was constituted in the meeting of the Board held on October 15, 2014. The Share Transfer Committee presently consists of the following members:

1. Mr. Govind Singhal, Group Business Enablement Officer, Chairperson;
2. Mr. V.V. Naresh, Company Secretary & Compliance Officer, Member; and
3. Mr. Subramaniam Swaminathan, Chief Financial Officer, Member.

The terms of reference of the committee to consider and approve the physical transfer, transmission and transposition etc. of the shares of our Company.

Management Organisation Chart



Key Managerial Personnel

The details of the Key Managerial Personnel (other than the Chairman & Managing Director and the Whole Time Director) of our Company are as follows:

Mr. Subramaniam Swaminathan is the Chief Financial Officer of our Company. He is a fellow member of Institute of Chartered Accountants of India. He has over 30 years of experience in varied business environments and has experience in finance, cost management, business planning and process orientation. Before joining our Company, he has worked with TVS Electronics Ltd., Carrier India and Greaves Cotton Group. He joined Polaris Financial Technology Limited (now Polaris Consulting & Services Limited) and has been with our Company from the effective date of the Scheme of Arrangement-cum-Demerger. During the Financial Year 2016, he was paid a gross compensation of ₹ 188.26 lakhs.

Mr. V.V. Naresh is the Company Secretary and Compliance Officer of our Company**.** He holds a Bachelor of Science (Mathematics) from the University of Madras. He is a qualified fellow member of Institute of Company Secretaries of India. He also passed chartered accountants final group I examination from the Institute of Chartered Accountants of India. He has over 25 years of experience in the finance and corporate secretarial functions. Prior to joining our Company, he has worked with Auro Mira Bio Energy Pudukottai India Limited, Hinduja Foundries Limited, Celebrity Fashions Limited, Malladi Drugs and Pharmaceuticals Limited, Kanishk Steel Industries Limited and RPG-BTP (India) Limited. He joined Polaris Financial Technology Limited (now Polaris Consulting & Services Limited) and has been with our Company from the effective date of the Scheme of Arrangement-cum-Demerger. During the Financial Year 2016, he was paid a gross compensation of ₹ 21.35 lakhs.

Mr. Manish Maakan is the Chief Executive Officer, Global Transaction Banking of our Company. He holds a Bachelor of Engineering degree in electronics engineering from Walchand University of Technology. He has over 25 years of experience in global management experience. Prior to joining our Company, he has worked with Analysts International Corp, USA , General Electric Money, India, Whirlpool, India, Ernst and Young, USA, AIC, USA and IBM, USA. He joined Polaris Financial Technology Limited (now Polaris Consulting & Services Limited) and has been with our Company from the effective date of the Scheme of Arrangement-cum-Demerger. During the Financial Year 2016, he was paid a gross compensation of GBP 414,879.

Mr. Pranav Pasricha is the Chief Executive Officer – Intellect SEEC of our Company. He holds a Bachelor in Electronics Engineering and a Master of Business Administration from the University of Otago. He has over 20 years of work experience. .Prior to joining our Company, he has worked with Lakshmi Fibres (p) Ltd , QBE Insurance Group, Booz Allen Hamilton and A. T. Kearney. He is also a member of the board of Austral Mercantile Collections and served on the Australian Advisory Committee of ACORD. He joined Polaris Financial Technology Limited (now Polaris Consulting & Services Limited) and has been with our Company from the effective date of the Scheme of Arrangement-cum-Demerger. During the Financial Year 2016, he was paid a gross compensation of USD 553,000.

Mr. Rajesh Saxena is the Chief Executive Officer – Global Consumer Banking & iPay of our Company. He holds a Bachelor of Engineering (Honours) Mechanical Engineer and a Master in Business Administration (Marketing & Finance) degree from XLRI, Jamshedpur. He has over 309 years of experience in financial services. Prior to joining our Company, he has worked with Brooke Bond I Limited, Citibank N.A. and American Express. He joined Polaris Financial Technology Limited (now Polaris Consulting & Services Limited) and has been with our Company from the effective date of the Scheme of Arrangement-cum-Demerger. During the Financial Year 2016, he was paid a gross compensation of ₹ 163.20 lakhs.

Mr. Venkatesh Iyengar Srinivasan is the Chief Executive Office - Risk & Treasury & Management of our Company. He is a fellow member of the Institute of Chartered Accountants of India and has done a computer management program. He is also a member of the Global Association of Risk Practitioners. He has over 20 years of experience in the corporate and investment banking segment (across U.S., Europe, Asia, Middle East and Africa). Prior to joining our Company, he has worked with Tata Consultancy Services and Citigroup. He joined Polaris Financial Technology Limited (now Polaris Consulting & Services Limited) and has been with our Company from the effective date of the Scheme of Arrangement-cum-Demerger. During the Financial Year 2016, he was paid a gross compensation of ₹ 114.23 lakhs.

Mr. Govind Singhal is the Group Business Enablement Officer of our Company. He holds a Master of Science from University of Delhi. He has over 30 years of experience of providing solutions and outsourcing expertise across a wide spectrum of banking and financial services organisation across the globe. Prior to joining our Company, he has worked with Nucleus Software Workshop (P) Ltd., Bank of America, EDS Corp, India and Satyam Computer Services Limited. He joined Polaris Financial Technology Limited (now Polaris Consulting & Services Limited) and has been with our Company from the effective date of the Scheme of Arrangement-cum-Demerger. During the Financial Year 2016, he was paid a gross compensation of ₹ 201.84 lakhs.

Mr. Srinivasan Krishnan is the Head, Growth Markets – IMEA & APAC**.** He holds a Bachelor of Science from Utkal University and a post graduate in management from Xavier Institute of Management, Bhubaneswar. He has attended several leadership training programs at Kellogs, Indian School of Business. He has over 27 years of experience in metal and FMCG sectors. Prior to joining our Company, he has worked with Indian Metals & Ferro Alloys, Velvette International, Shogun Industries, Polaris Software lab Limited, New Jersey, SunTec Business Solutions. He joined Polaris Financial Technology Limited (now Polaris Consulting & Services Limited) and has been with our Company from the effective date of the Scheme of Arrangement-cum-Demerger. During the Financial Year 2016, he was paid a gross compensation of ₹ 140.00 lakhs.

None of the Key Managerial Personnel are related to each other.

All the Key Managerial Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel

Except as disclosed below, none of our Key Managerial Personnel hold any Equity Shares as of the date of this Draft Letter of Offer.

Sr. No.	Name of the Key Managerial Personnel	No. of Shares	Percentage of the total shareholding	Total number of stock options granted but not exercised
1.	Mr. Subramaniam Swaminathan	26,500	0.03	1,83,500
2.	Mr. V. V. Naresh	750	0.00	17,250
3.	Mr. Manish Maakan	92,500	0.09	2,32,500
4.	Mr. Pranav Pasricha	70,000	0.07	1,80,000
5.	Mr. Rajesh Saxena	27,500	0.03	62,500
6.	Mr. Venkatesh Iyengar Srinivasan	47,960	0.05	75,000
7.	Mr. Govind Singhal	97,500	0.10	1,12,500
8.	Mr. Srinivasan Krishnan	60,160	0.06	1,40,000

Bonus or profit sharing plan of the Key Managerial Personnel

None of the Key Managerial Personnel is party to any bonus or profit sharing plan of our Company, other than the performance linked incentives given to each Key Managerial Personnel.

Interests of Key Managerial Personnel

None of the Key Managerial Personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to, as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as member of senior management.

Except for a loan of GBP 1,02,721 outstanding to Mr. Manish Maakan, no loans have been availed by the Key Managerial Personnel from our Company.

Changes in the Key Managerial Personnel

The changes in the Key Managerial Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Mr. Subramaniam	Chief Financial Officer	September 25, 2014	Pursuant to the Scheme of

Swaminathan			Arrangement-cum-Demerger
Mr. V. V. Naresh	Company Secretary and Compliance Officer	September 25, 2014	Pursuant to the Scheme of Arrangement-cum-Demerger
Mr. Manish Maakan	Chief Executive Officer - Global Transaction Banking	September 25, 2014	Pursuant to the Scheme of Arrangement-cum-Demerger
Mr. Pranav Pasricha	Chief Executive Officer - Insurance Business	September 25, 2014	Pursuant to the Scheme of Arrangement-cum-Demerger
Mr. Rajesh Saxena	Global Head, Strategy	September 25, 2014	Pursuant to the Scheme of Arrangement-cum-Demerger
Mr. Venkatesh Iyengar Srinivasan	Chief Executive Officer – Risk, Treasury & Markets	September 25, 2014	Pursuant to the Scheme of Arrangement-cum-Demerger
Mr. Govind Singhal	Group Business Enablement Officer	September 25, 2014	Pursuant to the Scheme of Arrangement-cum-Demerger
Mr. Srinivasan Krishnan	Head, IMEA Business	September 25, 2014	Pursuant to the Scheme of Arrangement-cum-Demerger
Mr. Subramaniam Swaminathan	Chief Financial Officer	October 15, 2014	Appointment as a key management personnel
Mr. V. V. Naresh	Company Secretary and Compliance Officer	October 15, 2014	Appointment as a key management personnel
Mr. Rajesh Saxena	Chief Executive Officer – Global Consumer Banking and iPay	September 1, 2016	Change in designation
Mr. Srinivasan Krishnan	Business Head – IMEA & APAC Markets	September 1, 2016	Change in designation

Payment or Benefit to officers of our Company

Except as stated otherwise in this Draft Letter of Offer and any statutory payments made by our Company, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Managerial Personnel and our Directors within the two preceding years.

Employee stock option plan

Our Company currently administers five stock option programs: ASOP 2003, ASOP 2004, ASOP 2011, ASOP 2015 and ISOP 2016. By a resolution passed in the meeting of the Board held on September 30, 2014, our Company inherited ASOP 2003, ASOP 2004 and ASOP 2011 from the Demerged Company as part of the Scheme of Arrangement-cum-Demerger.

Further, the ISOP 2015 and the ISOP 2016 were approved by the Shareholders in the meeting held on January 29, 2015 and July 21, 2016, respectively. For further details of our Company's employee stock options plans, please see the chapter entitled '*Capital Structure*' on page 58 of this Draft Letter of Offer.

OUR PROMOTERS AND PROMOTER GROUP

OUR PROMOTERS

Mr. Arun Jain, Polaris Banyan Holding Private Limited and Arun Jain (HUF) are the Promoters of our Company. Our Promoters currently hold a total of 2,98,89,873 Equity Shares, equivalent to 29.56 % of the pre-Issue issued, subscribed and paid-up Equity Share Capital.

The details of our Promoters are set out below:

Mr. Arun Jain

Age	57 years
Unique Identification Number	4982 4662 3674
Permanent Account Number	AAHPJ6020E
Passport Number	Z1767147
Voters ID Number	RJ01888805
Driving Licence	DL1 19850850719
Personal Address	2nd Floor, Varishtha Garden, 20 Club Gate Road, Raja Annamalai Puram, Chennai – 600 028

Mr. Arun Jain is one of the Promoters of our Company. He is also the chairman and managing director of our Company. He holds a degree in Bachelor of Science (Electrical Engineering) Electronics from the University of Delhi. He was the chairman and managing director of Polaris Consulting and Services Limited. His expertise in the industry spans over a period of more than 30 years. Mr. Arun Jain is the recipient of prestigious accolades including the ‘Indo-ASEAN Business Initiative Award’ and the 'ICICI Venture-CII Connect Entrepreneur Award'. The Times Group featured him in ‘Pathfinders’, as one among extraordinary personalities in the IT & ITES industry. For more details on Mr. Arun Jain, please refer to the chapter entitled ‘*Our Management*’ on page 140 of this Draft Letter of Offer.

Mr. Arun Jain currently holds 48,09,365 Equity Shares, equivalent to 4.76 % of the pre- Issue issued, subscribed and paid-up Equity Share Capital of our Company.

Polaris Banyan Holding Private Limited

Corporate Information

Polaris Banyan Holding Private Limited was incorporated as ‘Aaum Holdings (India) Private Limited’ on April 26, 2011 as a private limited company under the Companies Act, 1956. Pursuant to scheme of amalgamation dated October 13, 2015 Polaris Banyan Holding Private Limited merged into Aaum Holdings (India) Private Limited and thereafter the name was changed to ‘Polaris Banyan Holding Private Limited’ and a fresh certificate of incorporation was issued by the Registrar of Companies, Chennai on December 11, 2015. The registered office of Polaris Banyan Holding Private Limited is located at No.244, Polaris House Carex Centre, Anna Salai, Chennai - 600 006, Tamil Nadu, India. Polaris Banyan Holding Private Limited currently holds 2,42,91,508 Equity Shares, equivalent to 24.02 % of the pre- Issue issued, subscribed and paid-up Equity Share Capital of our Company.

History

On October 13, 2015, the Madras High Court approved a scheme of amalgamation (**Scheme of Amalgamation**) between Aaum Holdings (India) Private Limited and Polaris Banyan Holding Private Limited and their respective shareholders. Pursuant to the Scheme of Amalgamation, the entire business undertaking of the erstwhile Polaris Banyan Holding Private Limited was amalgamated with Aaum Holdings (India) Private Limited.

Business

Polaris Banyan Holding Private Limited is in the business of investing in group companies through equity and preference shares, government bonds, fixed deposits with banks, mutual funds, equity shares of listed and unlisted entities, directly or through portfolio management schemes. Polaris Banyan Holding Private Limited is also a registered sub broker in the equity market under M/s Maconochie and Co., a NSE broker.

Natural persons in control

The natural persons in control of Polaris Banyan Holding Private Limited are Mr. Arun Jain and Mrs. Manju Jain. They currently hold 50,17,600 equity shares, equivalent to 99.95 % of the pre- Issue issued, subscribed and paid-up equity share capital of Polaris Banyan Holding Private Limited.

Board of directors

The board of directors of Polaris Banyan Holding Private Limited as on the date of this Draft Letter of Offer is as under:

Sr. No.	Name of the Director	Designation
1.	Mr. Arun Jain	Director
2.	Mrs. Manju Jain	Director
3.	Mr. Narayanaswamy Kannan	Director

For further details in relation to the shareholding of the directors of Polaris Banyan Holding Private Limited in our Company, please see chapter entitled *'Capital Structure'* on page 58 of this Draft Letter of Offer.

Share capital

As of September 30, 2016, the authorised capital of Polaris Banyan Holding Private Limited is ₹ 7,50,00,000 divided into 75,00,000 equity shares of the face value of ₹ 10 each and the issued, subscribed and paid-up equity share capital of Polaris Banyan Holding Private Limited is ₹ 5,02,01,000 divided into 50,20,100 equity shares of the face value of ₹ 10 each.

Shareholding pattern

The equity shareholding pattern of Polaris Banyan Holding Private Limited is as follows:

Name of the Shareholder	Number of shares held	% of total shareholding
Mr. Arun Jain	25,00,000	49.80%
Mrs. Manju Jain	25,17,600	50.15%
Mr. Uday Jain	2,500	0.05%
Total	**50,20,100**	**100%**

Financial information

(in ₹ lakhs, except per share data)

Particulars	For the Financial Year ending		
	March 31, 2016	March 31, 2015	March 31, 2014
Equity Share Capital	502.01	502.01	201.00
Reserves (excluding revaluation reserve)	70,306.76	66,050.46	10.99
Revenue	13,290.08	1,541.60	20.82
Profit / loss after tax	4,256.30	1166.10	1.41
Basic and diluted Earnings per share	8.48	2.32	0.07
Net asset value	70,808.77	66,552.47	211.99

Changes in the management and control

There has been no change in the management or control of Polaris Banyan Holding Private Limited in the three years preceding the date of this Draft Letter of Offer.

Arun Jain (HUF)

Arun Jain (HUF) is a Hindu undivided family, represented by Mr. Arun Jain as the Karta. It was incorporated on October 17, 1991. Its permanent account number is AAGHA7341L and its bank account at ICICI Bank is 000101044725. Its office is situated at No. 20, 2nd Floor, Varishta Garden, Club Gate Road, R.A. Puram, Chennai – 600 028, Tamil Nadu, India. The members and the coparceners of Arun Jain (HUF) are Mr. Arun Jain, Mrs. Manju Jain, Mr. Uday Jain and Ms. Aarushi Jain. It currently holds 7,89,000 Equity Shares, equivalent to 0.78 % of the pre- Issue issued, subscribed and paid-up Equity Share Capital of our Company. Except to the extent of its shareholding in our Company, Arun Jain (HUF) has no interest in any other entity.

Change in the management and control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company within five years immediately preceding the date of this Draft Letter of Offer.

Interest of Promoters in the company other than as Promoters

Our Promoters have no interest in our Company other than as Promoters.

Interest of Promoters in promotion of our Company

Our Promoters are interested in our Company to the extent it has promoted our Company and to the extent of its shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them. For further details regarding the shareholding of our Promoters in our Company, please see chapter entitled *'Capital Structure'* on page 58 of this Draft Letter of Offer.

Interest of Promoters in property of our Company

Our Promoters have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Letter of Offer, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business Interests of the Promoters

Except as set out in the chapter entitled *'Related Party Transactions'* on page 163 of this Draft Letter of Offer and to the extent of their shareholding in our Company, our Promoters have no business interests in our Company.

Except as set out above, our Promoters have no interest in our Company's business.

Our Promoters are not interested as a member of a firm or company and no sum has been paid or agreed to be paid to our Promoters and our directors, or to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters and our directors or by such firm or Company in connection with the promotion or formation of our Company, except as disclosed in this Draft Letter of Offer.

Related Party Transactions

For further details of related party transactions entered into by our Promoters and our Company during the Financial Year 2016, the nature of transactions and the cumulative value of transactions please see *'Related Party Transactions'* on page 163 of this Draft Letter of Offer.

Interest of Promoters in Sales and Purchases

There are no sales/purchases between our Company and our Promoters.

Payment of benefits to our Promoters or Promoter Group

Neither has there been any payment or benefits to our Promoters and Promoter Group during the two years preceding the filing of this Draft Letter of Offer, nor is there any intention to pay or give any benefit to our Promoters and Promoter Group.

Contracts, agreements or arrangement in which our Promoters are interested

Except for the service contract with Mr. Arun Jain and the unsecured loan availed by our Company from Polaris Banyan Holding Private Limited, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Draft Letter of Offer or proposes to enter into any such contract in which our Promoters is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made.

Litigation involving our Promoters

For further details of legal and regulatory proceedings involving our Promoters, please see chapter entitled *'Outstanding Litigations and Material Developments'* on page 329 of this Draft Letter of Offer.

Confirmations

Our Company confirms that the PAN, bank account numbers and passport number of our individual Promoter PAN, bank account numbers of our HUF Promoter and the PAN, bank account numbers, company registration number of our corporate Promoter as well as the address of the registrar of companies where our corporate Promoter are registered, have been submitted to the Stock Exchanges at the time of filing this Draft Letter of Offer with the Stock Exchanges.

Our Promoters have not been declared as a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by our Promoters in the past and except for the ad-interim ex-parte order dated November 24, 2015, from SEBI, there are no proceedings for violation of securities laws which are pending against our Promoters. For further details of the SEBI order mentioned above, chapter entitled *'Outstanding Litigations and Material Developments'* on page 329 of this Draft Letter of Offer.

Our Promoters have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the Offer against our Promoters, except as disclosed under chapter entitled *'Outstanding Litigations and Material Developments'* on page 329 of this Draft Letter of Offer.

Our Promoters are not and have never been promoters or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not related to any of the sundry debtor of our Company.

Sick Company

No winding up proceedings have been initiated against our Promoters. Neither our Promoters nor any of our Promoter Group companies have become defunct in the five years preceding the date of this Draft Letter of Offer.

Companies with which our Promoters have disassociated in the last three years

Except as disclosed herein below, our Promoters have not disassociated itself from any company or firm during the three years preceding this Draft Letter of Offer.

Sr. No.	Name of the Promoter	Name of the entity from which promoter disassociated	Reason for disassociation	Date of Disassociation
1.	Mr. Arun Jain	Polaris Banyan Holding Private Limited	Merger with Aaum Holdings (India) Private Limited	November 18, 2015
2.	Mr. Arun Jain	Polaris Consulting & Services Limited	Divestment of the shares held	March 4, 2016
3.	Polaris Banyan Holding Private Limited	Polaris Consulting & Services Limited	Divestment of the shares held	March 4, 2016
4.	Arun Jain (HUF)	Polaris Consulting & Services Limited	Divestment of the shares held	March 4, 2016

OUR PROMOTER GROUP

The Promoter Group of Mr. Arun Jain is as follows:

Sr. No.	Name of the Relative	Relationship
1.	Manju Jain	Spouse
2.	Uday Jain	Son
3.	Aarushi Jain	Daughter
4.	Meena Agarwal	Sister
5.	Nita Jain	Sister
6.	Shashi Gupta	Sister
7.	Uma Gupta	Sister
8.	Manju Verma	Sister
9.	Usha Jain	Sister
10.	Aruna Gupta	Sister
11.	Poonam Garg	Sister
12.	Shailendra Jain	Brother
13.	Yogesh Andlay	Spouse's brother
14.	Naveen Kumar	Spouse's brother
15.	Neeta Mathur	Spouse's sister
16.	Suman Mathur	Spouse's sister

Sr. No.	Name of the body corporate
1.	Polaris Banyan Holding Private Limited
2.	Startup Nukad India Foundation
3.	School of Design Thinking Private Limited
4.	Card Systems Private Limited
5.	Adrenalin eSystems Limited*
6.	Dispo Mediproducts India Limited
7.	IDCUBE Identification Systems Private Limited
8.	ISG Software Private Limited
9.	Maveric Systems Limited
10.	Aaum Housing & Properties Private Limited
11.	Flower Pot Mobility Solutions Private Limited

The Promoter Group of Polaris Banyan Holding Private Limited is as under:

Sr. No.	Name of the body corporate
1.	Polaris Banyan Holding Private Limited
2.	Startup Nukad India Foundation
3.	School of Design Thinking Private Limited
4.	Card Systems Private Limited
5.	Adrenalin eSystems Limited*
6.	Dispo Mediproducts India Limited
7.	IDCUBE Identification Systems Private Limited
8.	ISG Software Private Limited
9.	Maveric Systems Limited
10.	Aaum Housing & Properties Private Limited
11.	Flower Pot Mobility Solutions Private Limited

**For details regarding Adrenalin eSystems Limited, one of our Group Companies, please see the chapter entitled 'Our Group Companies' beginning on page 158 of this Draft Letter of Offer.*

OUR GROUP COMPANIES

Unless otherwise specified, all information in this section is as of the date of this Draft Letter of Offer.

The definition of 'group companies' is as per the SEBI ICDR Regulations, and includes companies covered under applicable accounting standards and such other companies as are considered material by the Board.

Under the SEBI ICDR Regulations the following entities qualify as group companies of our Company:

1. Adrenalin eSystems Limited;
2. NMSWorks Software Private Limited; and
3. Intellect Polaris Design LLC, USA.

1. Adrenalin eSystems Limited

Corporate Information

Adrenalin eSystems Limited was incorporated, under the Companies Act, 1956, as 'Empower Works Limited' on May 1, 2002 as a public limited company. The certificate of commencement of business was also issued on May 1, 2002. The name of the company was subsequently changed to 'Adrenalin Systems Limited' and a fresh certificate of incorporation was issued on November 18, 2004. The registered office of Adrenalin eSystems Limited is located at No.244, Carex Centre, Anna Salai, Chennai – 600006, Tamil Nadu, India and the corporate office is located at Next Level Building, East Wing - 6th Floor, Plot No. 3/G3, SIPCOT IT Park, Siruseri, Chennai - 600 130, India.

Adrenalin eSystems Limited offers comprehensive (web-based) human resource management software that automates the human resource processes such as workforce administration, recruitment, performance management, talent development, payroll, human resource analytics, enterprise collaboration and mobile.

The authorised capital of Adrenalin eSystems Limited is ₹ 35,00,00,000 divided into 3,60,00,000 equity shares of the face value of ₹ 5 each and 3,40,00,000 7 % optionally convertible cumulative redeemable preference shares of ₹ 5 each and the issued, subscribed and paid-up share capital of Adrenalin eSystems Limited is ₹ 32,94,71,150 divided into 3,54,94,230 equity shares of the face value of ₹ 5 each and 3,04,00,000 7% optionally convertible cumulative redeemable preference shares of ₹ 5 each.

Shareholding

Our Company holds 1,42,85,502 equity shares of ₹ 5 each aggregating to 40.25% of the issued, subscribed and paid up equity share capital of Adrenalin eSystems Limited, India and holds 1,52,00,000 7% optionally convertible cumulative redeemable preference shares of ₹ 5 each aggregating to 50.00% of the issued, subscribed and paid up preference share capital of Adrenalin eSystems Limited, India.

Board of Directors

The board of directors of Adrenalin eSystems Limited is as under:

Name of the director	Designation
Mr. Krishna V Giri	Chief Executive Officer and Whole Time Director
Mr. Arun Jain	Director
Mr. Balaji Ganesh	Executive Director
Mr. Ashok Narayan Korwar	Independent Director
Mr. Sridhar Ganesh	Independent Director
Mr. Jaideep Bhilla	Professional Director
Mr. Shanmugham Nithyanandam	Chief Financial Officer and Company Secretary

Interest of our Promoters

Name of the Promoter	Number of equity shares held by the Promoter	% of total shareholding

Polaris Banyan Holding Private Limited	1,68,89,952	47.59
Mr. Arun Jain	5,99,880	1.69
Total	**1,74,89,832**	**49.26**

Polaris Banyan Holding Private Limited holds 1,52,00,000 7% optionally convertible cumulative redeemable preference shares of ₹ 5 each, constituting 50.00% of the issued, subscribed and paid-up preference share capital of Adrenalin eSystems Limited.

Financial Information

(in ₹ lakhs, except per share data)

Particulars	Financial Year		
	2016	2015	2014
Equity Share Capital	3,294.71	3,144.71	3,144.71
Reserves (excluding revaluation reserve)	(1,097.70)	(1,271.05)	(1,473.03)
Income	3,000.80	3,054.04	2,555.74
Profit / (loss) after tax	(576.65)	201.98	359.62
Earnings per share	-	0.32	0.57
Diluted earnings per share	-	0.15	0.40
Net asset value	2,197.02	1,873.66	1,671.69

Significant Notes of the auditors: Nil

2. NMSWorks Software Private Limited

Corporate Information

NMSWorks Software Private Limited was incorporated, under the Companies Act, 1956, as 'NMSWorks Software Limited' on April 9, 2001 as a public company bearing the corporate identification number U64202TN2001PTC046928. The certificate of commencement of business was issued on April 20, 2001. The name was subsequently changed to 'NMSWorks Software Private Limited' and a fresh certificate of incorporation was issued on May 12, 2005. The registered office and the corporate office of NMSWorks Software Private Limited is located at C3, 6th floor, IIT Madras Research Park, Taramani, Chennai – 600 113, Tamil Nadu, India.

NMSWorks Software Private Limited delivers network management solutions to telecom service providers, network equipment vendors and enterprises.

The authorised capital of NMSWorks Software Private Limited is ₹ 3,50,00,000 divided into 25,00,000 equity shares of the face value of ₹ 10 each and 10,00,000 12 % optionally convertible cumulative preference shares of ₹ 10 each and the issued, subscribed share capital of NMSWorks Software Private Limited is ₹ 2,48,60,340 divided into 18,77,756 full paid-up equity shares of ₹10 each and 1,10,000 equity shares of ₹ 10 each partly paid up of ₹ 1 each and 5,97,278 12 % optionally convertible cumulative preference shares of ₹ 10 each.

Shareholding

Our Company holds 7,26,256 equity shares of ₹ 10 each aggregating to 36.54% of the issued, subscribed and paid up equity share capital of NMSWorks Software Private Limited, India and holds 378,614 12 % optionally convertible cumulative preference shares of ₹ 10 each aggregating to 68.40% of the issued, subscribed and paid up preference share capital of NMSWorks Software Private Limited, India.

Board of Directors

The board of directors of NMSWorks Software Private Limited is as under:

Name of the director	Designation
Mr. Mani Subramanian Mahadevan	Whole time director
Mr. Kunjukrishnan Pillai Vijayan Nair	Director
Mr. T.V. Sinha	Director

Interest of our Promoters

Name of the Promoter	Number of equity shares held by the Promoter	% of total shareholding
Polaris Banyan Holding Private Limited	1,57,047	7.90%
Total	**1,57,047**	**7.90%**

Financial Information

(in ₹ lakhs, except per share data)

Particulars	Financial Year		
	2016	2015	2014
Equity Share Capital	248.60	248.60	248.60
Reserves (excluding revaluation reserve)	1946.44	1439.64	1118.13
Sales	3085.47	3057.10	1753.38
Profit / (loss) after tax	506.80	326.12	150.36
Earnings per share	26.45	16.92	7.62
Diluted earnings per share	20.39	13.14	6.07
Net asset value	2,195.05	1,688.25	1,366.73

Significant Notes of the auditors: Nil

3. Intellect Polaris Design LLC, USA

Corporate Information

Intellect Polaris Design LLC was incorporated on July 23, 2014 as a limited liability company under the laws of United States of America. It was set up as a joint venture between Polaris Software Lab Inc., USA and Polaris Consulting & Services Limited (earlier known as Polaris Financial Technology Limited). It is now a joint venture between our Company, Intellect Design Arena Inc., and Polaris Consulting & Services Limited. The principal office of Intellect Polaris Design LLC is located at 20, Corporate Place South, Piscataway, New Jersey 08854, United States of America.

Intellect Polaris Design LLC is in the business of leasing and maintaining the office complex located at its principal office.

The share capital of Intellect Polaris Design LLC is USD 5,000,000/- divided into 100 equity shares of the face value of USD 50,000 each.

Shareholding

Our Company holds 45 equity shares of USD 50,000 each aggregating to 45.00% of the share capital of Intellect Polaris Design LLC. Intellect Design Arena Inc., one of our Subsidiaries, holds 5 equity shares of USD 50,000 each aggregating to 5.00% of the share capital of Intellect Polaris Design LLC.

Mr. Vinay Garg and Mr. Eric Brown are the managers of Intellect Polaris Design LLC.

Interest of our Promoters

None of our Promoters have interest in the Intellect Polaris Design LLC.

Financial Information

(in USD, except per share data)

Particulars	Financial Year 2016	Nine months period ended March 31, 2015
Share Capital	5,000,000.00	5,000,000.00
Reserves	(364,467.00)	(164,793)
Members' Equity	4,635,533	4,835,207
Revenue	300,000	125,000

Profit / (loss) after tax	(199,675)	(164,792)
Earnings per share	-	-
Diluted earnings per share	-	-
Net asset value	4,699,637	4,922,646

Significant Notes of the auditors: Nil

Interest of Group Companies in promotion of our Company

Our Group Companies are not interested in the promotion of our Company nor do they hold any Equity Shares.

Interest of Group Companies in property acquired or proposed to be acquired of our Company

Our Group Companies have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Letter of Offer.

Interest of Group Companies in transactions for acquisition of land, construction of building and supply of machinery

Our Group Companies have no interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Common Pursuits

As on the date of this Draft Letter of Offer, there are no common pursuits between the Group Companies and our Company.

Related Parted Transactions within the Group

For further details of related party transactions entered into by our Group Companies and our Company, the nature of transactions and the cumulative value of transactions, please see *'Related Party Transactions'* on page 163 of this Draft Letter of Offer.

Sales or purchases between Group Companies/ Subsidiaries/associate companies

Except as below there are no sale / purchase transactions between our Company and our Group Companies/Subsidiaries/associate companies in excess of 10% of our Company's total sales and purchase of our Company.

(₹ in lakhs on an unconsolidated basis)

Name of the entity	Nature of the transaction	Nature of relationship	Period	Amount
Intellect Design Arena Limited, UK	Software development service expense	Subsidiary	Six months ended September 30, 2016	508.43
			Financial Year 2016	473.52
			Financial Year 2015	7,613.30
Intellect Design Arena FZ, LLC	Software development service expense	Subsidiary	Six months ended September 30, 2016	605.90
			Financial Year 2016	1,303.54
			Financial Year 2015	38.87
Intellect Design Arena Limited, UK	Software development service income	Subsidiary	Six months ended September 30, 2016	47,28.87
			Financial Year 2016	10,340.74
			Financial Year 2015	14,247.59
Intellect Design Arena FZ, LLC	Software development service income	Subsidiary	Six months ended September 30, 2016	4,496.45
			Financial Year 2016	10,329.67
			Financial Year 2015	5,059.83

Business Interest of Group Companies

None of our Group Companies have any business interest in our Company, except as disclosed under *'Related Party Transactions'* beginning on page 163 of this Draft Letter of Offer.

Other Confirmations

None of the securities of our Group Companies are listed on any stock exchange and none of our Group Companies have made any public or rights issue of securities in the preceding three years.

None of the Group Companies have been debarred from accessing the capital market for any reason by the SEBI or any other authority.

None of the Group Companies have been identified as wilful defaulters by the RBI or other authorities.

None of the Group Companies have become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 or is under winding up or has been defunct.

None of the Group Companies have a negative net worth.

Litigations

For further details of legal and regulatory proceedings involving our Group Companies, please see chapter entitled *'Outstanding Litigations and Material Developments'* beginning on page 329 of this Draft Letter of Offer.

RELATED PARTY TRANSACTIONS

For further details of the related party transactions during the six months ended September 30, 2016, each of the years ended March 31, 2016, 2015, 2014, nine months ended March 31, 2013 and the period from April 18, 2011 to June 30, 2012, please see '*Financial Statements*' on page 165 of this Draft Letter of Offer.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the Financial Year, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please see chapter entitled *'Financial Indebtedness'* on page 319 of this Draft Letter of Offer. Our Company has no formal dividend policy. Our Company has not declared any dividend from the Financial Years 2012 to 2016.

Our Company has not issued any Preference Shares.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Report of Auditors on the Restated Consolidated Summary Statement of Assets and Liabilities as at September 30, 2016, March 31, 2016 and March 31, 2015 and Profits and Losses and Cash Flows for the six month period ended September 30, 2016 and for each of the years ended March 31, 2016 and March 31, 2015 for Intellect Design Arena Limited (collectively, the "Restated Consolidated Summary Statements")

The Board of Directors
Intellect Design Arena Limited
Polaris House,
244, Anna Salai,
Chennai – 600 006

Dear Sirs,

1. We have examined the Restated Consolidated Summary Statements of Intellect Design Arena Limited (Formerly referred to as "Fin Tech Grid Limited") (the "Company") and its subsidiaries, joint ventures and associates (together referred as the "Group") as at and for the six month period ended September 30, 2016 and as at and for the years ended March 31, 2016 and March 31, 2015, annexed to this report for the purpose of inclusion in the offer document, prepared by the Company in connection with its proposed Rights Issue of Equity shares of Rs. 5 each ("Rights Issue"). The Restated Consolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

    a. sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of the Companies Act, 2013 ('the Act') read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ('the Rules'); and

    b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

    The preparation of the Restated Consolidated Summary Statements is the responsibility of the Management of the Company for the purpose set out in paragraph 12 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and the ICDR Regulations.

2. We have examined such Restated Consolidated Summary Statements taking into consideration:

    a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated January 2, 2017, requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed Rights Issue; and

    b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note").

3. The Company proposes to make a Rights Issue of its equity shares of Rs. 5 each at such premium (referred to as the "Issue") as may be decided by the Company's Board of Directors.

4. The Restated Consolidated Summary Statements have been compiled by the management from:

    a. the audited consolidated financial statements of the Group as at and for the six month period ended September 30, 2016 and as at and for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on January 13, 2017, May 3, 2016 and April 27, 2015, respectively; and

b. The consolidated financial statements included information in relation to the Company's subsidiaries, joint ventures and associates as listed below which are audited by the other auditors:

Name of the entity	Name of the audit firm	Relationship	Period covered
Intellect Design Arena Limited., United Kingdom	M/s Chakrala & Associates	Subsidiary	For the years ended March 31, 2016
Intellect Design Arena SA, Switzerland	M/s Chakrala & Associates	Subsidiary	Six month period ended September 30, 2016 and for the years ended March 31, 2016 and 2015
Intellect Design Arena Co. Ltd, Vietnam	M/s Chakrala & Associates	Subsidiary	Six month period ended September 30, 2016 and for the years ended March 31, 2016 and 2015
Intellect Design Arena FZ LLC, Dubai	M/s Chakrala & Associates	Subsidiary	For the years ended March 31, 2016 and 2015
Intellect Commerce Ltd, India (Formerly referred to as "Polaris Enterprise Solutions Limited")	M/s Sivasubramanian & Rao	Subsidiary	Six month period ended September 30, 2016 and for the years ended March 31, 2016 and 2015
Laser Soft Infosystems Limited, India	M/s Sivasubramanian & Rao	Subsidiary	Six month period ended September 30, 2016 and for the years ended March 31, 2016 and 2015
SFL Properties Private Ltd, India	M/s Sivasubramanian & Rao	Subsidiary	Six month period ended September 30, 2016 and for the years ended March 31, 2016 and 2015
Indigo TX Software Pvt Ltd, India	M/s Sivasubramanian & Rao	Subsidiary	Six month period ended September 30, 2016 and for the years ended March 31, 2016 and 2015
Intellect Payments Limited, India	M/s Sivasubramanian & Rao	Subsidiary	Six month period ended September 30, 2016 and for the year ended March 31, 2016
Intellect India Limited, India	M/s Sivasubramanian & Rao	Subsidiary	Six month period ended September 30, 2016 and for the year ended March 31, 2016
Intellect Design Arena Ltda (formerly referred to as "Polaris Software Lab Chile Limitada, Chile")	M/s Chakrala & Associates	Subsidiary	Six month period ended September 30, 2016
Intellect Design Arena Inc., US	M/s Chakrala & Associates	Subsidiary	Six month period ended September 30, 2016 and for the years ended March

Name of the entity	Name of the audit firm	Relationship	Period covered
			31, 2016 and 2015
Intellect Design Arena Philippines,INC	M/s Chakrala & Associates	Subsidiary	Six month period ended September 30, 2016 and for the years ended March 31, 2016 and 2015
Intellect Design Arena, PT Indonesia	M/s Chakrala & Associates	Subsidiary	Six month period ended September 30, 2016 and for the years ended March 31, 2016 and 2015
FT Grid Pte Ltd, Singapore	M/s Chakrala & Associates	Subsidiary	Six month period ended September 30, 2016 and for the years ended March 31, 2016 and 2015
Intellect Design Arena Pte Ltd., Australia	M/s Chakrala & Associates	Subsidiary	Six month period ended September 30, 2016 and for the year ended March 31, 2016
Intellect Design Arena Inc.,Canada	M/s Chakrala & Associates	Subsidiary	Six month period ended September 30, 2016 and for the year ended March 31, 2016
Intellect Design Arena Ltd, Thailand	M/s Chakrala & Associates	Subsidiary	Six month period ended September 30, 2016 and for the year ended March 31, 2016
Intellect Design Arena,SDN BHD, Malaysia	M/s Chakrala & Associates	Subsidiary	Six month period ended September 30, 2016 and for the year ended March 31, 2016
SEEC Asia Technologies Private Limited, India	M/s Sivasubramanian & Rao	Subsidiary	Six month period ended September 30, 2016 and for the years ended March 31, 2016 and 2015
Intellect Design Arena Pte Ltd., Singapore	M/s Chakrala & Associates	Subsidiary	For the year ended March 31, 2015
Sonali Polaris FT Ltd, Bangladesh	M/s Chakrala & Associates	Joint venture	Six month period ended September 30, 2016 and for the years ended March 31, 2016 and 2015
Intellect Polaris Design LLC	M/s Chakrala & Associates	Joint venture	Six month period ended September 30, 2016 and for the year ended March 31, 2016
Intellect Polaris Design LLC	M/s Chakrala & Associates	Associate	For the year ended March 31, 2015
Intellect Design Arena Ltd,	M/s Chakrala &	Associate	For the year ended

Name of the entity	Name of the audit firm	Relationship	Period covered
Thailand	Associates		March 31, 2015
NMS Works Software Private Limited, India	M/s Sivasubramanian & Rao	Associate	Six month period ended September 30, 2016 and for the year ended March 31, 2016
Adrenalin eSystems Limited, India	M/s Sivasubramanian & Rao	Associate	Six month period ended September 30, 2016 and for the year ended March 31, 2016

5. For the purposes of our examination, we have relied on audit report issued by us dated January 13, 2017 on the consolidated financial statements of the Group as at and for the six month period ended September 30, 2016 and audit reports issued by us dated May 3, 2016 and April 27, 2015 on the consolidated financial statements of the Group as at and for each of the years ended March 31, 2016 and March 31, 2015 respectively as referred in Para 4 (a) above.

   As indicated in our audit reports referred to above, we did not audit the financial statements of certain subsidiaries, joint ventures and associates as referred in Para 4(b) above, whose share of total assets, total revenues, and net cash inflows / (outflows) and Group's share of net profit / (loss), included in the Restated Consolidated Summary Statements, for the relevant years is tabulated below:

   (Rs. in lakhs)

As at and for the year ended	Total Assets	Total revenues	Net Cash Inflows / (Outflows)	Group's share of net profit / (loss)
September 30, 2016	30,022.51	11,001.35	1,518.96	(2,479.91)
March 31, 2016	12,737.87	26,455.01	(2,585.45)	(4,958.96)
March 31, 2015	28,226.91	14,679.90	1,219.45	(1,605.49)

   These financial statements have been audited by other firms of Chartered Accountants as listed in Para 4(b) above, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Statements are based solely on the report of other auditors.

   These other auditors, as mentioned in paragraphs 4 and 5 (of the Subsidiaries, Joint ventures and Associates), have confirmed that the restated financial information:

   a) do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the six month period ended September 30, 2016 are materially consistent with the policies adopted for each of the years ended March 31, 2016 and 2015. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;

   b) have been made after incorporating adjustments for the material amounts in the respective financial years / period to which they relate; and

   c) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Summary Statements and do not contain any qualification requiring adjustments.

6. Based on our examination in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note, we report that:

   a) The Restated Consolidated Summary Statement of Assets and Liabilities of the Group as at September 30, 2016, March 31, 2016 and March 31, 2015 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV B – Notes on material adjustments.

b) The Restated Consolidated Summary Statement of Profits and Losses of the Group for the six month period ended September 30, 2016 and for each of the years ended March 31, 2016 and March 31, 2015 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV B – Notes on material adjustments.

c) The Restated Consolidated Summary Statement of Cash Flows of the Group for the six month period ended September 30, 2016 and for each of the years ended March 31, 2016 and March 31, 2015 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV B – Notes on material adjustments.

d) Based on the above, and according to the information and explanations given to us, we further report that the Restated Consolidated Summary Statements:

    i. do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the six month period ended September 30, 2016 are materially consistent with the policies adopted for each of the years ended March 31, 2016 and 2015. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;

    ii. have been made after incorporating adjustments for the material amounts in the respective financial years / period to which they relate; and

    iii. do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Summary Statements and do not contain any qualification requiring adjustments.

7. We have not audited or reviewed any financial statements of the Company as of any date or for any period subsequent to September 30, 2016. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to September 30, 2016.

Other Financial Information:

8. At the Company's request, we have also examined the following restated consolidated financial information proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Group as at and for the six month period ended September 30, 2016 and for each of the years ended March 31, 2016 and March 31, 2015:

i. Restated Consolidated Statement of Share Capital, enclosed as Annexure V.

ii. Restated Consolidated Statement of Reserves and Surplus, enclosed as Annexure VI

iii. Restated Consolidated Statement of Deferred Tax Liability, enclosed as Annexure VII

iv. Restated Consolidated Statement of Short-term Borrowings, enclosed as Annexure VIII

v. Restated Consolidated Statement of Long-term Provisions, enclosed as Annexure IX

vi. Restated Consolidated Statement of Trade Payables, Other Current Liabilities and Short-term Provisions, enclosed as Annexure X

vii. Restated Consolidated Statement of Non-Current Investments, enclosed as Annexure XI.

viii. Restated Consolidated Statement of Current Investments, enclosed as Annexure XII

ix. Restated Consolidated Statement of Long-term Loans and Advances, enclosed as Annexure XIII

x. Restated Consolidated Statement of Deferred Tax Assets, enclosed as Annexure XIV

xi. Restated Consolidated Statement of Trade Receivables (net of provision for doubtful receivables), enclosed as Annexure XV

xii. Restated Consolidated Statement of Cash and Bank Balances, enclosed as Annexure XVI

xiii. Restated Consolidated Statement of Short-term Loans and Advances and Other Current Assets, enclosed as Annexure XVII

xiv. Restated Consolidated Statement of Other Income, enclosed as Annexure XVIII

xv. Restated Consolidated Statement of Operating Expenses, enclosed as Annexure XIX

xvi. Restated Consolidated Statement of Exceptional Items, enclosed as Annexure XX

xvii. Capitalisation Statement, enclosed as Annexure XXI

xviii. Restated Consolidated Statement of Accounting Ratios, enclosed as Annexure XXII

xix. Restated Consolidated Statement of Related Party Transactions, enclosed as Annexure XXIII

xx. Restated Consolidated Statement of Segment Information, enclosed as Annexure XXIV

xxi. Statement of Dividend Paid, enclosed as Annexure XXV

9. According to the information and explanations given to us, in our opinion, the Restated Consolidated Summary Statements and the above restated consolidated financial information as disclosed in the Annexures i to xxv accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure IV A, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure IV B and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.

10. This report should not in any way be construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. This report is intended solely for your information and for inclusion in the offer document to be filed with SEBI, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies in connection with the proposed Rights Issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

Bharath N S
Partner
Membership No: 210934
Place: Chennai
Date: January 13, 2017

Intellect Design Arena Limited
Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities

(All amounts are in INR Lakhs unless otherwise stated)

	Particulars	Annexure No.	As at					
			30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
	Equity and liabilities							
A	**Shareholders' funds**							
	Share capital	V	5,054.92	5,038.93	5,009.92	-	-	-
	Reserves and surplus	VI	54,920.13	56,865.71	58,128.02	-	-	-
			59,975.05	**61,904.64**	**63,137.94**	-	-	-
B	**Minority Interest**		**-**	**-**	1.68	-	-	-
C	**Non-current liabilities**							
	Deferred tax liabilities (Net)	VII	7.24	8.00	7.82	-	-	-
	Long term provisions	IX	443.08	323.78	118.60	-	-	-
			450.32	**331.78**	**126.42**	-	-	-
D	**Current liabilities**							
	Short-term borrowings	VIII	11,528.82	2,290.60	771.18	-	-	-
	Trade payables							
	- total outstanding dues to micro enterprises and small enterprises	X (A)	**-**	**-**	-	-	-	-
	- total outstanding dues to creditors other than micro enterprises and small enterprises	X (A)	20,802.82	18,206.11	13,635.59	-	-	-
	Other current liabilities	X (B)	12,894.52	11,529.03	14,506.01	-	-	-
	Short term provisions	X (C)	2,593.88	1,955.01	1,606.63	-	-	-
			47,820.04	**33,980.75**	**30,519.41**	-	-	-
	Total Equity and liabilities (A+B+C+D)		**108,245.41**	**96,217.17**	**93,785.45**	-	-	-
	Assets							
E	**Non-current assets**							
	Fixed assets							
	Property, Plant and Equipment		21,612.94	19,224.58	13,460.13	-	-	-
	Intangible assets		268.47	252.26	176.55	-	-	-
	Capital work-in-progress		8,953.75	6,552.84	4,480.24	-	-	-
	Intangible assets under development		-	-	928.83	-	-	-
	Goodwill		7,799.27	7,784.80	7,633.70	-	-	-
	Non-current investments	XI	3,583.68	3,101.20	2,942.93	-	-	-
	Long term loans and advances	XIII	7,376.28	6,566.36	5,059.97	-	-	-
	Deferred tax assets	XIV	651.65	656.13	569.46	-	-	-
	Other non-current assets	XVII (C)	2,855.49	2,307.70	1,719.48	-	-	-
			53,101.53	**46,445.87**	**36,971.29**	-	-	-
F	**Current assets**							
	Current Investments	XII	2,106.49	2,939.77	15,141.74	-	-	-
	Trade receivables	XV	21,645.10	16,043.19	16,707.54	-	-	-
	Cash and bank balances	XVI	2,593.68	5,520.21	10,621.87	-	-	-

	Short term loans and advances	XVII (A)	5,078.61	3,736.05	2,793.55	-	-	-
	Other current assets	XVII (B)	23,720.00	21,532.08	11,549.46	-	-	-
			55,143.88	**49,771.30**	**56,814.16**	-	-	-
	Total Assets (E+F)		**108,245.41**	**96,217.17**	**93,785.45**	-	-	-

Note:

1. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV A & IV B.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

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

Arun Jain
Managing Director

Ashok Jhunjhunwala
Director

Bharath N S
Partner
Membership No. 210934

S.Swaminathan
Chief Financial Officer

V.V.Naresh
Company Secretary

Place: Chennai
Date: January 13, 2017

Intellect Design Arena Limited
Annexure II - Restated Consolidated Summary Statement of Profits and Losses

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	Annexure No.	For the six months ended	Year ended			For the nine months ended	For the period 18 April 2011 to 30 - June 2012
		30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
Revenue							
Revenue from operations		43,676.67	81,065.55	60,874.95	-	-	-
Other income	XVIII	2,288.78	2,610.44	2,752.81	-	-	-
Total revenue		**45,965.45**	**83,675.99**	**63,627.76**	-	-	-
Expenses							
Employee benefit expenses	XIX (A)	34,333.43	63,881.62	53,123.49	-	-	-
Other expenses	XIX (B)	11,651.38	20,303.09	15,782.15	-	-	-
Finance Cost	XIX (C)	401.77	119.22	80.78	-	-	-
Depreciation and amortisation expense		1,201.37	2,077.11	1,901.27	-	-	-
Total expenses		**47,587.95**	**86,381.04**	**70,887.69**	-	-	-
Restated loss before exceptional items, tax and minority interest		**(1,622.49)**	**(2,705.05)**	**(7,259.93)**	-	-	-
Less: Exceptional items	XX	-	-	(976.63)	-	-	-
Restated loss before tax and minority interest		**(1,622.49)**	**(2,705.05)**	**(8,236.56)**	-	-	-
Tax expense							
- Current tax		620.00	657.49	458.29	-	-	-
Less: MAT Credit			(405.81)	-	-	-	-
- Deferred tax			(82.90)	(1,357.55)	-	-	-
Total tax expense		**620.00**	**168.78**	**(899.26)**	-	-	-
Restated loss before minority interest		**(2,242.49)**	**(2,873.83)**	**(7,337.30)**	-	-	-
Profit or (Loss) attributable to minority interest		-	-	-			
Add/(Less):							
Share of Profit/(loss) on Associate Companies		482.48	(27.19)	255.41	-	-	-
Restated (loss) for the year / period		**(1,760.02)**	**(2,901.02)**	**(7,081.89)**	-	-	-

Note:

1. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV A and IV B.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

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

Arun Jain
Managing Director

Ashok Jhunjhunwala
Director

Bharath N S
Partner
Membership No. 210934
Place: Chennai
Date: January 13, 2017

S.Swaminathan
Chief Financial Officer

V.V.Naresh
Company Secretary

Intellect Design Arena Limited
Annexure III - Restated Consolidated Summary Statement of Cash Flows

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	For the six months ended	Year ended			For the nine months ended	For the period 18 April 2011 to 30 - June 2012
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
A. CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES						
Loss for year / period (as restated) before tax	(1,622.49)	(2,705.05)	(8,236.56)	-	-	-
Adjustments to reconcile loss for the year to net cash flows						
Depreciation and amortisation	1,201.37	2,077.11	1,901.27	-	-	-
Dividend income	(69.58)	(397.48)	(1,349.09)	-	-	-
Provision for doubtful debts and advances	252.00	840.03	677.38	-	-	-
Unrealised foreign exchange loss (net)	(605.34)	(209.56)	(646.47)	-	-	-
Exchange differences on translation of foreign currency cash and cash equivalents	183.59	899.57	(35.91)	-	-	-
Profit on sale of non-current investments (net)	(3.35)	(127.86)	(279.61)	-	-	-
Profit on sale of Property, Plant and Equipment	(1,321.51)	(442.38)	(6.56)	-	-	-
Profit / (Loss) on sale of Investments	-	-	(69.34)	-	-	-
Bad debts / advances written off	-	139.59	-	-	-	-
Interest expense	401.77	119.22	80.78	-	-	-
Interest income	(143.30)	(446.86)	(352.67)	-	-	-
Operating Loss before working capital changes (as restated)	**(1,726.85)**	**(253.67)**	**(8,316.78)**	**-**	**-**	**-**
Movement in working capital				-	-	-
Increase in trade receivable	(5,759.33)	(207.60)	(3,496.94)	-	-	-
Increase in loans and advances and other assets	2,237.90	(16,380.36)	(4,643.55)	-	-	-
Decrease in liabilities and provisions	(2,302.97)	7,748.83	16,761.51	-	-	-
Cash flow used in operations	**(7,551.25)**	**(9,092.80)**	**304.24**	**-**	**-**	**-**
Income taxes paid (net of refunds)	(940.13)	(1,988.64)	(2,059.18)	-	-	-
Net cash generated from / (used in) operating activities (A)	**(8,491.38)**	**(11,081.44)**	**(1,754.94)**	**-**	**-**	**-**
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES						
Purchase of Property, Plant and Equipment including intangible assets, and capital advances	(6,293.02)	(8,885.82)	(2,469.81)	-	-	-
Proceeds from sale of Property, Plant and Equipment	1,638.21	565.63	72.82	-	-	-
Investment in Associates	-	(327.81)	(181.88)	-	-	-
Net decrease in non-trade investments	836.63	12,329.83	9,299.22	-	-	-
Net decrease in bank deposit	-	-	93.39	-	-	-
Investment in long-term term deposits	(439.69)	(309.79)	-	-	-	-

Interest received	143.30	446.86	352.67	-	-	-
Dividend received	69.58	397.48	1,349.09	-	-	-
Net cash from / (used in) investing activities (B)	**(4,044.99)**	**4,216.38**	**8,515.50**	**-**	**-**	**-**
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES						
Proceeds from share capital issued on exercise of stock options	15.99	46.48	17.47	-	-	-
Proceeds from share premium on exercise of stock options	152.05	363.75	150.31	-	-	-
Proceeds / (Repayment) of loans (net)	9,238.22	1,519.43	368.03	-	-	-
Interest paid	(401.77)	(119.22)	(80.78)	-	-	-
Amounts paid to erstwhile shareholders	-	-	(1,304.38)	-	-	-
Net cash generated from / (used in) financing activities (C)	**9,004.49**	**1,810.44**	**(849.35)**	**-**	**-**	**-**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(3,531.88)**	**(5,054.62)**	**5,911.21**	**-**	**-**	**-**
Effect of exchange differences on Cash & Cash Equivalents held in foreign currency	605.35	(47.04)	100.30	-	-	-
Cash and Cash Equivalents at the beginning of the year / period	5,520.21	10,621.87	-	-	-	-
Add: Cash and cash equivalents acquired on De-merger pursuant to Scheme of arrangement (Refer Note 4 under Annexure IV-A)	-	-	4,610.36	-	-	-
Cash and cash equivalents at the end of the year / period	**2,593.68**	**5,520.21**	**10,621.87**	**-**	**-**	**-**

Components of Cash and Cash Equivalents	**As at**					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Cash on hand	0.72	3.30	11.26	-	-	-
Deposits with original maturity of less than three months	302.17	993.81	4,199.96	-	-	-
Balances with banks on current accounts	2,290.79	4,523.10	6,410.65	-	-	-
Total	**2,593.68**	**5,520.21**	**10,621.87**	**-**	**-**	**-**

Note:

1. The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

Bharath N S
Partner

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

Arun Jain
Managing Director

Ashok Jhunjhunwala
Director

S.Swaminathan
Chief Financial Officer

V.V.Naresh
Company Secretary

Membership No. 210934
Place: Chennai
Date: January 13, 2017

Intellect Design Arena Limited
Annexure IV A - Notes to restated consolidated summary statements

Notes to the restated consolidated summary statement of assets and liabilities, profit and losses and cash flows for the six months ended September 30, 2016 and year ended March 31, 2016 and 2015:

1 Description of the Group

Intellect Design Arena Limited ("Intellect" or "the Company"), its subsidiaries (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 & Joint ventures 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%
2	Intellect Design Arena SA	Switzerland	100%
3	Intellect Design Arena Pte Ltd	Singapore	100%
4	Intellect Design Arena Co. Ltd	Vietnam	100%
5	Intellect Design Arena FZ - LLC	Dubai	100%
6	Intellect Commerce Limited	India	100%
7	Laser Soft Infosystems Limited	India	100%
8	SFL Properties Private Limited	India	100%
9	Indigo TX Software Private Ltd	India	100%
10	Intellect Payments Limited	India	100%
11	Intellect India Limited	India	100%
12	Intellect Design Arena Ltda*	Chile	100%
13	Intellect Design Arena Inc.**	USA	100%
14	Intellect Design Arena Philippines.Inc **	Philippines	100%
15	Intellect Design Arena,PT**	Indonesia	100%
16	FT Grid Pte Ltd**	Singapore	100%
17	Intellect Design Arena Pty Ltd**	Australia	100%
18	Intellect Design Arena Inc.Canada**	Canada	100%
19	Intellect Design Arena Limited, Thailand**	Thailand	100%
20	Intellect Design Arena,SDN BHD.Malaysia**	Malaysia	100%
21	SEEC Technologies Asia (P) Ltd ***	India	100%
22	Sonali Polaris FT Ltd	Bangladesh	51%
23	Intellect Polaris Design LLC,USA	USA	50%

* 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:

Associates	% of share held as of September 30,2016	Original cost of investment	Share of accumulated profit/(loss) as at September 30,2016	Carrying amount of Investments as at September 30,2016

NMS Works Software Private Limited	36.54	415.26	387.37	802.63
Adrenalin eSystems Limited	40.25	1,196.10	(455.66)	740.44

2A Basis of preparation of financial statements

The Restated Consolidated Summary Statement of Assets and Liabilities of the Company as at Sep 30, 2016, March 31, 2016, and March 31, 2015 and the related Restated Consolidated Summary Statement of Profits and Losses and the Restated Consolidated Summary Statement of Cash Flows for the six months ended September 30, 2016 and years ended March 31, 2016, and March 31, 2015 and annexures thereto (herein collectively referred to as "Restated Consolidated Summary Statements") have been compiled by the management from the then audited consolidated financial statements of the Company for the six months ended September 30, 2016 and years ended March 31, 2016 and March 31, 2015.

The audited consolidated financial statements of the Company were prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) at the relevant time. The Company has prepared the audited consolidated financial statements to comply in all material respects with the accounting standards specified under the Companies Act, 1956 (the "Act") and as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India. The audited consolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used for the purpose of preparation of financial statements as at and for the period ended September 30, 2016.

The Restated Consolidated Summary Statements have been prepared to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 read with rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the relevant provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI on August 26, 2009 as amended from time to time.

2B Principles of Consolidation

The Restated Consolidated Summary Statements have been prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements under Accounting Standard 21, "Consolidated Financial Statements". The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together book values of all items of assets, liabilities, incomes and expenses after eliminating all intercompany balances / transactions and resulting unrealized gain / loss. The subsidiaries are consolidated from acquisition date till the date they cease to become a subsidiary. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity subsequent to the date of investments as stated. The Restated consolidated financial statements have been prepared using uniform policies for like transactions and other events in similar circumstances.

The excess of cost to the Company of its investments in subsidiaries over its proportionate share in equity of the investee company as at the date of acquisition, is recognised in the consolidated financial statements as goodwill, when the cost to the Company of its investment in the subsidiary is less than the Company's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, the difference is accounted as capital reserve. In case of acquisition of additional stake in the existing subsidiary, the excess purchase consideration over the Company's portion of equity of the subsidiary on the date on which the additional investment is made is treated as goodwill.

The Revenue and expenses of the integral foreign subsidiaries are translated into Indian rupees using average rate which approximate to the rate prevailing at the date of transaction. At the end of the year, foreign currency monetary items are reported using the closing rate and non-monetary items are reported using the exchange rate at the date of transaction. Any exchange difference arising on consolidation is recognised in the statement of profit and loss.

The Revenue and expenses of the non-integral foreign subsidiaries are translated into Indian rupees using average rate which approximate to the rate prevailing at the date of transaction. At the end of the year, 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. The exchange differences arising on translation are accumulated in the foreign currency translation reserve.

2c 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 further disclosed under Note 4 in Annexure IV-A.

Intellect Design Arena Limited
Annexure IV A - Notes to restated consolidated summary statements

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/period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Property, Plant and Equipment and capital work in progress

Property, Plant and Equipment 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 Property, Plant and Equipment not ready for intended use as at the balance sheet date.
When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Subsequent expenditure related to an item of Property, Plant and Equipment 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 property, plant and equipment, 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 property, plant and equipment 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.

The company identifies and determines cost of each component/ part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

c) Depreciation on Property, Plant and Equipment

Depreciation on Property, Plant and Equipment is provided using the straight line method.

Depreciation on plant, property and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The company has used the following rates to provide depreciation on its plant, property and equipment.

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

Assets Category	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar 13	30-June-12
Buildings	29	29	29	NA	NA	NA
Plant and machinery	15	15	15	NA	NA	NA
Computer equipments	3	3	3	NA	NA	NA
Servers and computer accessories	6	6	6	NA	NA	NA
Electrical fittings, furniture and fixtures	10	10	10	NA	NA	NA

Office equipments	5	5	5	NA	NA	NA
Vehicles	4-8	4-8	4-8	NA	NA	NA
Leasehold improvements	Over the lease period or 10 years whichever is lower	Over the lease period or 10 years whichever is lower	Over the lease period or 10 years whichever is lower	NA	NA	NA
Leasehold land	Over the lease period (99 years)	Over the lease period (99 years)	Over the lease period (99 years)	NA	NA	NA

Intellect Design Arena Limited
Annexure IV A - Notes to restated consolidated summary statements

The management has estimated, supported by independent assessment by professionals, the useful lives of Building as 29 years which is lower than those indicated in schedule II.

d) Intangible assets

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

Research and development costs

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

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

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

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 amortisation year/period and the amortisation method are reviewed at each year/period end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. The estimated useful life of Group's intangible assets are stated below:

Computer software is depreciated over an above 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 Group 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 of profit and loss on a straight-line basis over the lease term.

f) Impairment of tangible and intangible 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.

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/period in which such losses become probable based on the current contract estimates.

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

The Group 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 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 year/period 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.

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 year/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).

Intellect Design Arena Limited
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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 year/period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year/period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year/period attributable to equity shareholders and the weighted average number of shares outstanding during the year/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. Scheme of Arrangement (De-merger) between the Company and Polaris Consulting & Services Limited

During the year 2014-15, 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 Honourable 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	1-Apr-14
LIABILITIES	
MINORITY INTEREST	0.49
Non-Current Liabilities	
Deferred tax liabilities (Net)	1,363.27
Current Liabilities	
Short -term borrowings	403.15
Trade payables	6,992.60
Other current liabilities	7,363.37
Short-term provisions	1,623.52
Total Liabilities (A)	**17,746.40**
ASSETS	
Non-Current Assets	
Fixed assets	
-Tangible assets	13,890.39
- Intangible assets	320.89
- Capital work-in-progress	3,483.89
- Intangible assets under development	973.93
	18,669.10
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
Current Assets	

Trade receivables	13,445.76
Cash and bank balance	28,702.36
Short-term loans and advances	3,506.41
Other current assets	9,143.63
Total Assets (B)	**88,917.43**
Net Assets (B-A)	**71,171.03**

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 then Statement of the Profit & Loss*	26,111.86
(v) Share Capital	4,987.20
Total	**71,171.03**

*Amounts transferred to Surplus in the Statement of Profit and loss, excludes payment 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 profits relating to period prior to demerger.

5. Employee benefits

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/period 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.

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Particulars	As at / For the six months ended	As at / Year/ Period ended				As at / For the period
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Obligations at the beginning of the year/period						
Obligations at the beginning of the year/period for the subsidiary acquired during the year/period	1,755.19	1,523.96	1,118.49	-	-	-
Current service cost	134.51	132.38	86.61	-	-	-
Interest cost	65.75	111.57	35.92	-	-	-
Actuarial losses	124.03	119.99	360.20	-	-	-
Benefits paid	(79.45)	(132.71)	(77.26)	-	-	-
Obligations at the year/period end	**2,000.03**	**1,755.19**	**1,523.96**	-	-	-

Particulars	For the six months ended	Year ended				For the period ended
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Change in plan assets						
Plan assets at year/period beginning, at fair value	1,016.93	942.32	970.89	-	-	-
Expected Return on plan assets	40.76	71.53	21.48	-	-	-
Actuarial gain / (loss)	(10.40)	40.59	(8.26)	-	-	-
Contributions	51.61	91.82	35.47	-	-	-
Benefits paid	(79.44)	(129.33)	(77.26)	-	-	-
Plan assets at year/period end, at fair value	**1,019.46**	**1,016.93**	**942.32**	-	-	-
Fair Value of plan assets at the end of the year/period	1,019.46	1,016.93	942.32	-	-	-
Present value of defined benefit obligations at the end of the year/period	(2,000.03)	(1,755.19)	(1,523.96)	-	-	-
Asset/(Liability) recognized in the balance sheet	**(980.57)**	**(738.26)**	**(581.64)**	-	-	-
Gratuity cost for the year/period				-	-	-
Current service cost	134.51	132.38	86.61	-	-	-
Interest cost	65.75	111.57	35.92	-	-	-
Expected return on plan assets	(40.76)	(71.53)	(21.48)	-	-	-
Actuarial losses	134.43	79.40	368.46	-	-	-
Net gratuity cost	**293.93**	**251.82**	**469.51**	-	-	-
Experience adjustments on plan liabilities	124.03	119.99	360.21	-	-	-
Experience adjustments on plan assets	10.40	(40.59)	(17.98)	-	-	-
Actual return on plan assets	30.36	112.12	13.22	-	-	-

Assumptions:						
Discount rate	6.88%-7.52%	7.71%	7.78%	-	-	-
Estimated return on plan assets	7.11%-8%	7.71%	4.80%	-	-	-
Employee turnover	16.34%	16.34%	16.27%	-	-	-

Intellect Design Arena Limited
Annexure IV A - Notes to restated consolidated summary statements

Particulars	As at					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
The present value of defined benefit obligation	(2,000.03)	(1,755.19)	(1,523.96)	-	-	-
Fair value of plan assets	1,019.46	1,016.93	942.32	-	-	-
Surplus/(deficit)	(980.57)	(738.26)	(581.64)	-	-	-
The experience adjustment on plan asset	10.40	(40.59)	(17.98)	-	-	-
The experience adjustment on plan liabilities	124.03	119.99	360.21	-	-	-

The amount expected to be contributed to the gratuity fund in the next financial year is Rs. 1199.21 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 year/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.

6. Operating Lease

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	For the six months ended	Year ended			For the Nine months ended	For the period April 2011 to June 2012
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
Lease payments recognised for the year/period	1,950.96	1,523.54	1,149.37	-	-	-
Not later than one year	785.41	942.28	1,058.44	-	-	-
Later than one year but not later than five years	207.03	290.10	931.04	-	-	-
Later than five years	-	-	-	-	-	-

Total	992.43	1,232.38	1,989.48	-	-	-

7. **Details of dues to Micro and Small Enterprises as per MSMED Act, 2006**

Particulars	For the six months ended	Year ended			For the Nine months ended	For the period April 2011 to June 2012
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
Principal amount due to micro and small enterprises	-	-	-	-	-	-
Interest due on above	-	-	-	-	-	-
Total	-	-	-	-	-	-

The information regarding micro or small enterprise has been determined on the basis of information available with the management.

Intellect Design Arena Limited
Annexure IV A - Notes to restated consolidated summary statements

8. **Employee Stock Option Scheme**

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.

Since the Stock Option Plan has been effective from October 2014, the Company has not provided disclosures for the year ended March 31, 2014, nine month ended March 31, 2013 and period 18 April 2011 to June 30, 2012

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:

8.1 Associate Stock Option Plan 2003

The Plan is effective from October 9, 2014 and the Company has received in principle approval from the National Stock Exchange on February 16, 2015 and from the Bombay Stock Exchange on March 3, 2015. The 2003 Plan provides for issuance of 26,03,850 options, convertible to equivalent number of equity shares of Rs 5 each, to the employees including directors of the Company . The options are granted at the market price on the date of the grant. The market price, in accordance with the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 36 months from the last vesting date.

Activity in the options outstanding under Associate Stock Option Plan 2003

Particulars	30-Sep-16	31-Mar-16	31-Mar-15
Outstanding at the beginning of the year/period	238,100	677,200	1,092,900
Granted during the period as part of the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited	-	-	-
Granted During the year/period	-	1,500	-
Exercised during the year/period	(60,298)	(256,500)	(300,700)
Forfeited during the year/period	(17,600)	(10,000)	(36,600)
Expired during the year/period	(3,000)	(174,100)	(78,400)
Outstanding at the end of the year/period	157,202	238,100	677,200
Exercisable at the end of the year/period	157,202	222,100	615,900

The weighted average share price at the date of exercise of the options for the period ended September 30, 2016 and for the year ended March 31, 2016 and March 31, 2015 was Rs. 44.71/-, Rs 58.62 and Rs 59.98/- respectively.

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Details of Exercise price and Remaining contractual life of options outstanding:

Particulars	30-Sep-16	31-Mar-16	31-Mar-15
Range of exercise price (Rs.)	19.07-63.67	41.43 - 58.62	28.34 - 63.67
Weighted average remaining contractual life (in years)	2.407	2.94	3.11
Weighted average market price of the shares on the shares on the date of exercise (Rs.)	-	-	118.88

8.2 Associate Stock Option Plan 2004

The Plan is effective from October 9, 2014 and the Company has received in principle approval from the National Stock Exchange and the Bombay Stock Exchange on February 16, 2015 . The 2004 Plan provides for issuance of 8,24,645 options, convertible to equivalent number of equity shares of Rs 5 each, to the employees, including directors. The options are granted at the market price on the date of the grant. The market price, in accordance with the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 36 months from the last vesting date.

Activity in the options outstanding under Associate Stock Option Plan 2004

Particulars	30-Sep-16	31-Mar-16	31-Mar-15
Outstanding at the beginning of the year/period	86,800	203,700	-
Granted during the period as part of the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited	-	-	379,100
Granted During the year/period	-	-	-
Exercised during the year/period	(5,600)	(50,100)	(170,000)
Forfeited during the year/period	(10,000)	(6,800)	(4,200)
Expired during the year/period	-	(60,000)	(1,200)
Outstanding at the end of the year/period	71,200	86,800	203,700
Exercisable at the end of the year/period	71,200	83,000	190,500

The weighted average share price at the date of exercise of the options for the period ended September 30, 2016 and for the year ended March 31, 2016 and March 31, 2015 was Rs. 48.38/-, Rs 48.68/- and Rs 61.90/- respectively.

Details of Exercise price and Remaining contractual life of options outstanding:

Particulars	30-Sep-16	31-Mar-16	31-Mar-15
Range of exercise price (Rs.)	35.98 - 54.47	48.63 - 52.07	35.98 - 63.67
Weighted average remaining contractual life (in years)	3	3.15	2.51
Weighted average market price of the shares on the shares on the date of exercise (Rs.)	-	-	123.57

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8.3 Associate Stock Option Plan 2011

The Plan is effective from October 9, 2014 and the Company has received in principle approval from the National Stock Exchange on February 16, 2015 and the Bombay Stock Exchange on February 19, 2015 . The 2011 Plan provides for issuance of 48,88,450 options, convertible to equivalent number of equity shares of Rs 5 each, to the employees. The plan shall be administered under 4 different schemes based on the following terms:

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

Grant price

Market price up to 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

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 fulfilment of vesting conditions as follows:

Vesting Schedule	Swarnam 11	Swarnam 21	Swarnam 31	Swarnam 41
Service conditions				
At the end of year 1	10%	0%	0%	20%
At the end of year 2	15%	0%	0%	20%
At the end of year 3	20%	33%	33%	20%
At the end of year 4	25%	33%	33%	20%
At the end of year 5	30%	34%	34%	20%

Intellect Design Arena Limited
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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

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

Activity in the options outstanding under Associate Stock Option Plan 2011

Particulars	30-Sep-16	31-Mar-16	31-Mar-15
Outstanding at the beginning of the year / period	3,639,650	4,333,900	-
Granted during the period as part of the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited	-	-	4,130,550
Granted During the year / period	-	3,000	485,000
Exercised during the year / period	(188,900)	(323,650)	(48,750)
Forfeited during the year / period	(76,700)	(350,950)	(193,050)
Expired during the year / period	(33,400)	(22,650)	(39,850)
Outstanding at the end of the year / period	3,340,650	3,639,650	4,333,900
Exercisable at the end of the year / period	262,000	398,800	404,600

The weighted average share price at the date of exercise of the options for the period ended September 30, 2016 and for the year ended March 31, 2016 and March 31, 2015 was Rs. 35.72, Rs 38.11 and Rs 36.54/- respectively.

Details of Exercise price and Remaining contractual life of options outstanding:

Particulars	30-Sep-16	31-Mar-16	31-Mar-15
Range of exercise price (Rs.)	31.70 - 73.35	35.64-48.58	32.12-42.21
Weighted average remaining contractual life (in years)	6.811	6.91	2.51
Weighted average market price of the shares on the shares on the date of exercise (Rs.)	-	-	117.81

Intellect Stock option Plan 2015

Grant Price

	Swarnam 101	Swarnam 201	Swarnam 301	Swarnam 401	Swarnam 501
Market price up to Rs. 49	Market price	Market price	Market price	Market price	Market price
Market price between Rs. 49 - Rs. 140	15% discount on market price. (Subject to being Not lower than Rs 49)	30% discount on market price. (Subject to being Not lower than Rs 49)	50% discount on market price. (Subject to being Not lower than Rs 49)	25% discount on market price. (Subject to being Not lower than Rs 49)	Up to 50% discount on market price. (Subject to being Not lower than Rs 49)

Market price greater than Rs.140	10% discount on market price	20% discount on market price	50% discount on market price	25% discount on market price	Up to 50% discount on market price.

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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 fulfilment of vesting conditions as follows:

Particulars	Swarnam 101	Swarnam 201	Swarnam 301	Swarnam 401	Swarnam 501
Service conditions					
At the end of year 1	10%	0%	0%	0%	0%
At the end of year 2	15%	0%	0%	0%	0%
At the end of year 3	20%	33%	33%	33%	33%
At the end of year 4	25%	33%	33%	33%	33%
At the end of year 5	30%	34%	34%	34%	34%

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

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

Activity in the options outstanding under Associate Stock Option Plan 2015

Particulars	30-Sep-16	31-Mar-16	31-Mar-15
Outstanding at the beginning of the year / period	4,844,200	1,750,000	-
Granted during the year / period	437,500	3,318,400	1,830,000
Exercised during the year / period	(52,400)	-	-
Forfeited during the year / period	(109,100)	(203,500)	(80,000)
Expired during the year / period	(150,950)	(2,500)	-
Outstanding at the end of the year / period	4,965,250	4,862,400	1,750,000
Exercisable at the end of the year / period	347,165	18,200	-

The weighted average share price at the date of exercise of the options for the period ended September 30, 2016 was Rs. 96.92/-.

Details of Exercise price and Remaining contractual life of options outstanding:

Particulars	30-Sep-16	31-Mar-16	31-Mar-15
Weighted average remaining contractual life (in years)	8.02	8.03	8.50

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	30-Sep-16	31-Mar-16	31-Mar-15
Profit/(Loss) before Tax			
- As reported	(1,760.02)	(2,901.02)	(7,081.89)
- proforma profit /(Loss)	(2,041.48)	(3,349.13)	(7,243.90)
Earnings Per Share (in Rs.)			
Basic & Diluted			
- As reported	(1.74)	(2.88)	(7.09)
- Proforma	(2.02)	(3.33)	(7.25)

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

Particulars	**30-Sep-16**					
Scheme	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**
Grant ID	**Swarnam 11**	**Swarnam 21**	**Swarnam 31**	**Swarnam 41**	**Swarnam 11**	**Swarnam 11**
Grant date	**27-Apr-15**	**28-Jun-15**	**31-Jul-15**	**28-Oct-15**	**9-Feb-16**	**3-May-16**
Risk-free interest rate	7.81%	7.88%	7.84%	7.61%	7.74%	7.31%
Expected life (Years)	6	6	6	6	6	6
Expected volatility	75.24%	63.24%	64.06%	66.59%	65.57%	63.73%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Particulars	**31-Mar-16**				
Scheme	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**
Grant ID	**Swarnam 11**	**Swarnam 21**	**Swarnam 31**	**Swarnam 41**	**Swarnam 11**
Grant date	**27-Apr-15**	**28-Jun-15**	**31-Jul-15**	**28-Oct-15**	**9-Feb-16**
Risk-free interest rate	7.81%	7.88%	7.84%	7.61%	7.74%
Expected life (Years)	6	6	6	6	6
Expected volatility	75.24%	63.24%	64.06%	66.59%	65.57%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%

Intellect Design Arena Limited
Annexure IV A - Notes to restated consolidated summary statements

Particulars	31-Mar-15			
Scheme	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**
Grant ID	**Swarnam 11**	**Swarnam 21**	**Swarnam 31**	**Swarnam 41**
Grant date	**7-Jan-15**	**7-Jan-15**	**7-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%

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.

9. Commitments and Other Contingent Liabilities

A) Capital Commitments

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Capital commitments (net of advances and deposit)	421.89	567.45	647.77	-	-	-

B) Other contingent liabilities

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Demand from Indian income tax authorities	724.91	724.91	-	-	-	-
Sales Tax demand from Commercial Tax Officer, Chennai. (a deposit of Rs 7.90 lakhs is paid against the same)	31.62	31.62	-	-	-	-
Service tax demand from Commissioner of Central excise, Chennai	28.42	28.42	-	-	-	-

Note: The Company is contesting the demands raised by the respective tax authorities, and the management, based on internal assessment and per its tax advisors, believe that its position will likely be upheld in the appellate process and ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

10. 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 Sep 30, 2016.

Goodwill on consolidation as at Sep 30, 2016 stood at Rs. 7,799.27 lakhs (March 31, 2016 Rs.7,784.80 lakhs) (March 31, 2015 Rs.7,633.70lakhs). 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. Laser Soft Infosystems Limited ('Laser Soft'), 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. 2,677.22 lakhs (March 31, 2016 Rs. 2,662.75 lakhs) (March 31, 2015 Rs. 2511.65 lakhs) is recognised as goodwill.

11. Research and Development Expenditure

The Company continues its significant investments in R&D efforts towards research, technology, engineering and new product development.The Company has capitalised new products development cost effective 1st January 2016 and accordingly has recognized such Cost as Capital work in progress to be capitalized in future. During the current period ended September 30, 2016 the Company has incurred a revenue expenditure of Rs. 1,987.05 lakhs (March 31,2016 Rs. 85,25.86 lakhs, March 31, 2015 - Nil, March 31, 2014 - Nil, March 31, 2013 - Nil, March 31, 2012 - Nil) and a capital expenditure of Rs.2,606.52 lakhs (March 31, 2016 - Rs 27,95.10 lakhs, March 31, 2015 - 18.87 lakhs, March 31, 2014 - Nil, March 31, 2013 - Nil, March 31, 2012 - Nil including capital work in progress Rs. 3,833.52 lakhs (March 31, 2016 - Rs 12,27.00 lakhs, March 31, 2015 - Nil, March 31, 2014 - Nil, March 31, 2013 - Nil, March 31, 2012 -Nil).

We hereby furnishing the details of expenses under the respective Head of accounts which are recognised as Capital Work in Progress.

Particulars	For the six months ended	Year ended	
	30-Sep-16	31-Mar-16	31-Mar-15
Salaries, wages and bonus	3,876.27	1,573.61	-
Cost of license	242.47	11.68	-
Other Direct overheads	751.71	703.46	-
Total	**4,870.45**	**2,288.75**	**-**

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

Bharath N S
Partner
Membership No. 210934
Place: Chennai
Date: January 13, 2017

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

Arun Jain
Managing Director

Ashok Jhunjhunwala
Director

S.Swaminathan
Chief Financial Officer

V.V.Naresh
Company Secretary

intellect
Design for Digital

Intellect Design Arena Limited
Annexure IV B - Notes on material adjustments

The summary of results of restatement made in the audited financial statements for the respective year / period and its impact on the profit / (loss) of the Group is as follows:

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	Year ended				For the nine month period ended	For the period 18 April 2011 to 30 June 2012
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
(A) Net profit / (loss) as per audited financial statements	(1,760.02)	(1,683.58)	(8,299.33)	-	-	-
Deferred tax asset recognised on losses to the extent of deferred tax liabilities (Refer Note 1)	-	(1,075.10)	1,075.10			
Share of Profit/(loss) on Associate Companies - Earlier year/period		(142.34)	142.34			
Restated Adjustments (B)	**-**	**(1,217.44)**	**1,217.44**	**-**	**-**	**-**
Restated profit / (loss) (A+B)	**(1,760.02)**	**(2,901.02)**	**(7,081.89)**	**-**	**-**	**-**

There are no regrouping that requires restated adjustments

1. Restatement Adjustments

A. Recognition of Deferred tax asset on accumulated tax losses :
During March 31, 2015, the Company recognised deferred tax liability of Rs.1075.10 lakhs on certain timing differences and no deferred tax assets were recognised on accumulated losses and tax depreciation. During the year March 31, 2016, the Company recognised deferred tax assets on unabsorbed depreciation or carry forward tax losses of the financial year 2014-2015 (Assesment year 2015-16) to the extent of deferred tax liability recognised in 2014-15 of Rs.1075.10 lakhs. As part of the restatements, the Impact of the above adjustment has been given effect to in the deferred tax liabilities for the year ended March 31, 2015 in so far as it relates to the year ended March 31, 2015.

B. Share of Profit/(loss) on Associate Companies - Earlier year/period

During the year March 31, 2016, the company had accounted for its share of profits pertaining to earlier years (i.e. 31 March 2015), in investment in its Associate Company (Adrenalin eSystems Limited), which was disclosed as a Prior Period item in those financial statements. The impact of the same has been given effect to in the year March 31, 2015 as well.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

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

Arun Jain
Managing Director

Ashok Jhunjhunwala
Director

Bharath N S
Partner
Membership No. 210934
Place: Chennai

S.Swaminathan
Chief Financial Officer

V.V.Naresh
Company Secretary

Date: January 13, 2017

Intellect Design Arena Limited
Annexure V - Restated consolidated statement of share capital

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Share capital						
Authorised						
130,000,000 equity shares of Rs 5 each (September30,2016) 110,000,000 equity shares of Rs 5 each (March 31, 2016) 110,000,000 equity shares of Rs 5 each (March 31, 2015)	6,500.00	5,500.00	5,500.00	-	-	-
Total	**6,500.00**	**5,500.00**	**5,500.00**	**-**	**-**	**-**
Issued, subscribed and fully paid-up						
101,098,422 equity shares of Rs 5 each (September 30,2016) 100,778,624 equity shares of Rs 5 each (March 31, 2016) 100,198,474 equity shares of Rs 5 each (March 31, 2015)	5,054.92	5,038.93	5,009.92	-	-	-
Total	**5,054.92**	**5,038.93**	**5,009.92**	**-**	**-**	**-**

Notes:

Terms/rights attached to equity shares

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.

Details of shares transactions during the six months ended Sep 2016 and year ended March 31, 2016, 2015, 2014, 2013 and for the nine months ended 2012:

	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Shares outstanding at the beginning of the year/period	100,778,624	100,198,474	100,000	100,000	50,000	50,000
Shares cancelled as per the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited (Refer Note 4 under Annexure IV-A)	-	-	(100,000)	-	-	-
Shares issued as per the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited (Refer Note 4 under Annexure IV-A)	-	-	99,849,024	-	-	-
Shares issued under the ASOP Schemes	319,798	580,150	349,450	-	-	-
Shares outstanding at the end of the year/period	**101,098,422**	**100,778,624**	**100,198,474**	**100,000**	**50,000**	**50,000**

Intellect Design Arena Limited
Annexure VI - Restated consolidated statement of reserves andsurplus

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
A. General reserve account						
Balance as per last financial statements	17,059.87	17,059.87	-	-	-	-
Add: Reserves on account of demerger of Product business undertaking from Polaris Consulting & Services Ltd (Refer Note 4 under Annexure IV-A)	-	-	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)	-	-	-
Closing balance	**17,059.87**	**17,059.87**	**17,059.87**	**-**	**-**	**-**
B. Securities premium account						
Opening balance	19,520.15	19,306.70	-	-	-	-
Add: Reserves on account of demerger of Product business undertaking from Polaris Consulting & Services Ltd (Refer Note 4 under Annexure IV-A)	-	-	19,156.40	-	-	-
Add: additions on ESOP exercised	152.05	213.45	150.30	-	-	-
Closing balance	**19,672.20**	**19,520.15**	**19,306.70**	**-**	**-**	**-**
C. Foreign currency translation reserve account						
Opening balance	4,933.95	3,621.69	-	-	-	-
Add: Reserves on account of demerger of Product business undertaking from Polaris Consulting & Services Ltd (Refer Note 4 under Annexure IV-A)	-	-	3,850.44	-	-	-
Add : Adjustment for the year/period	(927.18)	1,312.26	(228.75)	-	-	-
Closing balance	**4,006.77**	**4,933.95**	**3,621.69**	**-**	**-**	**-**
D.Hedging reserve account						
Opening balance	595.69	482.69	-	-	-	-
Add: Adjustment for the year/period	589.56	113.00	482.69	-	-	-
Closing balance	**1,185.25**	**595.69**	**482.69**	**-**	**-**	**-**
E. Surplus in the statement of profit and loss						

Balance as per last financial statements as restated	14,756.05	17,657.07	-	-	-	-
Add: Reserves on account of demerger of Product business undertaking from Polaris Consulting & Services Ltd (Refer Note 4 under Annexure IV-A)	-	-	24,807.48	-	-	-
Add: Adjustment on account of aligning the useful life of Property, Plant and Equipment in accordance with Schedule II of the Companies Act,2013, net of tax	-	-	(68.52)	-	-	-
Add: restated loss for the year/period	(1,760.02)	(2,901.02)	(7,081.89)	-	-	-
Net Surplus in the statement of profit and loss as restated	**12,996.04**	**14,756.05**	**17,657.07**	**-**	**-**	**-**
Total (A+B+C+D+E)	**54,920.13**	**56,865.71**	**58,128.02**	**-**	**-**	**-**

Note:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A and IV B.

Intellect Design Arena Limited
Annexure VII - Restated consolidated statement of deferred tax liability

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Deferred tax liability						
Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	-	1,226.02	1,301.33	-	-	-
Fixed Assets	2,268.54	-	-	-	-	-
Gross deferred tax liability	**2,268.54**	**1,226.02**	**1,301.33**	-	-	-
Deferred tax asset				-	-	-
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	(471.61)	(355.48)	(107.03)	-	-	-
Provision for doubtful debts	(274.61)	(171.78)	(111.38)	-	-	-
Business losses and unabsorbed depreciation carried forward	(1,515.08)	(690.76)	(1,075.10)	-	-	-
Gross deferred tax asset	**(2,261.30)**	**(1,218.02)**	**(1,293.51)**	-	-	-
Net Deferred Tax liability	**7.24**	**8.00**	**7.82**	-	-	-

Intellect Design Arena Limited
Annexure VIII - Restated consolidated statement of short-term borrowings

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
B. Short-term borrowings						
Secured						
Loan Repayable on Demand						
- from Banks (Refer Note 3 below)	418.10	780.74	771.18	-	-	-
Term Loan						
- from Banks (Refer Note 4 below)	11,110.72	1,509.86	-	-	-	-
	11,528.82	**2,290.60**	**771.18**	-	-	-

Note:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.
3) The group 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.
4) As of March 31, 2016, the term loans are maintained with HDFC Bank which carries an interest rate of 10% p.a. The loan is repayable in 45 days from the drawdown date.
5) As of September 30, 2016, the Overdraft facilities, Term loan and PCRE loan are maintained with HDFC Bank which carries an average interest rate of 9.95% p.a. The company also has Term loans from IDFC bank in INR which carries an average interest rate of 10% p.a and also has an Term loan from HSBC Bank which is being drawn in USD carrying interest rate at 2%. The PCRE loan have repayable period of 90 days to 180 days. The Term loans are commencing from July 2016 and maturing in the month of November 2016.

Intellect Design Arena Limited
Annexure IX - Restated consolidated statement of long-term provisions

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Long-term Provisions						
Provision for leave benefits	97.66	89.70	-	-	-	-
Provision for gratuity	345.42	234.08	118.60	-	-	-
Total long-term provisions	**443.08**	**323.78**	**118.60**	**-**	**-**	**-**

Note:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.

Intellect Design Arena Limited

Annexure X - Restated consolidated statement of trade payables, other current liabilities and short term provisions

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Current liabilities (other than short term borrowings)						
A. Trade payables						
Total outstanding dues of trade payables other than micro and small enterprises (Refer Annexure IVA Note 7 for dues to micro and small enterprises)	20,802.82	18,206.11	13,635.59	-	-	-
Total trade payables (A)	**20,802.82**	**18,206.11**	**13,635.59**	-	-	-
B. Other current liabilities						
Interest accrued but not due on borrowings	-	525.10	-	-	-	-
Superannuation payable	759.76	479.04	378.12	-	-	-
Customer and other advance received	36.84	195.84	201.72	-	-	-
Billings in excess of revenues	9,308.12	7,180.01	4,976.64	-	-	-
Payable to Related parties (Refer Note 3 below)	-	843.01	7,552.62	-	-	-
Capital creditors	664.95	417.84	96.69	-	-	-
Due to contractual obligation	1.78	1.78	1.79	-	-	-
Statutory payable	2,123.07	1,886.41	1,298.43	-	-	-
Total other current liabilities (B)	**12,894.52**	**11,529.03**	**14,506.01**	-	-	-
C. Short-term provisions						
Provision for gratuity	635.15	504.18	463.04	-	-	-
Provision for Other Employee benefit obligation	886.66	402.44	169.78	-	-	-
Provision for leave benefits	458.58	848.78	725.63	-	-	-
Provision for taxation (net of Advance Income tax)	613.49	199.61	248.18	-	-	-
Total short-term provisions (C)	**2,593.88**	**1,955.01**	**1,606.63**	-	-	-
Total current liabilities (A+B+C)	**36,291.22**	**31,690.15**	**29,748.23**	-	-	-

Note:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.
3) Amounts due to Directors/ Promoters/ Promoter Group Companies/ Enterprises Holding Significant Influence / Relatives of Promoters/ Relatives of directors:

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
PCSL Canada	-	208.51	880.43	-	-	-
PCSL India	-	-	2,135.78	-	-	-
PCSL Malaysia	-	-	50.22	-	-	-

PCSL Singapore	-	-	-	-	-	-
PCSL UK	-	111.97	1,331.52	-	-	-
PCSL Australia	-	24.86	-	-	-	-
PCSL US	-	0.86	-	-	-	-
PCSL Japan	-	39.88	-	-	-	-

4) The list of persons /entities classified as "Promoters and Promoter group Companies" have been determined by the management and relied upon by the auditors.

Intellect Design Arena Limited
Annexure XI - Restated consolidated statement of non-current investments

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	No. of units						As at					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Trade Investments (Unquoted)												
Investments in Equity Instruments - Associates (At cost,Less Provision)												
NMS Works Software Private Limited												
Equity shares of Rs.10 each fully paid up	7,26,256	7,26,256	7,26,256	-	-	-	415.26	415.26	415.26	-	-	-
Add/Less: Share of Accumulated Profit/Loss on Associate Companies							387.37	353.13	167.95	-	-	-
							802.63	**768.39**	**583.21**	-	-	-
Adrenalin eSystems Limited												
Equity shares of Rs 5 each fully paid up	130,78,080	130,78,080	130,78,080	-	-	-	1,196.10	1,196.10	833.88	-	-	-
Add/Less: Share of Accumulated Profit/Loss on Associate Companies							(455.66)	(903.91)	(691.53)	-	-	-
							740.44	**292.19**	**142.35**	-	-	-
Intellect Design Arena Limited,Thailand												
Equity shares of THB 5 each fully paid up	-	-	3,03,800	-	-	-	-	-	28.46	-	-	-
Intellect Polaris Design LLC												
Shares of USD 50,000 each fully paid up	-	-	5	-	-	-	-	-	153.42	-	-	-
Add/Less: Share of Accumulated Profit/Loss on Associate Companies							-	-	(5.12)	-	-	-
							-	-	**148.30**	-	-	-
Investments in Preference shares - Associates (At cost)												
Adrenalin eSystems Limited												
7% Cumulative Preference shares of Rs 5/- each	152,00,000	152,00,000	152,00,000	-	-	-	760.00	760.00	760.00	-	-	-
NMS Works Software Private Limited												
12% optionally convertible cumulative preference	3,78,614	3,78,614	3,78,614	-	-	-	233.04	233.04	233.04	-	-	-
							993.04	**993.04**	**993.04**			
Total Trade Investment							**2,536.11**	**2,053.63**	**1,895.36**	-	-	-

Non-trade Investments (valued at cost unless stated otherwise)												
Investment in Equity instruments (At Cost)												
Equity Shares Quoted												
Andhra Bank - Equity shares of Rs.10 each	237	237	237	-	-	-	0.21	0.21	0.21	-	-	-
Catholic Syrian Bank of - Equity Shares of Rs.10/- each	100	100	100	-	-	-	0.24	0.24	0.24	-	-	-
Investment in Bonds (At Cost)							-	-	-	-	-	-
Bonds Quoted												
State Bank of India Bond							1,047.12	1,047.12	1,047.12	-	-	-
Bonds at Face value of Rs.10,000 each	10,000	10,000	10,000	-	-	-						
Total non-trade investment							**1,047.57**	**1,047.57**	**1,047.57**	-	-	-
Total non-current investments							**3,583.68**	**3,101.20**	**2,942.93**	-	-	-

Aggregate amount of unquoted investments	2,536.35	2,053.87	1,895.36
Aggregate amount of quoted investments	1,047.33	1,047.33	1,047.57
Market Value of quoted investments	1,154.16	1,094.70	1,047.12

Note:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.

Intellect Design Arena Limited
Annexure XII - Restated consolidated statement of Current Investments

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	No. of units						As at					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Trade Investments (At cost or market price, whichever is lower)												
Investment in Mutual Funds (Unquoted)	-											
ICICI Pru FMP Series 72 366D Plan M Reg-G	3,023,104	3,023,104	3,023,104	-	-	-	302.31	302.31	302.31	-	-	-
ICICI Pru FMP Series 73 391D Plan G Direct-G	-	-	5,000,000	-	-	-	-	-	500.00	-	-	-
ICICI Pru Liquid Plan Direct -G	-	268,797	-	-	-	-	-	600.00	-	-	-	-
ICICI Pru Flexible Income Direct -DD	-	283,726	-	-	-	-	-	300.00	-	-	-	-
ICICI Pru Banking & PSU Debt -DD	11,898,892	-	-	-	-	-	1,198.09	-	-	-	-	-
Religare Invesco FMP Series 23 Plan E (382D) Direct-G	-	-	2,000,000	-	-	-	-	-	200.00	-	-	-
ICICI Pru Liquid Plan Direct -DD	1,822	-	-	-	-	-	1.82	-	-	-	-	-
Birla SL Dynamic Bond Ret-DM	-	-	5,009,339	-	-	-	-	-	526.34	-	-	-
ICICI Pru Banking & PSU Debt Reg-DD	-	11,436,277	10,813,738	-	-	-	-	1,151.32	1,088.64	-	-	-
Birla SL Short Term-DM	-	-	8,047,962	-	-	-	-	-	940.90	-	-	-
HDFC Short Term Opportunities-DF	-	-	9,284,385	-	-	-	-	-	933.97	-	-	-
IDFC SSI ST Plan B-DM	-	-	6,243,633	-	-	-	-	-	639.54	-	-	-
IDFC SSI ST Reg-DM	-	-	4,490,312	-	-	-	-	-	457.77	-	-	-
Kotak Bond Short-term-DM	-	-	3,403,504	-	-	-	-	-	345.59	-	-	-
Reliance Short-term-DM Reinvestment	5,504,177	5,340,059	5,112,136	-	-	-	604.27	586.14	557.71	-	-	-
DWS Ultra Short Term-DD	-	-	9,443,578	-	-	-	-	-	946.05	-	-	-
Franklin India Ultra Short Bond Super Inst-DD	-	-	34,558,690	-	-	-	-	-	3,468.61	-	-	-
HDFC Floating Rate Income LT-DW	-	-	10,003,685	-	-	-	-	-	1,020.64	-	-	-
IDFC Ultra Short Term-DD	-	-	1,465,830	-	-	-	-	-	146.86	-	-	-
Kotak Flexi Debt Plan A-DD	-	-	16,673,558	-	-	-	-	-	1,675.28	-	-	-
Reliance Money Manager Direct -DD	-	-	32,800	-	-	-	-	-	328.70	-	-	-
Religare Invesco Ultra Short Term-DD	-	-	60,299	-	-	-	-	-	604.03	-	-	-
UTI Floating Rate ST Reg-DD	-	-	42,604	-	-	-	-	-	458.80	-	-	-
Total non-current investments							**2,106.49**	**2,939.77**	**15,141.74**	**-**	**-**	**-**

Aggregate amount of unquoted investments	2,106.49	2,939.77	15,141.74
Provision on duminution in value of investments	-	-	-

Intellect Design Arena Limited
Annexure XIII - Restated consolidated statement of long-term loans and advances

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
A. Long term loans and advances						
Unsecured, Considered Good						
Capital Advances	38.23	58.16	255.07	-	-	-
Security Deposits	902.13	832.34	824.49	-	-	-
Advances recoverable in cash or in kind or for value to be received	28.79	7.97	8.82	-	-	-
Loans to employees	260.51	255.28	247.36	-	-	-
Advance taxes (net of provision for taxes)	5,471.84	4,830.27	3,582.90	-	-	-
MAT credit entitlement	674.78	582.34	141.33	-	-	-
Total Long-term loans and advances	7,376.28	6,566.36	5,059.97	-	-	-

Note:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.
3) There are no long term loans and advances outstanding from Directors/ Promoters/ Promoter Group Companies/ Relatives of Promoters/ Relatives of directors.

Intellect Design Arena Limited
Annexure XIV - Restated consolidated statement of Deferred tax assets

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Deferred tax assets (Net)						
Provision for Doubtful debts	651.65	656.13	186.95	-	-	-
Others	-	-	382.51	-	-	-
Deferred Tax Asset	651.65	656.13	569.46	-	-	-

Note:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

Intellect Design Arena Limited
Annexure XV - Restated consolidated statement of trade receivables (net of provision for doubtful receivables)

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Outstanding for a period exceeding six months from the date they are due for payment						
- Unsecured considered good	3,724.29	3,968.87	2,902.69	-	-	-
- Considered doubtful	2,033.35	1,781.35	940.11	-	-	-
	5,757.64	**5,750.22**	**3,842.80**	**-**	**-**	**-**
Less: Provision for doubtful receivables	(2,033.35)	(1,781.35)	(940.11)	-	-	-
	3,724.29	**3,968.87**	**2,902.69**	**-**	**-**	**-**
Other trade receivables (i.e., less than six months)						
- considered good	17,920.81	12,074.32	13,804.85	-	-	-
	17,920.81	**12,074.32**	**13,804.85**	**-**	**-**	**-**
Less: Provision for doubtful receivables	-	-	-	-	-	-
	17,920.81	**12,074.32**	**13,804.85**	**-**	**-**	**-**
Total	**21,645.10**	**16,043.19**	**16,707.54**	**-**	**-**	**-**

Note:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.
3) There are no amounts due from Directors/Promoters/Promoter Group/Relatives of Promoters/Relatives of Directors/Subsidiary Companies.

Intellect Design Arena Limited
Annexure XVI - Restated consolidated statement of cash and bank balances

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Cash and cash equivalents						
Balances with banks on current accounts	2,290.79	4,523.10	6,410.65	-	-	-
Deposits with original maturity of less than three months (Refer Note 3 below)	302.17	993.81	4,199.96	-	-	-
Cash on hand	0.72	3.30	11.26	-	-	-
Total cash and bank balances	**2,593.68**	**5,520.21**	**10,621.87**	-	-	-

Note:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.
3) For the period/year September 30,2016 the balance on deposit accounts includes Rs. 2559.08lacs out of total of Rs. 2803.46 lacs (March 31, 2016, Rs.203.65 lakhs out of total of Rs. 2,135.60 lakhs) (September 30,2016 Rs. 2,458lacks grouped under Non-current assets, March 31, 2016 Rs.1,931.95 lakhs grouped under Non-current assets) which has been pledged as a security by the company for availing non-fund based facilities. For the year March 31, 2015, the balance on deposit accounts includes Rs.358.50 lakhs out of total of Rs. 2067.11 lakhs (Rs.1708.61 lakhs grouped under Non-current assets) which has been pledged as a security by the company for availing non-fund based facilities. For the year ended March 31, 2014, 2013 and 2012, the Company had nil balance in deposit account.

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Intellect Design Arena Limited
Annexure XVII - Restated consolidated statement of short-term loans and advances and other current assets

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
A. Short term loans and advances						
Unsecured, considered good						
Loans and advances to related parties	773.13	758.57	764.91	-	-	-
Advances recoverable in cash or in kind or for value to be received	2,891.98	1,531.69	1,098.90	-	-	-
Loans to Employees	413.75	678.92	514.24	-	-	-
Salary advance	185.98	190.89	44.32	-	-	-
Input tax credit receivable	778.77	533.58	366.18	-	-	-
Security Deposits	35.00	42.40	5.00	-	-	-
Total short-term loans and advances	**5,078.61**	**3,736.05**	**2,793.55**	-	-	-
B. Other current assets						
Revenues accrued and not billed	22,685.76	20,995.69	10,971.29	-	-	-
Other receivable	246.40	230.00	106.36	-	-	-
Preliminary Expenses	-	-	-	-	-	-
Forward cover receivable, Net (Refer Note 5 below)	787.84	306.39	471.81	-	-	-
Total other current assets	**23,720.00**	**21,532.08**	**11,549.46**	-	-	-
C. Other non-current assets						
Deposits held as margin money or security against guarantees or other commitments	2,458.09	2,018.40	1,708.61	-	-	-
Forward cover receivable, Net (Refer Note 5 below)	397.40	289.30	10.87	-	-	-
Total Non Current Assets	**2,855.49**	**2,307.70**	**1,719.48**	-	-	-

Note:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.
3) Amounts due from Directors / Promoters / Promoter Group / Relatives of Promoters / Relatives of directors / Subsidiary Companies:

Particulars	As at					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
PCSL India	-	25.90	-	-	-	-
IPDLLC USA	-	-	1.23	-	-	-
PCSL Australia	-	43.63	62.02	-	-	-
PCSL Germany	-	309.43	146.60	-	-	-
PCSL Hungary	-	-	142.87	-	-	-
PCSL Ireland	-	-	1.32	-	-	-
PCSL Japan	-	-	0.52	-	-	-
PCSL Malaysia	-	1.58	-	-	-	-
PCSL Netherland	-	53.19	-	-	-	-
PCSL Singapore	-	155.24	-	-	-	-
PCSL China	-	29.65	119.84	-	-	-
PCSL UK	-	28.35	-	-	-	-
PCSL Dubai	-	6.36	-	-	-	-

4) The list of persons /entities classified as "Promoters and Promoter Group Companies has been determined by the management and relied upon by the Auditors

5) As per the accounting policy, cumulative gain on remeasurement of hedging instruments as on September 30, 2016 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.787.84 lakhs (March 31, 2016 Rs.306.39 lakhs) (March 31,2015 - Rs.471.81 Lakhs) has been recorded as forward cover receivable under other current assets and non-current portion gain of Rs.397.40 lakhs (March 31, 2016 Rs. 289.30 lakhs) (March 31,2015-Rs.10.87) has been recorded as forward cover receivables under other non-current assets.

Intellect Design Arena Limited
Annexure XVIII - Restated consolidated statement of other income

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	For the six months ended	Year ended			For the nine months ended	For the period 18 April 2011 to 30 June 2012	Nature	
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13		Recurring / Non-recurring	Related / Not related to business activity
Interest received on deposits with banks	81.66	319.30	199.00	-	-	-	Recurring	Not related
Interest on others	61.65	127.56	153.67	-	-	-	Recurring	Not related
Dividends received on investments in mutual funds	69.58	397.48	1,349.09	-	-	-	Recurring	Not related
Profit on sale of investments, net	3.35	121.63	279.61	-	-	-	Recurring	Not related
Provision for diminution in value of investments	-	6.23	69.34	-	-	-	Recurring	Not related
Miscellenous Income, Net	202.94	608.40	450.68	-	-	-	Recurring	Not related
Profit / (loss) on sale of assets, net	1,321.51	442.38	6.56	-	-	-	Non - recurring	Not related
Net Gain on foreign currency transaction and translation (other than considered as finance cost)	548.09	587.46	244.86	-	-	-	Recurring	Not related
Total Other Income	**2,288.78**	**2,610.44**	**2,752.81**	-	-	-		

Note:
1) The classification of other income as recurring/non-recurring, related/not related to business activity is based on the current operations and business activity of the Group as determined by the management.
2) The figures disclosed above are based on the restated consolidated summary statement of profits and losses of the Group.
3) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.

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Intellect Design Arena Limited
Annexure XIX - Restated consolidated statement of operating expenses

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	For the six months ended	Year ended			For the nine months ended	For the period 18 April 2011 to 30 June 2012
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
A. Employee benefit expenses						
Salaries, wages and bonus	29,222.58	54,088.18	44,780.92	-	-	-
Contribution to provident and other fund	669.65	1,142.17	934.34	-	-	-
-Superannuation scheme	241.23	448.80	357.47	-	-	-
-Other funds	30.56	266.64	83.38	-	-	-
Gratuity expense	293.93	251.82	469.51	-	-	-
Cost of technical sub-contractors	3,067.64	6,072.96	5,016.82	-	-	-
Social security and other benefit plans for overseas employees	107.21	159.88	127.87	-	-	-
Staff welfare expenses	700.63	1,451.17	1,353.18	-	-	-
Total employee benefit expenses	**34,333.43**	**63,881.62**	**53,123.49**	-	-	-
B. Other expenses						
Payment to the auditors						
- Statutory Audit	13.00	22.75	20.00	-	-	-
- other services	14.01	23.00	11.00			
- Reimbursement of expense	3.46	0.72	0.43			
Cost of software packages, consumable and maintenance	836.80	1,773.78	1,312.75	-	-	-
Travelling expenses	3,260.10	5,408.96	5,078.71	-	-	-
Communication expenses	566.92	799.17	768.84	-	-	-
Professional and Legal charges	1,663.83	3,119.94	1,836.97	-	-	-
Power and fuel	390.39	739.60	718.93	-	-	-
Rent	718.52	1,677.00	1,421.37	-	-	-
Repairs - Plant and machinery	142.30	500.68	439.85	-	-	-
Repairs - Building	-	0.56	23.46	-	-	-
Repairs - Others	250.32	578.31	375.62	-	-	-
Business promotion	1,320.27	1,876.58	1,436.66	-	-	-
Office maintenance	575.73	743.41	518.07	-	-	-
Provision for doubtful debts	252.00	841.24	677.38	-	-	-
Bad debts / advances written off	-	138.38	-	-	-	-
Insurance	87.99	116.55	58.70	-	-	-
Printing and stationery	101.82	224.75	149.38	-	-	-
Rates and taxes excluding Taxes on Income	306.33	457.79	309.31	-	-	-
Donations	-	0.65	19.51	-	-	-
Expense towards Chennai Flood Relief	-	46.01	-	-	-	-
Directors' sitting fees	7.85	24.90	10.83	-	-	-
Bank charges & commission	79.52	96.84	45.48	-	-	-
Miscellaneous expenses	493.24	693.81	548.90	-	-	-
Net Loss on foreign currency transaction and translation (other than considered as finance cost)	569.98	397.71	-	-	-	-
Total other expenses	**11,651.38**	**20,303.09**	**15,782.15**	-	-	-
C. Finance Cost						
Interest Expenses	401.77	119.22	80.78	-	-	-

Note:

1) The figures disclosed above are based on the restated consolidated summary statement of profits and losses of the Group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

Intellect Design Arena Limited
Annexure XX - Restated consolidated statement of exceptional items

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	For the six months ended	Year ended			For the nine months ended	For the period 18 April 2011 to 30 June 2012
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
Restructuring expenses incurred	-	-	976.63	-	-	-
Total exceptional items	**-**	**-**	**976.63**	**-**	**-**	**-**

Note:
1) The figures disclosed above are based on the restated consolidated summary statement of profits and losses of the Group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

Intellect Design Arena Limited
Annexure XXI - Capitalisation statement

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	Pre Rights Issue as at Sept 30, 2016	As adjusted for Rights Issue (Refer note 3 below)
Debt		
Short term borrowings (A)	11,528.82	
Long term borrowings (B)	-	
Total borrowings (A+B)	**11,528.82**	
Shareholder's funds		
Share capital	5,054.92	
Reserves and Surplus, as restated	54,920.13	
Total shareholder's funds (C)	**59,975.05**	
Long term borrowings / Shareholder's fund (B/C)	-	

Note:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.
3) The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this state pending the completion of the book building process and hence the same have not been provided in the above statement.

Intellect Design Arena Limited
Annexure XXII - Restated consolidated statement of accounting ratios

(All amounts are in INR Lakhs unless otherwise stated)

Particulars		For the six months ended	Year ended			For the nine months ended	For the period 18 April 2011 to 30 June 2012
		30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
Restated Loss after tax from operations	A	(1,760.02)	(2,901.02)	(7,081.89)	-	-	-
Weighted average number of equity shares considered for calculating basic EPS	B	1009,84,201	100,676,076	99,955,231	-	-	-
Weighted average number of equity shares considered for calculating diluted EPS	C	1009,84,201	100,676,076	99,955,231	-	-	-
Restated net worth	D	59,975.05	61,904.64	63,137.94	-	-	-
Accounting ratios:							
Basic earnings per share (Rs.)	(A/B)	(1.74)	(2.88)	(7.09)	-	-	-
Diluted earnings per share (Rs.)	(A/C)	(1.74)	(2.88)	(7.09)	-	-	-
Return on net worth (%)		-2.93%	-4.69%	-11.22%	-	-	-
Net asset value per share (Rs.) (Refer note 3(d) below)		59.75	61.43	61.80	-	-	-

Notes:

1) The above ratios have been computed on the basis of the restated consolidated summary statements of the Company.
2) The above statement should be read with the notes to restated unconsolidated summary statements of assets, liabilities, profit and loss and cash flows.
3) The Ratios have been computed as below:

a) Basic Earnings per share (Rs.) = $\frac{\text{Net profit after taxes (as restated) from operations attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year/period}}$

b) Diluted Earnings per share (Rs.) = $\frac{\text{Net profit after taxes (as restated) from operations}}{\text{Weighted average number of diluted equity shares outstanding during the year/period}}$

c) Return on net worth (%) = $\frac{\text{Net profit after tax (as restated)}}{\text{Net worth at the end of the year/period}}$

d) Net asset value per share (Rs.) = $\frac{\text{Net worth at the end of the year/period}}{\text{Total number of equity shares outstanding at the end of the year/period}}$

4) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the number of equity shares issued during the year/period multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/period.
5) Net worth for ratios mentioned in note 3(c) and 3(d) = Equity share capital + Reserves and surplus (including Securities Premium and surplus in statement of profit and loss).
6) Earnings per share calculations are in accordance with Accounting Standard 20 on Earnings Per Share notified under section 133 of the Companies Act 2013, read together along with paragraph 7 of the Companies (Accounts) Rules, 2014. As per

Accounting Standard 20, in case of bonus shares or consolidation of shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity share outstanding during all the previous periods/years have been considered accordingly.

Intellect Design Arena Limited

Annexure XXIII - Restated consolidated statement of related party disclosures

(i) List of related parties and transactions as per the requirements of Accounting Standard - 18, "Related Party Disclosures" notified by Central Government under section 133 of Companies Act, 2013

(All amounts are in INR Lakhs unless otherwise stated)

Relationship	For the six months ended	Year / Period ended				
	For 30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Enterprises owned or significantly influenced by key management personnel or their relatives		1. Polaris Banyan Holding Private Ltd, India ('Polaris Banyan')	1. Polaris Banyan Holding Private Ltd, India ('Polaris Banyan')	NA	NA	NA
		2. Polaris Consulting & Services Pte Ltd, Singapore ('PCSL Singapore')	2. Polaris Consulting & Services Pte Ltd, Singapore ('PCSL Singapore')	NA	NA	NA
		3.Polaris Consulting & Services Inc, Canada ('PCSL Canada')	3.Polaris Consulting & Services Inc, Canada ('PCSL Canada')	NA	NA	NA
		4.Polaris Consulting & Services Limited, United Kingdom ('PCSL UK')	4.Polaris Consulting & Services Limited, United Kingdom ('PCSL UK')	NA	NA	NA
		5.Polaris Consulting & Services GmbH, Germany ('PCSL Germany')	5.Polaris Consulting & Services GmbH, Germany ('PCSL Germany')	NA	NA	NA
		6. Polaris Consulting & Services Pty Ltd, Australia ('PCSL Australia')	6. Polaris Consulting & Services Pty Ltd, Australia ('PCSL Australia')	NA	NA	NA
		7. Polaris Consulting and Services Japan K.K, Japan ('PCSL Japan')	7. Polaris Consulting and Services Japan K.K , Japan ('PCSL Japan')	NA	NA	NA
		8.Polaris Consulting & Services Limited, India ('PCSL India')	8.Polaris Consulting & Services Limited, India ('PCSL India')	NA	NA	NA
		9. Polaris Consulting & Services Ireland Ltd, Ireland, ('PCSL Ireland')	9. Polaris Consulting & Services Ireland Ltd, Ireland, ('PCSL Ireland')	NA	NA	NA
		10. Polaris Consulting & Services B.V, Netherlands ('PCSL Netherlands')	10. Polaris Consulting & Services B.V, Netherlands ('PCSL Netherlands')	NA	NA	NA
		11. Polaris Software (Shanghai) company Limited, China ('PSL China')	11. Polaris Software (Shanghai) company Limited, China ('PSL China')	NA	NA	NA
		12.Polaris Software Consulting & Services sdn.bhd., Malaysia ('PCSL Malaysia')	12.Polaris Software Consulting & Services sdn.bhd., Malaysia ('PCSL Malaysia')	NA	NA	NA
		13. Polaris Consulting & Services KFT, Hungary ('PCSL Hungary')	13. Polaris Consulting & Services KFT, Hungary ('PCSL Hungary')	NA	NA	NA
		14. Optimus Global Services Limited, India ('Optimus')	14. Optimus Global Services Limited, India ('Optimus')	NA	NA	NA
		15.Polaris Consulting & Services Limited, FZ LLC ('PCSL Dubai')	15.Polaris Consulting & Services Limited, FZ LLC ('PCSL Dubai')	NA	NA	NA
		16.Polaris Consulting	16.Polaris Consulting &	NA	NA	NA

		& Services SA ('PCSL Switzerland')	Services SA ('PCSL Switzerland')			

Relationship	For the six months ended	Year / Period ended				
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Associates	NMS Works Software Private Limited, India ('NMS')	NMS Works Software Private Limited, India ('NMS')	NMS Works Software Private Limited, India ('NMS')	NA	NA	NA
	Adrenalin eSystems Limited, India ('Adrenalin eSystems)	Adrenalin eSystems Limited, India ('Adrenalin eSystems)	Adrenalin eSystems Limited, India ('Adrenalin eSystems)	NA	NA	NA
Key Management Personnel (KMP)	1. Mr. Arun Jain, Chairman and Managing Director	1. Mr. Arun Jain, Chairman and Managing Director	1. Mr. Arun Jain, Chairman and Managing Director	NA	NA	NA
	2. Mr. S Swaminathan, Chief Financial officer	2. Mr. S Swaminathan, Chief Financial officer	2. Mr. S Swaminathan, Chief Financial officer	NA	NA	NA
	3. Mr. Naresh VV, Company Secretary	3. Mr. Naresh VV, Company Secretary	3. Mr. Naresh VV, Company Secretary	NA	NA	NA
	4. Mr.Anil kumar verma, Executive Director	4. Mr.Anil kumar verma, Executive Director	4. Mr.Anil kumar verma, Executive Director	NA	NA	NA

Intellect Design Arena Limited
Annexure XXIII - Restated consolidated statement of related party disclosures

(ii) Details of transactions with related parties

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	For the six months ended	Year / Period ended				
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Transactions during the period						
A Others:						
Advances given						
PCSL Germany	-	-	1.41	-	-	-
Software development service income						
PCSL India	-	2,543.86	2,347.50	-	-	-
PCSL Australia	-	-	52.95	-	-	-
PCSL China	-	102.26	161.11	-	-	-
PCSL Malaysia	-	-	71.37	-	-	-
PCSL Singapore	-	270.00	-	-	-	-
PCSL Canada	-	176.50	2,067.94	-	-	-
PCSL Netherland	-	430.71	-	-	-	-
PCSL UK	-	183.88	139.10	-	-	-
PCSL Dubai	-	6.34	-	-	-	-
PCSL Switzerland	-	206.40	-	-	-	-
Software development expenses						
PCSL India	-	-	3,417.41	-	-	-
PCSL Singapore	-	9.95	1,085.64	-	-	-
PCSL Canada	-	-	1,443.41	-	-	-
PCSL UK	-	1.47	239.69	-	-	-
	-					
Reimbursement of expenses to the Company						
PCSL India	-	858.66	1,031.48	-	-	-
PCSL Australia	-	168.87	10.01	-	-	-
PCSL China	-	1.87	24.50	-	-	-
PCSL Japan	-	761.94	-	-	-	-
PCSL Malaysia	-	731.53	57.12	-	-	-
PCSL Singapore	-	111.71	-	-	-	-
PCSL Canada	-	2,611.95	-	-	-	-
PCSL Germany	-	-	13.13	-	-	-
Reimbursement of expenses by the Company						
PCSL India	-	1,577.02	2,958.84	-	-	-
PCSL Australia	-	48.14	-	-	-	-
Polaris Japan	-	903.40	-	-	-	-
PCSL Malaysia	-	173.74	-	-	-	-
PCSL Singapore	-	231.52	-	-	-	-
PCSL Canada	-	1,806.30	23.76	-	-	-
Polaris Netherland	-	3.11	-	-	-	-
PCSL UK	-	4,781.88	-	-	-	-
PCSL Dubai	-	3,702.90	-	-	-	-
PCSL Switzerland	-	40.67	-	-	-	-
Rental Income						
PCSL India	-	357.84	192.30	-	-	-
Rental Expenses						
PCSL India	-	188.64	120.91	-	-	-

Particulars	For the six months ended	Year / Period ended				
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Dividend Paid						
PCSL India	-	-	1,304.38	-	-	-

Intellect Design Arena Limited
Annexure XXIII - Restated consolidated statement of related party disclosures

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	For the six months ended	Year / Period ended				
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Receivables & Loans and Advances						
PCSL India	-	25.90		-	-	-
IPDLLC USA	-	-	1.23	-	-	-
PCSL Australia	-	43.63	62.02	-	-	-
PCSL Germany	-	309.43	1.34	-	-	-
PCSL Hungary	-	-	142.87	-	-	-
PCSL Ireland	-	-	1.32	-	-	-
PCSL Japan	-	-	0.52	-	-	-
PCSL Malaysia	-	1.58	-	-	-	-
PCSL Netherland	-	53.19	-	-	-	-
PCSL Singapore	-	155.24	-	-	-	-
PCSL China	-	29.65	119.84	-	-	-
PCSL UK	-	28.35	-	-	-	-
PCSL Dubai	-	6.36	-	-	-	-
Payables & Current Liabilities						
PCSL Canada	-	208.51	880.43	-	-	-
PCSL India	-	1,676.77	2,135.78	-	-	-
PCSL Malaysia	-	-	50.22	-	-	-
PCSL Singapore	-	-	3,617.22	-	-	-
PCSL UK	-	111.97	1,331.52	-	-	-
PCSL Australia	-	24.86	-	-	-	-
PCSL US	-	0.86	-	-	-	-
PCSL Japan	-	39.88	-	-	-	-
B Associates						
Reimbursement of expenses to the Company						
Adrenalin eSystems	11.41	-	20.68	-	-	-
Reimbursement of expenses by the Company						
Adrenalin eSystems	189.52	210.22	181.05	-	-	-
Balance due from related parties						
Adrenalin eSystems	769.96	594.99	381.63	-	-	-
Investments						
NMS	648.30	1,001.43	816.25	-	-	-
Adrenalin eSystems	1,956.11	10052.19	760.00	-	-	-
IPDLLC USA	1,380.15	-	148.30	-	-	-
Int Thailand	-	-	28.46			
C Key Management Personnel						

Remuneration to Key Managerial Personnel						
Remuneration & other Benefits	-	331.40	158.00	-	-	-

Intellect Design Arena Limited
Annexure XXIV - Restated consolidated statement of segment information

Primary Segment Information based on business:

The company has only one reportable segment 'Software Product License 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.

Secondary segment information (by Geographical segments):

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	For the six months ended	Year ended			For the nine months ended	For the period 18 April 2011 to 30 June 2012
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
Segment Revenue						
India, Middle East & Africa	19,614.07	35,726.58	32,061.30	-	-	-
Asia Pacific	4,303.32	10,289.89	4,131.23	-	-	-
Europe	14,114.89	23,046.32	16,843.71	-	-	-
Americas	5,644.39	12,002.76	7,838.71	-	-	-
	43,676.67	**81,065.55**	**60,874.95**	-	-	-
Other segment information						
Total assets						
India, Middle East & Africa	104,852.68	86,747.98	78,178.29	-	-	-
Asia Pacific	11,324.80	10,750.89	8,976.32	-	-	-
Europe	17,227.85	16,109.24	11,802.45	-	-	-
Americas	14,468.22	11,532.30	7,143.37	-	-	-
Eliminations	(39,628.14)	(28,923.24)	(12,314.98)	-	-	-
	108,245.40	**96,217.17**	**93,785.45**	-	-	-
Capital Expenditure						
India, Middle East & Africa	3,873.44	6,397.91	1,339.87	-	-	-
Asia Pacific	4.34	10.70	5.15	-	-	-
Europe	3.94	11.85	39.86	-	-	-
Americas	28.70	1,518.48	8.08	-	-	-
	3,910.42	**7,938.94**	**1,392.96**	-	-	-

Note:

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

Intellect Design Arena Limited
Annexure XXV - Restated consolidated statement of dividend

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Equity shares:						
Number of equity shares (numbers)	1010,98,422	1007,78,624	1001,98,474	-	-	-
Face value per share (Rs.)	5.00	5.00	5.00	-	-	-
Rate of dividend (%)	-	-	-	-	-	-
Dividend amount	-	-	-	-	-	-
Tax on dividend	-	-	-	-	-	-

Report of auditors on the Restated Unconsolidated Summary Statement of Assets and Liabilities as at September 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 and Profits and Losses and Cash Flows for six month period ended September 30, 2016, each of the years ended March 31, 2016, 2015 and 2014, nine month period ended March 31, 2013 and for the period from April 18, 2011 to June 30, 2012 for Intellect Design Arena Limited (collectively, the "Restated Unconsolidated Summary Statements")

The Board of Directors
Intellect Design Arena Limited
Polaris House,
244, Anna Salai,
Chennai – 600 006.

Dear Sirs,

1. We have examined the Restated Unconsolidated Summary Statements of Intellect Design Arena Limited (Formerly referred to as "Fin Tech Grid Limited) (the "Company") as at and for the six month period ended September 30, 2016, as at and for each of the years ended March 31, 2016, 2015 and 2014, as at and for the nine month period ended March 31, 2013 and as at and for the period from April 18, 2011 to June 30, 2012, annexed to this report for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Rights Issue of Equity shares of Rs.5 each ("Rights Issue"). The Restated Unconsolidated Summary Statements, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:

    a. sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of the Companies Act, 2013 ('the Act') read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ('the Rules'); and

    b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

    The preparation of the Restated Unconsolidated Summary Statements is the responsibility of the Management of the Company for the purpose set out in paragraph 12 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Unconsolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and the ICDR Regulations.

2. We have examined such Restated Unconsolidated Summary Statements taking into consideration:

    a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated January 2, 2017, requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed Rights Issue of Equity shares of Rs.5 each; and

    b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note").

3. The Company proposes to make a Rights Issue of its equity shares of Rs. 5 each at such premium (referred to as the "Issue") as may be decided by the Company's Board of Directors.

4. The Restated Unconsolidated Summary Statements have been compiled by the management from:

    a. the audited unconsolidated financial statements of the Company as at and for the six month period ended September 30, 2016 and as at and for the years ended March 31, 2016 and 2015 prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on January 13, 2017, May 3, 2016 and April 27, 2015, respectively; and

    b. the audited unconsolidated financial statements of the Company as at and for the year ended March 31, 2014, as at and for the nine month period ended March 31, 2013 and as at and for the period from April 18, 2011 to June 30, 2012 prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Company in its board meeting held on April 25, 2014, April 23, 2013 and July 23, 2012 respectively.

5. For the purpose of our examination, we have relied on:

a. Auditor's report issued by us dated January 13, 2017, May 3, 2016 and April 27, 2015, respectively, on the unconsolidated financial statements of the Company as at and for the six month period ended September 30, 2016 and as at and for the years ended March 31, 2016 and 2015, as referred in paragraph 4 (a) above; and

b. Auditor's report issued by the Company's previous auditor M/s Sivasubramanian & Rao dated April 25, 2014, April 23, 2013 and July 23, 2012 respectively, on the unconsolidated financial statements of the Company as at and for the year ended March 31, 2014, as at and for the nine month period ended March 31, 2013 and as at and for the period from April 18, 2011 to June 30, 2012, as referred in paragraph 4(b) above.

6. Based on our examination in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note, we report that:

a) The Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company including as at March 31, 2014, March 31, 2013 and June 30, 2012 examined and reported upon by M/s Sivasubramanian & Rao on which reliance has been placed by us, and as at September 30, 2016, March 31, 2016 and 2015 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV B – Notes on material adjustments.

b) The Restated Unconsolidated Summary Statement of Profits and Losses of the Company including for the year ended March 31, 2014, for the nine month period ended March 31, 2013 and for the period from April 18, 2011 to June 30, 2012 examined and reported upon by M/s Sivasubramanian & Rao on which reliance has been placed by us, and for the six month period ended September 30, 2016 and for each of the years ended March 31, 2016 and 2015 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV B – Notes on material adjustments.

c) The Restated Unconsolidated Summary Statement of Cash Flows of the Company including for the year ended March 31, 2014, for the nine month period ended March 31, 2013 and for the period from April 18, 2011 to June 30, 2012 examined and reported upon by M/s Sivasubramanian & Rao on which reliance has been placed by us, and for the six month period ended September 30, 2016 and for each of the years ended March 31, 2016 and 2015 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV B – Notes on material adjustments.

d) Based on the above, and according to the information and explanations given to us, we further report that the Restated Unconsolidated Summary Statements:

iv. do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the six month period ended September 30, 2016 are materially consistent with the policies adopted as at and for each of the years ended March 31, 2016, 2015 and 2014, as at and for the nine month period ended March 31, 2013 and as at and for the period from April 18, 2011 to June 30, 2012. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;

v. have been made after incorporating adjustments for the material amounts in the respective financial years / period to which they relate; and

vi. do not contain any extra-ordinary items that need to be disclosed separately in the Restated Unconsolidated Summary Statements and do not contain any qualification requiring adjustments.

7. We have not audited or reviewed any financial statements of the Company as of any date or for any period subsequent to September 30, 2016. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to September 30, 2016.

Other Financial Information:

8. At the Company's request, we have also examined the following restated unconsolidated financial information proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the six month period ended September 30, 2016, as at and for the years ended March 31, 2016, 2015 and 2014, as at and for the nine month period ended March 31, 2013 and as at and for the period from April 18, 2011 to June 30, 2012 and:

i. Restated Unconsolidated Statement of Share Capital, enclosed as Annexure V

ii. Restated Unconsolidated Statement of Reserves and Surplus, enclosed as Annexure VI

iii. Restated Unconsolidated Statement of Short-term Borrowings, enclosed as Annexure VII

iv. Restated Unconsolidated Statement of Long-term Provisions, enclosed as Annexure VIII

v. Restated Unconsolidated Statement of Trade Payables, Other Current Liabilities and Short-term Provisions, enclosed as Annexure IX

vi. Restated Unconsolidated Statement of Non-Current Investments, enclosed as Annexure X

vii. Restated unconsolidated statement of current investments - Annexure XI

vii. Restated Unconsolidated Statement of Long-term Loans and Advances and other non-current assets, enclosed as Annexure XII

viii. Restated Unconsolidated Statement of Trade Receivables (net of provision for doubtful receivables), enclosed as Annexure XIII

ix. Restated Unconsolidated Statement of Cash and Bank Balances, enclosed as Annexure XIV

x. Restated Unconsolidated Statement of Short-term Loans and Advances and Other Current Assets, enclosed as Annexure XV

xi. Restated Unconsolidated Statement of Other Income, enclosed as Annexure XVI

xii. Restated Unconsolidated Statement of Operating Expenses, enclosed as Annexure XVII

xiii. Capitalisation Statement, enclosed as Annexure XVIII

xiv. Restated Unconsolidated Statement of Accounting Ratios, enclosed as Annexure XIX

xv. Restated Unconsolidated Tax Shelter Statement, enclosed as Annexure XX

xvi. Restated Unconsolidated Statement of Related Party Transactions, enclosed as Annexure XXI

xvii. Restated Unconsolidated Statement of Segment Information, enclosed as Annexure XXII

xviii. Restated Unconsolidated Statement of Dividend, enclosed as Annexure XXIII

9. According to information and explanations given to us, in our opinion, the Restated Unconsolidated Summary Statements and the unconsolidated financial information as disclosed in the Annexures I to XXIII accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure IV A, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure IV B and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.

10. This report should not in any way be construed as a reissuance or redating of any of the previous audit reports issued by us or by the previous auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. This report is intended solely for your information and for inclusion in the offer document to be filed with SEBI, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies in connection with the proposed Rights Issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

Bharath N S
Partner
Membership No: 210934

Place: Chennai
Date: January 13, 2017

intellect Design for Digital

Intellect Design Arena Limited
Annexure I - Restated Unconsolidated Summary Statement of Assets and Liabilities

(All amounts are in INR Lakhs unless otherwise stated)

	Particulars	Annexure No.	As at					
			30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
	Equity and Liabilities							
A	**Shareholders' funds**							
	Share capital	V	5,054.92	5,038.93	5,009.92	5.00	5.00	5.00
	Reserves and surplus	VI	50,875.57	50,742.35	48,221.77	-	-	-
			55,930.49	**55,781.28**	**53,231.69**	**5.00**	**5.00**	**5.00**
B	**Non-current liabilities**							
	Deferred tax liabilities (Net)	VII (B)	-	-	-	-	-	-
	Long term provisions	VIII	-	-	15.28	-	-	-
			-	-	**15.28**	-	-	-
C	**Current liabilities**					-	-	-
	Short-term borrowings	VII (A)	11,110.73	1,509.86	-	-	-	-
	Trade payables							
	- total outstanding dues to micro enterprises and small enterprises	IX (A)	-	-	-	-	-	-
	- total outstanding dues to creditors other than micro enterprises and small enterprises	IX (A)	10,940.43	12,174.75	9,862.08	0.03	0.20	0.10
	Other current liabilities	IX (B)	7,640.43	5,566.66	5,897.10	0.97	0.44	0.44
	Short term provisions	IX (C)	1,387.51	1,150.43	880.05	-	-	-
			31,079.10	**20,401.70**	**16,639.23**	**1.00**	**0.64**	**0.54**
	Total Equity and Liabilities (A+B+C)		**87,009.59**	**76,182.98**	**69,886.20**	**6.00**	**5.64**	**5.54**
	Assets							
D	**Non-current assets**							
	Fixed assets							
	Property, Plant and Equipment		16,826.50	14,455.54	10,183.45	-	-	-
	Intangible assets		244.60	226.64	157.25	-	-	-
	Capital work-in-progress		4,322.81	4,137.94	4,480.24	-	-	-
	Non-current Investments	X	15,739.51	15,739.51	14,237.66	-	-	-
	Long term loans and advances	XII(A)	3,483.73	2,811.87	1,546.55	-	-	-
	Other non-current assets	XII(B)	2,855.49	2,307.69	1,719.48	-	-	-
			43,472.64	**39,679.19**	**32,324.63**	-	-	-
E	**Current assets**							
	Current Investments	XI	3,651.02	4,484.30	15,141.74	-	-	-
	Trade receivables	XIII	20,932.85	17,054.25	9,585.35	-	-	-
	Cash and bank balances	XIV	346.16	981.90	3,498.10	5.00	5.00	5.00
	Short term loans and advances	XV (A)	6,833.53	3,578.37	2,041.23	-	-	-
	Other current assets	XV (B)	11,773.39	10,404.97	7,295.15	1.00	0.64	0.54
			43,536.95	**36,503.79**	**37,561.57**	**6.00**	**5.64**	**5.54**
	Total Assets (D+E)		**87,009.59**	**76,182.98**	**69,886.20**	**6.00**	**5.64**	**5.54**

Note:

2. The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV A & IV B.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

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

Arun Jain
Chairman & Managing Director

Ashok Jhunjhunwala
Director

per Bharath N S
Partner
Membership No. 210934
Place : Chennai
Date : January 13, 2017

S.Swaminathan
Chief Financial Officer

V.V.Naresh
Company Secretary

Intellect Design Arena Limited
Annexure II - Restated Unconsolidated Summary Statement of Profits and Losses

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	Annexure No.	For the six months ended	Year ended			For the nine month period ended	For the period 18 April 2011 to 30 June 2012
		30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
Income from operations							
Revenue from operations		25,609.00	54,610.54	45,310.32	-	-	-
Other income	XVI	1,675.01	1,756.85	2,203.85	-	-	-
Total revenue		**27,284.01**	**56,367.39**	**47,514.17**	-	-	-
Expenses							
Employee benefit expenses	XVII (A)	20,021.79	41,653.35	43,302.34	-	-	-
Other expenses	XVII (B)	6,395.41	10,605.54	9,884.69	-	-	-
Finance Cost	XVII (C)	354.46	9.86	-	-	-	-
Depreciation and amortisation expense		1,120.75	1,904.52	1,705.68	-	-	-
Total expenses		**27,892.41**	**54,173.27**	**54,892.71**	-	-	-
Restated Profit / (Loss) before Tax		**(608.39)**	**2,194.12**	**(7,378.54)**	-	-	-
Tax expense							
Current Tax		-	405.81	-	-	-	-
Less: MAT Credit		-	(405.81)	-	-	-	-
- Deferred tax		-		(1,336.09)	-	-	-
		-	-	**(1,336.09)**	-	-	-
Restated profit / (loss) for the year / period		**(608.39)**	**2,194.12**	**(6,042.45)**	-	-	-

Note:

2. The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV A & IV B.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

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

Arun Jain
Chairman & Managing Director

Ashok Jhunjhunwala
Director

per Bharath N S
Partner
Membership No. 210934
Place : Chennai
Date : January 13, 2017

S.Swaminathan
Chief Financial Officer

V.V.Naresh
Company Secretary

Intellect Design Arena Limited
Annexure III - Restated Unconsolidated Summary Statement of Cash Flows

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	For the six months ended	Year ended			For the nine month period ended	For the period 18 April 2011 to 30 June 2012
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
A. CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES						
Restated profit / (loss) before tax	(608.39)	2,194.12	(7,378.54)	-	-	-
Adjustment to reconcile profit / (loss) before tax to net cash flows						
Depreciation and amortisation	1,120.75	1,904.52	1,705.68	-	-	-
Loss on sale of Property, Plant and Equipment (net)	(1,321.51)	(442.38)	(8.42)	-	-	-
Unrealised foreign exchange loss / (gain)	185.11	147.83	(413.04)	-	-	-
Reversal of provision for diminution in value of investments	-	(6.23)	(69.34)	-	-	-
Profit on sale of investments	(3.35)	(121.63)	(279.61)	-	-	-
Bad debts / advances written off	-	139.59	-	-	-	-
Provision for doubtful debts and advances	252.00	228.24	227.38	-	-	-
Dividend income from current investments	(69.58)	(397.48)	(1,347.60)	-	-	-
Interest expense	354.46	9.86	-	-	-	-
Interest income	(138.53)	(322.53)	(244.13)	-	-	-
Operating profit / (loss) before working capital changes (as restated)	**(229.04)**	**3,333.91**	**(7,807.62)**	-	-	-
Movement in working capital						
Increase in Trade receivables	(4,369.89)	(7,938.31)	(1,959.38)	-	-	-
Increase in loans and advances	(4,161.88)	(6,383.25)	(965.77)	-	-	-
Increase in Liabilities and provisions	1,080.61	2,250.66	6,842.65	-	-	-
Cash flow from / (used in) operations	**(7,680.20)**	**(8,736.99)**	**(3,890.12)**	-	-	-
Income taxes paid (net of refunds)	(685.22)	(1,483.88)	(604.65)	-	-	-
Net cash generated from operating activities (A)	**(8,365.42)**	**(10,220.87)**	**(4,494.77)**	-	-	-
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES						
Purchase of Property, Plant and Equipment and intangible assets	(3,991.12)	(5,830.02)	(2,443.32)	-	-	-

Proceeds from sale of Property, Plant and Equipment	1,638.02	565.63	46.22	-	-	-
(Acquisition) / Disposal of subsidiaries	-	240.53	(870.00)	-	-	-
Purchase of other long term investments	-	(1,742.38)	-	-	-	-
Net decrease/(increase) in trade investments	836.63	12,329.83	(14,792.78)	-	-	-
Net (Increase)/decrease in bank deposit	(439.69)	(309.79)	93.39	-	-	-
Interest received	138.53	322.53	244.13	-	-	-
Dividend received from Current Investments	69.58	397.48	1,347.60	-	-	-
Net cash from / (used in) investing activities (B)	**(1,748.05)**	**5,973.81**	**(16,374.76)**	-	-	-
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES						
Proceeds from issue of equity share capital	15.99	29.01	17.47	-	-	-
Proceeds from securities premium on exercise of stock options	152.05	213.45	150.31	-	-	-
(Repayment)/Proceeds from secured loans	9,600.86	1,509.86	-	-	-	-
Finance charges	(354.46)	(9.86)	-	-	-	-
Net cash generated from financing activities (C)	**9,414.44**	**1,742.46**	**167.78**	-	-	-
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	**(699.03)**	**(2,504.60)**	**(20,701.75)**	-	-	-
Effect of exchange differences on Cash & Cash Equivalents held in foreign currency	63.30	(11.60)	3.02	-	-	-
Cash and Cash Equivalents at the beginning of the year / period	981.90	3,498.10	5.00	5.00	5.00	5.00
Cash and cash equivalents acquired on Demerger pursuant to Scheme of arrangement (refer note 4 of annexure IVA)	-	-	24,191.83	-	-	-
Cash and Cash equivalents at the end of the year / period	**346.16**	**981.90**	**3,498.10**	**5.00**	**5.00**	**5.00**

Components of Cash and Cash Equivalents	**As at**					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Cash on hand	0.78	0.78	-	-	-	-
Cheques on hand	-	-	-	-	-	-
Deposits with original maturity of less than three months	-	-	-	-	-	-
Balances with banks on current account	345.38	981.12	3,498.10	5.00	5.00	5.00
Total	**346.16**	**981.90**	**3,498.10**	**5.00**	**5.00**	**5.00**

Note:

2. The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV A & IV B.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

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

Arun Jain
Chairman & Managing Director

Ashok Jhunjhunwala
Director

per Bharath N S
Partner
Membership No. 210934
Place : Chennai
Date : January 13, 2017

S.Swaminathan
Chief Financial Officer

V.V.Naresh
Company Secretary

Intellect Design Arena Limited
Annexure IV A - Notes to restated unconsolidated summary statements

Notes to the restated unconsolidated summary statement of assets and liabilities, profit and loss and cash flows for the six months ended September 2016 and year ended March 31, 2016, 2015, 2014, for the nine months ended Mar 31, 2013 and period 18 April, 2011 to 30 June 2012

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 Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company as at September 30, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and June 30, 2012 and the related Restated Unconsolidated Summary Statement of Profits and Losses and the Restated Unconsolidated Summary Statement of Cash Flows for the six months ended September 30, 2016 and for the year ended March 31, 2016, March 31, 2015, March 31, 2014, for the nine month period ended March 31, 2013 and for the period April 18,2011 to June 30, 2012 and annexures thereto (herein collectively referred to as 'Restated Unconsolidated Summary Statements') have been compiled by the management from the then audited unconsolidated financial statements of the Company for the six months ended September 30, 2016 and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, for the nine month period ended March 31, 2013 and for the period April 18,2011 to June 30, 2012.

The audited unconsolidated financial statements of the Company were prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) at the relevant time. The Company has prepared the audited unconsolidated financial statements to comply in all material respects with the accounting standards specified under the Companies Act, 1956 (the “Act”) and as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India. The audited unconsolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used for the purpose of preparation of financial statements as at and for the period ended September 30, 2016.

The Restated Unconsolidated Summary Statements have been prepared to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 read with rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the relevant provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the SEBI Guidelines”) issued by SEBI on August 26, 2009 as amended from time to time.

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 demerger as per the High Court order as further disclosed in Note 4 of Annexure IVA.

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/period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Intellect Design Arena Limited
Annexure IV A - Notes to restated unconsolidated summary statements

b) Property, Plant and Equipment and capital work-in-progress

Plant, property and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The Company identifies and determines cost of each component/ part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Items of stores and spares that meet the definition of plant, property and equipment are capitalized at cost and depreciated over their useful life.

Gains or losses arising from de-recognition of plant, property and equipment 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.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

c) Depreciation on Property, Plant and Equipment

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

Depreciation on plant, property and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The company has used the following rates to provide depreciation on its plant, property and equipment.

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

Assets Category	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar 13	30-June-12
Buildings	29	29	29	NA	NA	NA
Plant and machinery	15	15	15	NA	NA	NA
Computer equipments	3	3	3	NA	NA	NA
Servers and computer accessories	6	6	6	NA	NA	NA
Electrical fittings, furniture and fixtures	10	10	10	NA	NA	NA
Office equipments	5	5	5	NA	NA	NA
Vehicles	4-8	4-8	4-8	NA	NA	NA
Leasehold improvements	Over the lease period or 10 years whichever is lower	Over the lease period or 10 years whichever is lower	Over the lease period or 10 years whichever is lower	NA	NA	NA

Leasehold land	Over the lease period (99 years)	Over the lease period (99 years)	Over the lease period (99 years)	NA	NA	NA

The management has estimated, supported by independent assessment by professionals, the useful lives of Building as 29 years which is lower than those indicated in schedule II.

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

d) Intangible assets

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

Research and development costs

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

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

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

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 amortisation period and the amortisation method are reviewed at each year / period end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. The estimated useful life of company's intangible assets are in the range 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 Property, Plant and Equipment and Intangible 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.

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 / period in which such losses become probable based on the current contract estimates.

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/period 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 re-measured 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, which is a defined contribution plan. 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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal 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).

In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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m) Stock based Compensation

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

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

During the year 2014-15, 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 Honourable 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.

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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
LIABILITIES	
Non-Current Liabilities	
Deferred tax liabilities (Net)	1,336.09
Current Liabilities	
Trade payables	6,290.74
Other current liabilities	2,761.65
Short-term provisions	730.65
Total Liabilities (A)	**11,119.13**
ASSETS	
Non-Current Assets	
Fixed assets	
-Tangible assets	10,661.11
- Intangible assets	164.63
- Capital work-in-progress	3,479.01
	14,304.75
Non-current investments	13,372.66
Long-term loans and advances	424.08
Other non-current assets	1,802.00
Current Assets	
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
Total Assets (B)	**69,800.81**
Net Assets (B-A)	**58,681.68**

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 the Profit & Loss	17,291.48
(iv) Share Capital	4,987.20
Total	**58,681.68**

5. Employee benefits

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.

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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	For the six months ended	Year ended			For the Nine months ended	For the period 18 April 2011 to 30 June 2012
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
Obligations at the beginning of the year / period	1,335.15	1,132.99	837.94	-		
Current service cost	117.45	92.35	42.70			
Interest Cost	50.15	83.53	16.06			
Actuarial losses	103.46	125.40	265.08			
Benefits paid	(68.39)	(99.12)	(28.79)			
Obligations at the end of the year / period	**1,537.82**	**1,335.15**	**1,132.99**			
Change in plan assets						
Plan assets at year / period beginning, at fair value	916.13	818.11	846.90			
Expected return on plan assets	35.87	62.91	13.12			
Actuarial gain / (loss)	(11.03)	43.92	(13.12)			
Contributions	47.36	90.31	-			
Benefits paid	(68.39)	(99.12)	(28.79)			
Plan assets at the end of the year / period, at fair value	**919.94**	**916.13**	**818.11**			
Fair Value of plan assets at the end of the year / period	919.94	916.13	818.11			
Present value of defined benefit obligations at the end of the year / period	(1,537.82)	(1,335.15)	(1,132.99)			
Asset/(Liability) recognized in the balance sheet	**(617.88)**	**(419.02)**	**(314.88)**			

Particulars	For the six months ended	Year ended			For the Nine months ended	For the period 18 April 2011 to 30 June 2012
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
Gratuity cost for the period / Year						
Current service cost	117.45	92.35	42.70	-	-	-
Interest cost	50.15	83.53	16.06	-	-	-
Expected return on plan assets	(35.87)	(62.91)	(13.12)	-	-	-
Actuarial losses	114.49	81.48	278.20	-	-	-
Net gratuity cost	**246.22**	**194.45**	**323.84**	-	-	-

Experience adjustments on plan liabilities	103.46	125.40	265.08	-	-	-
Experience adjustments on plan assets	11.03	(43.92)	(13.12)	-	-	-
Actual return on plan assets	24.84	106.83	-	-	-	-
Assumptions:						
Discount rate	7.00%	7.71%	7.80%	-	-	-
Estimated return on plan assets	8.00%	7.71%	8.00%	-	-	-
Employee turnover	16.34%	16.34%	16.34%	-	-	-
The present value of defined benefit obligation	(1,537.82)	(1,335.15)	(1,132.99)	-	-	-
Fair value of plan assets	919.94	916.13	818.11	-	-	-
Deficit	(617.88)	(419.02)	(314.88)	-	-	-
The experience adjustment on plan assets	11.03	(43.92)	(13.12)	-	-	-
The experience adjustment on plan liabilities	103.46	125.40	265.08	-	-	-

The amount expected to be contributed to the gratuity fund in the next financial year is Rs. 314.88 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.

6. Operating Lease

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

Particulars	For the six months ended	Year ended			For the Nine months ended	For the period 18 April 2011 to 30 June 2012
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
Lease payments for the period/year	297.25	565.83	407.39	-	-	-
Future lease payments:						
Not later than one year	358.32	515.20	476.39	-	-	-
Later than one year but not later than five years	31.54	99.15	426.18	-	-	-
Later than five years	-	-	-	-	-	-

7. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

Particulars	As At					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Principal amount due to micro and small enterprises	-	-	-	-	-	-
Interest due on above	-	-	-	-	-	-
Total	-	-	-	-	-	-

The information regarding micro or small enterprise has been determined on the basis of information available with the management.

8. Employee Stock Option Scheme

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 additionally formulated a new 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.

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(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.

Since the Stock Option Plan has been effective from October 2014, the Company has not provided disclosures for the year ended March 31, 2014, March 31, 2013 and Nine month period March 31, 2012

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:

8.1 Associate Stock Option Plan 2003

The Plan is effective from October 9, 2014 and the Company has received in principle approval from the National Stock Exchange on February 16, 2015 and from the Bombay Stock Exchange on March 3, 2015. The 2003 Plan provides for issuance of 26,03,850 options, convertible to equivalent number of equity shares of Rs 5 each, to the employees including directors of the Company . The options are granted at the market price on the date of the grant. The market price, in accordance with the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 36 months from the last vesting date.

Activity in the options outstanding under Associate Stock Option Plan 2003

Particulars	30-Sep-16	31-Mar-16	31-Mar-15
Outstanding at the beginning of the year/period	238,100	677,200	677,200
Granted during the period as part of the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited	-	-	-
Granted During the year/period	-	1,500	1,500
Exercised during the year/period	(60,298)	(256,500)	(256,500)
Forfeited during the year/period	(17,600)	(10,000)	(10,000)
Expired during the year/period	(3,000)	(174,100)	(174,100)
Outstanding at the end of the year/period	157,202	238,100	238,100
Exercisable at the end of the year/period	157,202	222,100	222,100

The weighted average share price at the date of exercise of the options for the period ended September 30, 2016 and for the year ended March 31, 2016 and March 31, 2015 was Rs. 44.71/-, Rs 58.62/- and Rs 59.98/- respectively.

Details of Exercise price and Remaining contractual life of options outstanding:

Particulars	30-Sep-16	31-Mar-16	31-Mar-15
Range of exercise price (Rs.)	19.07-63.67	41.43 - 58.62	28.34 - 63.67
Weighted average remaining contractual life (in years)	2.407	2.94	3.11
Weighted average market price of the shares on the shares on the date of exercise (Rs.)	-	-	118.88

8.2 Associate Stock Option Plan 2004

The Plan is effective from October 9, 2014 and the Company has received in principle approval from the National Stock Exchange and the Bombay Stock Exchange on February 16, 2015 . The 2004 Plan provides for issuance of 8,24,645 options, convertible to equivalent number of equity shares of Rs 5 each, to the employees, including directors. The options are granted at the market price on the date of the grant. The market price, in accordance with the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014 as amended from time to time, shall be the latest available closing price prior to the date of the meeting of the Board of Directors in which options are granted, on the stock exchange on which the shares of the Company are listed. If the Shares are listed on more than one stock exchange then the stock exchange where there is highest trading volume on the said date shall be considered. The option vests over a period of 5 years from the date of grant in a graded manner, with 20% of the options vesting each year. The exercise period shall commence from the date of vesting and expires within 36 months from the last vesting date.

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Activity in the options outstanding under Associate Stock Option Plan 2004

Particulars	30-Sep-16	31-Mar-16	31-Mar-15
Outstanding at the beginning of the year/period	86,800	203,700	-
Granted during the period as part of the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited	-	-	379,100
Granted During the year/period	-	-	-
Exercised during the year/period	(5,600)	(50,100)	(170,000)
Forfeited during the year/period	(10,000)	(6,800)	(4,200)
Expired during the year/period	-	(60,000)	(1,200)
Outstanding at the end of the year/period	71,200	86,800	203,700
Exercisable at the end of the year/period	71,200	83,000	190,500

The weighted average share price at the date of exercise of the options for the period ended September 30, 2016 and for the year ended March 31, 2016 and March 31, 2015 was Rs. 48.38/-, Rs 48.68 and Rs 61.90/- respectively.

Details of Exercise price and Remaining contractual life of options outstanding:

Particulars	30-Sep-16	31-Mar-16	31-Mar-15
Range of exercise price (Rs.)	35.98 - 54.47	48.63 - 52.07	35.98 - 63.67
Weighted average remaining contractual life (in years)	3	3.15	2.51
Weighted average market price of the shares on the shares on the date of exercise (Rs.)	-	-	123.57

8.3 Associate Stock Option Plan 2011

The Plan is effective from October 9, 2014 and the Company has received in principle approval from the National Stock Exchange on February 16, 2015 and the Bombay Stock Exchange on February 19, 2015 . The 2011 Plan provides for issuance of 48,88,450 options, convertible to equivalent number of equity shares of Rs 5 each, to the employees. The plan shall be administered under 4 different schemes based on the following terms:

Particulars	Swarnam 11	Swarnam 21	Swarnam 31	Swarnam 41
Eligible employees	Senior and Key executives excluding non-executive directors	Members of Business leadership team or equivalent thereof excluding non-executive directors	Associates in the grade of Executive Vice president and above, excluding non executive directors	Non - Executive directors

Maximum number of options grantable	3,648,450 Less: Number of Option granted under Swarnam 21	1,736,000	1,240,000 Less: Number of Option granted under Swarnam 41	200,000

Grant price

Market price up to 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

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 fulfilment of vesting conditions as follows:

Vesting Schedule	**Swarnam 11**	**Swarnam 21**	**Swarnam 31**	**Swarnam 41**
Service conditions				
At the end of year 1	10%	0%	0%	20%
At the end of year 2	15%	0%	0%	20%
At the end of year 3	20%	33%	33%	20%
At the end of year 4	25%	33%	33%	20%
At the end of year 5	30%	34%	34%	20%

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

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

Activity in the options outstanding under Associate Stock Option Plan 2011

Particulars	**30-Sep-16**	**31-Mar-16**	**31-Mar-15**
Outstanding at the beginning of the year / period	3,639,650	4,333,900	-
Granted during the period as part of the Scheme of Arrangement (Demerger) with Polaris Consulting & Services Limited	-	-	4,130,550
Granted During the year / period	-	3,000	485,000
Exercised during the year / period	(188,900)	(323,650)	(48,750)
Forfeited during the year / period	(76,700)	(350,950)	(193,050)

Expired during the year / period	(33,400)	(22,650)	(39,850)
Outstanding at the end of the year / period	3,340,650	3,639,650	4,333,900
Exercisable at the end of the year / period	262,000	398,800	404,600

The weighted average share price at the date of exercise of the options for the period ended September 30, 2016 and for the year ended March 31, 2016 and March 31, 2015 was Rs. 35.72, Rs 38.11 and Rs 36.54/- respectively.

Details of Exercise price and Remaining contractual life of options outstanding:

Particulars	30-Sep-16	31-Mar-16	31-Mar-15
Range of exercise price (Rs.)	31.70 - 73.35	35.64-48.58	32.12-42.21
Weighted average remaining contractual life (in years)	6.811	6.91	2.51
Weighted average market price of the shares on the shares on the date of exercise (Rs.)	-	-	117.81

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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 60,00,000 options convertible into equivalent number of equity shares of Rs 5/- each to employees but shall exclude independent directors, an employee belonging to the promoter group or a director holding more than 10% of the share capital. The tenure of the Scheme is for 12 years from the date of coming into effect and shall be extended by a period of not more than 5 years as the Board of Directors may decide. The plan shall be administered under 5 different schemes based on the following terms:

Grant Price

	Swarnam 101	**Swarnam 201**	**Swarnam 301**	**Swarnam 401**	**Swarnam 501**
Market price up to Rs. 49	Market price	Market price	Market price	Market price	Market price
Market price between Rs. 49 - Rs. 140	15% discount on market price. (Subject to being Not lower than Rs 49)	30% discount on market price. (Subject to being Not lower than Rs 49)	50% discount on market price. (Subject to being Not lower than Rs 49)	25% discount on market price. (Subject to being Not lower than Rs 49)	Up to 50% discount on market price. (Subject to being Not lower than Rs 49)
Market price greater than Rs.140	10% discount on market price	20% discount on market price	50% discount on market price	25% discount on market price	Up to 50% discount on market price.

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 fulfilment of vesting conditions as follows:

Particulars	**Swarnam 101**	**Swarnam 201**	**Swarnam 301**	**Swarnam 401**	**Swarnam 501**
Service conditions					
At the end of year 1	10%	0%	0%	0%	0%
At the end of year 2	15%	0%	0%	0%	0%
At the end of year 3	20%	33%	33%	33%	33%
At the end of year 4	25%	33%	33%	33%	33%
At the end of year 5	30%	34%	34%	34%	34%

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

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

Activity in the options outstanding under Associate Stock Option Plan 2015

Particulars	**30-Sep-16**	**31-Mar-16**	**31-Mar-15**
Outstanding at the beginning of the year / period	4,844,200	1,750,000	-

Particulars	30-Sep-16	31-Mar-16	31-Mar-15
Granted during the year / period	437,500	3,318,400	1,830,000
Exercised during the year / period	(52,400)	-	-
Forfeited during the year / period	(109,100)	(203,500)	(80,000)
Expired during the year / period	(150,950)	(2,500)	-
Outstanding at the end of the year / period	4,965,250	4,862,400	1,750,000
Exercisable at the end of the year / period	347,165	18,200	-

The weighted average share price at the date of exercise of the options for the period ended September 30, 2016 was Rs. 96.92/-.

Details of Exercise price and Remaining contractual life of options outstanding:

Particulars	30-Sep-16	31-Mar-16	31-Mar-15
Weighted average remaining contractual life (in years)	8.02	8.03	8.50

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	30-Sep-16	31-Mar-16	31-Mar-15
Profit/(Loss) before Tax			
- As reported	(608.40)	2,194.12	(6,042.45)
- proforma profit /(Loss)	(889.86)	1,746.01	(6,204.46)
Earnings Per Share (in Rs.)			
Basic & Diluted			
- As reported	(0.60)	2.18	(6.05)
- Proforma	(0.88)	1.73	(6.21)

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

Particulars	30-Sep-16					
Scheme	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**
Grant ID	**Swarnam 11**	**Swarnam 21**	**Swarnam 31**	**Swarnam 41**	**Swarnam 11**	**Swarnam 11**
Grant date	**27-Apr-15**	**28-Jun-15**	**31-Jul-15**	**28-Oct-15**	**9-Feb-16**	**3-May-16**
Risk-free interest rate	7.81%	7.88%	7.84%	7.61%	7.74%	7.31%
Expected life (Years)	6	6	6	6	6	6
Expected volatility	75.24%	63.24%	64.06%	66.59%	65.57%	63.73%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Particulars	31-Mar-16				
Scheme	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**
Grant ID	**Swarnam 11**	**Swarnam 21**	**Swarnam 31**	**Swarnam 41**	**Swarnam 11**
Grant date	**27-Apr-15**	**28-Jun-15**	**31-Jul-15**	**28-Oct-15**	**9-Feb-16**
Risk-free interest rate	7.81%	7.88%	7.84%	7.61%	7.74%

Expected life (Years)	6	6	6	6	6
Expected volatility	75.24%	63.24%	64.06%	66.59%	65.57%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%

Intellect Design Arena Limited
Annexure IVA - Notes to Restated Unconsolidated Summary Statements

Particulars	**31-Mar-15**			
Scheme	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**	**ASOP 2011**
Grant ID	**Swarnam 11**	**Swarnam 21**	**Swarnam 31**	**Swarnam 41**
Grant date	**7-Jan-15**	**7-Jan-15**	**7-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%

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.

9. Capital Commitments

The details of capital commitments as at the balance sheet date are as below:

Particulars	**As at**					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Capital commitments (net of advances and deposit)	421.89	567.45	647.77	-	-	-

10. Research and Development Expenditure

The Company continues its significant investments in R&D efforts towards research, technology, engineering and new product development.The Company has capitalised the new product's development cost effective 1st January 2016 and accordingly has recognized such Cost as Capital work in progress to be capitalized in future. During the current period ended September 30, 2016 the Company has incurred a revenue expenditure of Rs. 1,987.05 lakhs (FY March 31, 2016 Rs. 85,25.86) and a capital expenditure of Rs.2,606.52 lakhs (March 31, 2016 - Rs 27,95.10) (FY March 31, 2015 Rs 18.87 lakhs) including capital work in progress Rs. 3,833.52 lakhs (March 31, 2016 - Rs 12,27.00 lakhs (March 31, 2015 - NIL).

We hereby furnishing the details of expenses under the respective Head of accounts which are recognised as Capital Work in Progress.

Particulars	**30-Sep-16**	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Salaries, wages and bonus	2,103.07	851.27	-	-	-	-
Cost of license	-	9.57	-	-	-	-
Other Direct overheads	502.12	366.16	-	-	-	-
Total	**2,605.19**	**1,227.00**	-	-	-	-

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

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

Arun Jain
Chairman & Managing Director

Ashok Jhunjhunwala
Director

per Bharath N S
Partner

S.Swaminathan
Chief Financial Officer

V.V.Naresh
Company Secretary

Membership No. 210934
Place : Chennai
Date : January 13, 2017

Intellect Design Arena Limited
Annexure IV B - Notes on material adjustments

Summary of results of restatement made in the audited unconsolidated financial statements for the respective year / period and its impact on the profits / (losses) of the Company is as follows:

Figures in brackets represent decrease in profits.

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	for the six month period ended	Year ended			for the nine month period ended	for the period 18 April 2011 to 30 June 2012
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
(A) Net profit / (loss) as per audited financial statements	**(608.39)**	**3,269.22**	**(7,117.55)**	**-**	**-**	**-**
Restated adjustments (B)	**-**	**-**	**-**	**-**	**-**	**-**
Deferred tax asset recognised on losses to the extent of deferred tax liabilities (Refer Note 1)		(1,075.10)	1,075.10			
Restated profit / (loss) (A+B)	**(608.40)**	**2,194.12**	**(6,042.45)**	**-**	**-**	**-**

There are no material adjustments / regrouping that requires restated adjustments

1. Restatement Adjustments

Recognition of Deferred tax asset on accumulated tax losses :
During March 31, 2015, the Company recognised deferred tax liability of Rs.1075.10 lakhs on certain timing differences and no deferred tax assets were recognised on accumulated losses and tax depreciation. During the year March 31, 2016, the Company recognised deferred tax assets on unabsorbed depreciation or carry forward tax losses of the financial year 2014-2015 (Assesment year 2015-16) to the extent of deferred tax liability recognised in 2014-15 of Rs.1075.10 lakhs. As part of the restatements, the Impact of the above adjustment has been given effect to in the deferred tax liabilities for the year ended March 31, 2015.

Restatement adjustments made in the audited opening balance figure in the net deficit on the statement of the profit and loss as at April 01, 2011

Particulars	INR Lakhs
(A) Net deficit in the statement of profit and loss as at April 1, 2011 as per the audited financial statements	**-**
Adjustments	-
Tax adjustments on the same	-
Net deficit in the statement of profit and loss as at April 1, 2011 (as restated)	**-**

Non adjusting items

Audit qualifications for the respective periods, which do not require any corrective material adjustments in the restated unconsolidated summary statements are as follows:

There were no audit qualifications reported in any of the previous financial years / period.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

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

Arun Jain
Chairman & Managing Director

Ashok Jhunjhunwala
Director

per Bharath N S
Partner
Membership No. 210934
Place : Chennai
Date : January 13, 2017

S.Swaminathan
Chief Financial Officer

V.V.Naresh
Company Secretary

Intellect Design Arena Limited
Annexure V - Restated unconsolidated statement of share capital

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Share capital						
Authorised						
130,000,000 equity shares of Rs 5 each (September 30, 2016) 110,000,000 equity shares of Rs 5 each (March 31, 2016) 110,000,000 equity shares of Rs 5 each (March 31, 2015) 100,000 equity shares of Rs 5 each (March 31, 2014) 50,000 equity shares of Rs 10 each (March 31, 2013) 50,000 equity shares of Rs 10 each (March 31, 2012)	6,500.00	5,500.00	5,500.00	5.00	5.00	5.00
Total	**6,500.00**	**5,500.00**	**5,500.00**	**5.00**	**5.00**	**5.00**
Issued, subscribed and fully paid-up						
101,098,422 equity shares of Rs 5 each (September 30, 2016) 100,778,624 equity shares of Rs 5 each (March 31, 2016) 100,198,474 equity shares of Rs 5 each (March 31, 2015) 100,000 equity shares of Rs 5 each: (March 31, 2014) 50,000 equity shares of Rs 10 each: (March 31, 2013) 50,000 equity shares of Rs 10 each: (March 31, 2012)	5,054.92	5,038.93	5,009.92	5.00	5.00	5.00
Total	**5,054.92**	**5,038.93**	**5,009.92**	**5.00**	**5.00**	**5.00**

Terms/rights attached to equity shares

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.

For details of shares reserved for issue under the employee stock option plan of the company, please refer note 8 in Annexure IV-A.

Details of shares transactions during the six months ended Sep 2016 and year ended March 31, 2016, 2015, 2014, nine month ended March 31, 2013 and period April 18, 2011 to June 30, 2012

Particulars	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Shares outstanding at the beginning of	100,778,624	100,198,474	100,000	100,000	50,000	50,000

the year/period						
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	319,798	580,150	349,450	-	-	-
Shares outstanding at the end of the year/period	**101,098,422**	**100,778,624**	**100,198,474**	**100,000**	**50,000**	**50,000**

Intellect Design Arena Limited
Annexure VI - Restated unconsolidated statement of reserves and surplus

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
A. Securities premium account						
Balance as per last financial statements	19,511.49	19,298.03	-	-	-	-
Add: Reserves on account of demerger of Product business undertaking from Polaris Consulting & Services Ltd (Refer Note 4 of Annexure IVA)	-	-	19,147.70	-	-	-
Add: additions on ESOP exercised	152.06	213.46	150.33	-	-	-
Closing balance	**19,663.55**	**19,511.49**	**19,298.03**	-	-	-
B. General reserve account						
Opening balance	17,250.04	17,250.04	-	-	-	-
Add: Reserves on account of demerger of Product business undertaking from Polaris Consulting & Services Ltd (Refer Note 4 of Annexure IVA)	-	-	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) (Refer Note 4 of Annexure IVA)	-	-	(5.26)	-	-	-
Closing balance	**17,250.04**	**17,250.04**	**17,250.04**	-	-	-
C. Hedging reserve account						
Opening balance	595.69	482.69	-	-	-	-
Add: Adjustments during the year/period	-	-	482.69	-	-	-
Changes in the fair value of effective portion of outstanding cash flow hedge	589.56	113.00	-	-	-	-
Closing balance	**1,185.25**	**595.69**	**482.69**	-	-	-
D. Surplus i.e. the balance in statement of profit and loss as restated						
Balance as per last financial statements as restated	13,385.13	11,191.01	-	-	-	-
Add: Reserves on account of demerger of Product business undertaking from Polaris Consulting & Services Ltd (Refer Note 4 of Annexure IVA)	-	-	17,291.48	-	-	-

Add: Adjustment on account of aligning the useful life of Property, Plant and Equipment in accordance with Schedule II of the Companies Act,2013	-	-	(58.02)	-	-	-
Add: restated profit / (loss) for the year/period	(608.40)	2,194.12	(6,042.45)	-	-	-
Net surplus in the statement of profit and loss as restated	**12,776.73**	**13,385.13**	**11,191.01**	-	-	-
Total (A+B+C+D)	**50,875.57**	**50,742.35**	**48,221.77**	-	-	-

Note:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A and IV B.

Intellect Design Arena Limited
Annexure VII - Restated unconsolidated statement of short-term borrowings

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
A. Short-term borrowings						
Secured						
Loans From Banks	11,110.73	1,509.86	-	-	-	-
Total	**11,110.73**	**1,509.86**	-	-	-	-
B. Deferred Tax Liabilities / (Assets)						
Deferred Tax Liability						
Fixed assets	2,261.30	1,218.02	1,293.51	-	-	-
Deferred Tax Asset						
Provision for doubtful debts	(274.61)	(171.77)	(111.38)	-	-	-
Impact of expenditure charged to the statement of profit and loss in the current year / period but allowed for tax purposes on payment basis	(471.61)	(355.48)	(107.03)	-	-	-
Brought forward business loss and unabsorbed depreciation	(1,515.08)	(690.77)	(1,075.10)	-	-	-
Net (deferred tax asset)/ deferred tax liability	-	-	-	-	-	-

Note:
1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated unconsolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.
3) There are no unsecured loans availed by the Company.
4) There are no loans taken from Directors / Promoters / Promoter Group Companies / Relatives of Promoters / Relatives of directors / Subsidiary companies.
5) As of September 30, 2016, the Overdraft facilities, Term loan and PCRE loan are maintained with HDFC Bank which carries an average interest rate of 9.95% p.a. The company also has Term loans from IDFC bank in INR which carries an average interest rate of 10% p.a and also has an Term loan from HSBC Bank which is being drawn in USD carrying interest rate at 2%. The PCRE loan have repayable period of 90 days to 180 days. The Term loans are commencing from July 2016 and maturing in the month of November 2016.
6) As of March 31, 2016 the term loan include, HDFC Term loan from bank carries interest @ 10% p.a. The loan is repayable in 45 days from the drawdown date.

Intellect Design Arena Limited
Annexure VIII - Restated unconsolidated statement of long-term provisions

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Long-term provisions						
Provision for gratuity	-	-	15.28	-	-	-
Total long-term provisions	**-**	**-**	**15.28**	-	-	-

Note:
1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.

Intellect Design Arena Limited
Annexure IX - Restated unconsolidated statement of trade payables, other current liabilities and short term provisions

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Current liabilities (other than short term borrowings)						
A. Trade payables						
Total outstanding dues of trade payables other than micro and small enterprises (refer note 7 of Annexure IVA for details of due to micro and small enterprises)	2,763.78	4,434.75	3,247.68	0.03	0.20	0.10
Provision for expenses	4,069.18	3,228.97	2,438.77	-	-	-
Accrued salaries & benefits	3,167.34	3,732.96	2,813.40	-	-	-
Others	940.13	778.07	1,362.23	-	-	-
Total trade payables (A)	**10,940.43**	**12,174.75**	**9,862.08**	**0.03**	**0.20**	**0.10**
B. Other current liabilities						
Superannuation payable	720.70	451.73	360.00	-	-	-
Advances received from customers	257.05	109.76	5.48	-	-	-
Billings in excess of revenues	3,769.63	2,531.62	2,239.24	-	-	-
Payable to related parties (Refer Note 3 below)	1,604.05	1,251.79	2,534.99	0.97	0.44	0.44
Capital creditors	664.94	417.84	96.69	-	-	-
Dues under contractual obligation	1.78	1.78	1.78	-	-	-
Statutory dues	622.28	802.14	658.92	-	-	-
Total other current liabilities (B)	**7,640.43**	**5,566.66**	**5,897.10**	**0.97**	**0.44**	**0.44**
C. Short-term provisions						
Provision for gratuity	617.88	419.02	299.60	-	-	-
Provision for leave benefits	769.63	731.41	580.45	-	-	-
Total short-term provisions (C)	**1,387.51**	**1,150.43**	**880.05**	-	-	-
Total current liabilities (A+B+C)	**19,968.37**	**18,891.84**	**16,639.23**	**1.00**	**0.64**	**0.54**

Note:

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.
3) Amounts due from Directors / Promoters / Promoter Group / Relatives of Promoters / Relatives of directors / Subsidiary Companies:

Intellect Design Arena Limited (Continued)
Annexure IX - Restated unconsolidated statement of trade payables, other current liabilities and short term provisions

(All amounts are in INR Lakhs unless otherwise stated)

	As at					
Particulars	**30-Sep-16**	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
PCSL India	-	383.95	-	-	-	-
Intellect Singapore	-	205.25	-	-	-	-
Intellect Switzerland	-	-	592.63	-	-	-
Intellect Australia	114.19	114.71	-	-	-	-
PCSL Canada	-	-	669.37	-	-	-
Intellect Dubai	588.22	-	1,168.98	-	-	-
SEEC Asia	-	392.37	-	-	-	-
Intellect UK	807.12	155.41	104.01	-	-	-
PCSL UK	0.10	0.10	-	-	-	-
Intellect Dubai	588.22	-	1,168.98	-	-	-
Intellect Switzerland	-	-	592.63	-	-	-
Intellect UK	807.12	155.41	104.01	-	-	-
PCSL Canada	-	-	-	-	-	-
Intellect Australia	114.19	114.71	-	-	-	-
Intellect Singapore	-	205.25	-	-	-	-
PCSL India	-	383.95	-	-	-	-
Seec Asia	-	392.37	-	-	-	-
Intellect Canada	94.52	-	-	-	-	-

Intellect Design Arena Limited
Annexure X - Restated unconsolidated statement of non-current investments

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	No. of units						As at					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Non-trade Investments (valued at cost unless stated otherwise)												
Investment in subsidiary - Unquoted equity instruments	-											
Intellect Design Arena Pte Ltd (Singapore)	3,799,500	3,799,500	1,055,500	-	-	-	1,698.60	1,698.60	404.60	-	-	-
Intellect Design Arena Limited (United Kingdom)	889,000	889,000	889,000	-	-	-	617.50	617.50	617.50	-	-	-
Intellect Commerce Limited (India)	9,000,000	9,000,000	9,000,000	-	-	-	900.00	900.00	900.00	-	-	-
Intellect Design Arena SA (Switzerland)	35,000	35,000	35,000	-	-	-	112.76	112.76	112.76	-	-	-
Laser Soft Infosystems Limited (India)	7,828,838	7,828,838	7,828,838	-	-	-	5,201.05	5,201.05	5,201.05	-	-	-
Indigo TX Software Private Limited (India)	1,985,200	1,985,200	1,985,200	-	-	-	1,702.97	1,702.97	1,702.97	-	-	-
Intellect Design Arena Co. Limited (Vietnam)	900,000,000	900,000,000	900,000,000	-	-	-	22.50	22.50	22.50	-	-	-
SFL Properties Private Limited (India)	-	-	1,560,000	-	-	-	-	-	1,544.53	-	-	-
Intellect Design Arena Limited FZ-LLC ('PCSL Dubai')	1,500	1,500	1,500	-	-	-	203.70	203.70	203.70	-	-	-
Sonali Polaris FT Limited (Bangladesh)	3,825,000	3,825,000	3,825,000	-	-	-	238.75	238.75	238.75	-	-	-
Intellect India Limited (India)	100,000	100,000	-	-	-	-	5.00	5.00	-	-	-	-
Intellect Payments Limited (India)	100,000	100,000	-	-	-	-	5.00	5.00	-	-	-	-
-	-						**10,707.83**	**10,707.83**	**10,948.36**	-	-	-
Investments in Equity Instruments - Associates (At cost)	-											
NMS Works Software Private Limited	726,256	726,256	726,256	-	-	-	415.26	415.26	415.26	-	-	-
Adrenalin eSystems Limited	14,285,502	14,285,502	13,078,080	-	-	-	1,196.11	1,196.11	833.88	-	-	-
Intellect Polaris Design LLC, USA	45	45	-	-	-	-	1,380.15	1,380.15	-	-	-	-
							2,991.52	**2,991.52**	**1,249.14**	-	-	-
Investments in Preference Shares - Associates (At cost)												
Adrenalin eSystems Limited- 7% cumulative	15,200,000	15,200,000	15,200,000	-	-	-	760.00	760.00	760.00	-	-	-
NMS Works Software Private Limited-12 % optionally convertible cumulative	378,614	378,614	378,614	-	-	-	233.04	233.04	233.04	-	-	-
							993.04	**993.04**	**993.04**	-	-	-
Other Investments (Non - Trade)	-											
Investments in bonds (At cost) - Quoted												
State Bank of India-9.95%	10,000	10,000	10,000	-	-	-	1,047.12	1,047.12	1,047.12	-	-	-
							1,047.12	**1,047.12**	**1,047.12**	-	-	-
Total non-current investments							**15,739.51**	**15,739.51**	**14,237.66**	-	-	-

Aggregate amount of unquoted investments	14,692.39	14,692.39	13,190.54
Aggregate amount of quoted investments	1,047.12	1,047.12	1,047.12
Market Value of quoted investments	1,154.16	1,094.70	1,047.12

Note:

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.

Intellect Design Arena Limited
Annexure XI - Restated unconsolidated statement of current investments

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	No. of units						As at					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Current Investments												
Investments in Mutual Funds (Unquoted) (valued cost or market price whichever is lower)												
ICICI Pru FMP Series 72 366D Plan M Reg-G	3,023,104	3,023,104	3,023,104	-	-	-	302.31	302.31	302.31	-	-	-
ICICI Pru FMP Series 73 391D Plan G Direct-G	-	-	5,000,000	-	-	-	-	-	500.00	-	-	-
ICICI Pru Liquid Plan Direct -G	-	268,797	-	-	-	-	-	600.00	-	-	-	-
ICICI Pru Flexible Income Direct -DD	-	283,726	-	-	-	-	-	300.00	-	-	-	-
Religare Invesco FMP Series 23 Plan E (382D) Direct-G	-	-	2,000,000	-	-	-	-	-	200.00	-	-	-
ICICI Pru Banking & PSU Debt -DD	11,898,892	-		-	-	-	1,198.09	-	-	-	-	-
Birla SL Dynamic Bond Ret-DM	-	-	5,009,339	-	-	-	-	-	526.34	-	-	-
ICICI Pru Banking & PSU Debt Reg-DD	-	11,436,277	10,813,738	-	-	-	-	1,151.33	1,088.64	-	-	-
Birla SL Short Term-DM	-	-	8,047,962	-	-	-	-	-	940.90	-	-	-
HDFC Short Term Opportunities-DF	-	-	9,284,385	-	-	-	-	-	933.97	-	-	-
IDFC SSI ST Plan B-DM	-	-	6,243,633	-	-	-	-	-	639.54	-	-	-
IDFC SSI ST Reg-DM	-	-	4,490,312	-	-	-	-	-	457.77	-	-	-
Kotak Bond Short-term-DM	-	-	3,403,504	-	-	-	-	-	345.59	-	-	-
Reliance Short-term-DM Reinvestment	5,504,177	5,340,059	5,112,136	-	-	-	604.27	586.13	557.71	-	-	-
DWS Ultra Short Term-DD	-	-	9,443,578	-	-	-	-	-	946.05	-	-	-
Franklin India Ultra Short Bond Super Inst-DD	-	-	34,558,690	-	-	-	-	-	3,468.61	-	-	-
HDFC Floating Rate Income LT-DW	-	-	10,003,685	-	-	-	-	-	1,020.64	-	-	-
IDFC Ultra Short Term-DD	-	-	1,465,830	-	-	-	-	-	146.86	-	-	-
Kotak Flexi Debt Plan A-DD	-	-	16,673,558	-	-	-	-	-	1,675.28	-	-	-
Reliance Money Manager Direct -DD	-	-	32,800	-	-	-	-	-	328.70	-	-	-
Religare Invesco Ultra Short Term-DD	-	-	60,299	-	-	-	-	-	604.03	-	-	-
UTI Floating Rate ST Reg-DD	-	-	42,604	-	-	-	-	-	458.80	-	-	-
ICICI Pru Liquid Plan Direct -DD	1,822	-	-	-	-	-	1.82	-	-	-	-	-
SFL Properties Private Limited (India) (Refer Note 3)	1,560,000	1,560,000	-	-	-	-	1,544.53	1,544.53	-	-	-	-
Total Current Investments							**3,651.02**	**4,484.30**	**15,141.74**	-	-	-

Note:

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.

3) The Company in its board meeting dated October 21, 2015 expressed its intention to dispose off its investments in SFL Properties Private Limited with in the next 12 month period, thereby the asset has been classified as held for Sale.

Intellect Design Arena Limited
Annexure XII - Restated unconsolidated statement of long-term loans and advances and other non-current assets

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
A. Long term loans and advances						
Unsecured, considered good	-					
Capital Advances	38.23	58.16	255.07	-	-	-
Security deposits	382.45	401.93	430.65	-	-	-
Other loans and advances:						
Advance tax (net of provision for taxation)	2,367.94	1,682.72	604.65	-	-	-
Loan to Orbitech Employee Welfare Trust	1.09	0.31	-	-	-	-
Loans to employees	260.51	255.28	247.36	-	-	-
MAT credit entitlement	405.81	405.81	-	-	-	-
Advances recoverable in cash or in kind or for value to be received	27.70	7.66	8.82	-	-	-
Total Long-term loans and advances	**3,483.73**	**2,811.87**	**1,546.55**	-	-	-
B. Other non-current assets						
Deposits held as margin money or security against guarantees or other commitments	2,458.09	2,018.40	1,708.61	-	-	-
Forward cover receivable, Net (Refer Note 3 below)	397.40	289.29	10.87	-	-	-
	2,855.49	**2,307.69**	**1,719.48**	-	-	-

Note:

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.

3) As per the accounting policy specified in note 3(j) of Annexure IVA, cumulative gain on re-measurement of hedging instruments as on September 30, 2016 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.787.84 lakhs (March 31, 2016 - Rs.306.39 lakhs) (March 31,2015 - Rs.471.81 Lakhs) has been recorded as forward cover receivable under other current assets and non-current portion gain of Rs.397.40 lakhs (March 31, 2016 Rs. 289.29 lakhs), (March 31,2015-Rs.10.87) has been recorded as forward cover receivables under other non-current assets.

Intellect Design Arena Limited

Annexure XIII - Restated unconsolidated statement of trade receivables (net of provision for doubtful receivables)

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Outstanding for a period exceeding six months from the date they are due for payment						
- considered good	1,094.82	3,979.81	1,575.06	-	-	-
- considered doubtful	807.91	555.91	327.67	-	-	-
	1,902.73	**4,535.72**	**1,902.73**	-	-	-
Less: Provision for doubtful receivables	807.91	555.91	327.67	-	-	-
	1,094.82	**3,979.81**	**1,575.06**	-	-	-
Other trade receivables						
- considered good	19,838.03	13,074.44	8,010.29	-	-	-
	19,838.03	**13,074.44**	**8,010.29**	-	-	-
Less: Provision for doubtful receivables	-	-	-	-	-	-
	19,838.03	**13,074.44**	**8,010.29**	-	-	-
Total	**20,932.85**	**17,054.25**	**9,585.35**	-	-	-

Note:

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.
3) Amounts due from Directors / Promoters / Promoter Group / Relatives of Promoters / Relatives of directors / Subsidiary Companies:

	As at					
Particulars	**30-Sep-16**	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Indigo TX	1.58	12.48	-	-	-	-
Sonali Polaris FT	1,166.24	1,138.77	299.17	-	-	-
Intellect Singapore	898.32	501.27	74.43	-	-	-
Intellect Switzerland	168.03	110.50	-	-	-	-
Intellect Canada	656.01	169.99	-	-	-	-
Intellect Malaysia	888.57	88.94	-	-	-	-
PCSL Australia	-	-	52.01	-	-	-
PSL China	-	30.88	95.34	-	-	-
PCSL Malaysia	-	-	38.47	-	-	-
PCSL Canada	-	-	1,390.14	-	-	-
PCSL Germany	-	334.20	-	-	-	-
PCSL India	-	2,417.12	-	-	-	-

Intellect Dubai	2,668.47	1,996.78	926.03	-	-	-
Intellect Inc. - SEEC US	1,749.12	1,632.11	1,539.49	-	-	-
Intellect UK	1,894.87	2,936.25	2,167.07	-	-	-
Intellect Thailand	35.20	31.49	-	-	-	-
Intellect Philippines	(24.04)	(86.64)	-	-	-	-
Intellect Chile	608.51	599.03	-	-	-	-
Intellect Vietnam	178.92	-	-	-	-	-

Intellect Design Arena Limited
Annexure XIV - Restated unconsolidated statement of cash and bank balances

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Cash and cash equivalents						
Balances with banks on current and deposit accounts(refer note 3 below)	345.38	981.12	3,498.10	5.00	5.00	5.00
Cash on hand	0.78	0.78	-	-	-	-
Total cash and bank balances	**346.16**	**981.90**	**3,498.10**	**5.00**	**5.00**	**5.00**

Note:

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated unconsolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IVA and IVB.
3) For the period/year September 30,2016 the balance on deposit accounts includes Rs. 2559.08lacs out of total of Rs. 2803.46lacks (March 31, 2016, Rs.203.65 lakhs out of total of Rs. 2,135.60 lakhs) (September 30,2016 Rs. 2,458lacks grouped under Non-current assets, March 31, 2016 Rs.1,931.95 lakhs grouped under Non-current assets) which has been pledged as a security by the company for availing non-fund based facilities. For the year March 31, 2015, the balance on deposit accounts includes Rs.358.50 lakhs out of total of Rs. 2067.11 lakhs (Rs.1708.61 lakhs grouped under Non-current assets) which has been pledged as a security by the company for availing non-fund based facilities. For the year ended March 31, 2014, 2013 and 2012, the Company had nil balance in deposit account.

Intellect Design Arena Limited
Annexure XV - Restated unconsolidated statement of short-term loans and advances and other current assets

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
A. Short term loans and advances						
Unsecured, considered good						
Loans and advances to related parties (Refer Note 5 below)	4,657.52	1,955.76	1,091.19	-	-	-
Advances recoverable in cash or in kind or for value to be received	1,573.14	864.04	392.63	-	-	-
Loans to employees	224.73	358.92	233.09	-	-	-
Salary Advance	56.42	149.42	33.75	-	-	-
Input Credit Tax Receivable	286.72	207.83	285.57	-	-	-
Security Deposits	35.00	42.40	5.00	-	-	-
Total short-term loans and advances	**6,833.53**	**3,578.37**	**2,041.23**	-	-	-
B. Other current assets						
Interest accrued on fixed deposit	237.20	218.82	108.80	-	-	-
Preliminary & pre-operative expenses to the extent not written off	-	-	-	1.00	0.64	0.54
Forward cover receivable, Net (Refer Note 3 below)	787.84	306.39	471.81	-	-	-
Revenues accrued and not billed	10,748.35	9,879.76	6,714.54	-	-	-
Total other current assets	**11,773.39**	**10,404.97**	**7,295.15**	**1.00**	**0.64**	**0.54**

Note:

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.
3) As per Accounting policy specified in note 3(j) in Annexure IVA, cumulative gain on re-measurement of hedging instruments as on September 30, 2016, 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.787.84 lakhs (March 31, 2016 Rs. 306.39 lakhs) (March 31, 2015- Rs. 471.81 lakhs) has been recorded as forward cover receivable under other current asset and non current portion gain of Rs.397.40 (March 31, 2016 - Rs. 289.29 lakhs) (March 31, 2015- Rs. 10.87) has been recorded as forward cover receivables under other non current assets.
4) Amounts due from Directors / Promoters / Promoter Group / Relatives of Promoters / Relatives of directors / Subsidiary Companies:

Intellect Design Arena Limited (Continued)
Annexure XV - Restated unconsolidated statement of short-term loans and advances and other current assets

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Indigo TX	103.38	46.45	70.47	-	-	-
Laser Soft	1182.00	646.48	224.58	-	-	-
Intellect Commerce	59.49	238.87	350.84	-	-	-
SFL Properties	10.49	8.00	-	-	-	-
PCSL India	-	8.78	-	-	-	-
Intellect Switzerland	44.92	45.30	-	-	-	-
Intellect Philippines	14.73	21.98	8.25	-	-	-
Intellect Singapore	466.99	81.26	1.50	-	-	-
Intellect Chile	34.90	31.51	3.11	-	-	-
Intellect Dubai	-	183.63	-	-	-	-
Intellect Inc. - SEEUS	1749.92	-	9.80	-	-	-
Intellect Vietnam	76.74	-	-	-	-	-
Seec Asia	0.00	-	4.64	-	-	-
Intellect India	1.24	0.75	-	-	-	-
Intellect Malaysia	45.54	30.15	-	-	-	-
Intellect Payments	265.14	12.66	-	-	-	-
Adrenalin eSystems	-	591.85	381.63	-	-	-
PCSL Australia	-	-	10.01	-	-	-
PSL China	-	-	24.50	-	-	-
PCSL Japan	-	-	0.52	-	-	-
PCSL Canada	-	7.76	-	-	-	-
PCSL Singapore	-	0.33	-	-	-	-
PSCL Germany	-	-	1.34	-	-	-
NMS	-	-	-	-	-	-
PCSL India	-	-	16.44	-	-	-

Intellect Design Arena Limited
Annexure XVI - Restated unconsolidated statement of other income

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	For the six months ended	Year ended			For the Nine months ended	For the period 18 April 2011 to 30 June 2012	Nature	
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13		Recurring/ non-recurring	Related/Not related to business activity
Interest received on deposits with banks	75.67	197.78	116.57	-	-	-	Recurring	Not related
Interest from others	62.86	124.75	127.56	-	-	-	Recurring	Not related
Dividends received on current investments - mutual funds	69.58	397.48	1,347.60	-	-	-	Recurring	Not related
Profit on sale of current investments, net	3.35	121.63	279.61	-	-	-	Recurring	Not related
Reversal of provision for diminution in value of current investments	-	6.23	69.34	-	-	-	Recurring	Not related
Miscellaneous income, Net	142.04	327.95	214.01	-	-	-	Recurring	Not related
Profit on sale of Property, Plant and Equipment, net	1,321.51	442.38	8.42	-	-	-	Non - recurring	Not related
Foreign exchange fluctuation	-	138.65	40.74	-	-	-	Recurring	Not related
Total Other Income	**1,675.01**	**1,756.85**	**2,203.85**	-	-	-		

Note:
1) The classification of other income as recurring/ not-recurring, related/ not-related to business activity is based on the current operations and business activity of the Company as determined by the Management.
2) The figures disclosed above are based on the restated unconsolidated summary statement of profits and losses of the Company.
3) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.

Intellect Design Arena Limited
Annexure XVII - Restated unconsolidated statement of operating expenses

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	For the six months ended	Year ended			For the nine months ended	For the period 18 April 2011 to 30 June 2012
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
A. Employee benefit expenses						
Salaries, wages and bonus	17,509.45	35,084.50	36,960.81	-	-	-
Contribution to -						
Provident fund	518.86	945.30	791.95	-	-	-
Superannuation fund	238.62	443.21	352.73	-	-	-
Other funds	-	65.24	45.60	-	-	-
Cost of technical sub-contractors	1,036.80	3,890.63	3,809.87	-	-	-
Gratuity expense	246.22	194.45	323.84	-	-	-
Staff welfare expenses	471.84	989.82	998.84	-	-	-
Social security and other benefit plans for overseas employees	-	40.20	18.70	-	-	-
Total employee benefit expenses	**20,021.79**	**41,653.35**	**43,302.34**	-	-	-
B. Other expenses						
Cost of software packages, hardware, consumable and maintenance	476.21	829.08	768.55	-	-	-
Travelling expenses	1,898.53	2,804.23	3,408.70	-	-	-
Communication expenses	356.40	430.12	527.47	-	-	-
Professional and legal charges	1,028.95	1,499.76	1,019.59	-	-	-
Power and fuel	333.57	616.12	670.57	-	-	-
Rent	118.97	642.91	642.45	-	-	-
Repairs - Plant and machinery	125.33	460.42	397.21	-	-	-
Repairs - Building	0.01	0.16	19.90	-	-	-
Repairs - Others	240.06	565.43	363.54	-	-	-
Business promotion	294.27	758.86	544.21	-	-	-
Office maintenance	454.19	605.89	406.73	-	-	-
Provision for doubtful debts	252.00	228.24	227.38	-	-	-
Bad debts / advances written off	-	139.59	-	-	-	-
Insurance	55.22	75.13	34.51	-	-	-
Printing and stationery	66.92	165.48	116.84	-	-	-
Rates and taxes excluding Taxes on Income	132.86	270.39	246.84	-	-	-
Donations	-	-	19.50	-	-	-
Exp Towards Chennai flood Relief	-	46.01	-	-	-	-
Directors' sitting fees	6.82	17.20	5.78	-	-	-
Payment to the auditors				-	-	-
- Statutory audit	13.00	22.75	21.00	-	-	-
- for other services	14.01	23.00	10.00	-	-	-
- for reimbursement of expenses	0.46	0.72	0.43	-	-	-
Bank charges and commission	54.22	47.76	8.05	-	-	-
Miscellaneous expenses	244.61	356.29	425.44	-	-	-
Net Loss on foreign currency transaction and translation	228.80	-	-	-	-	-
Total other expenses	**6,395.41**	**10,605.54**	**9,884.69**	-	-	-

C. Finance Cost						
Interest Cost	354.46	9.86	-	-	-	-
	354.46	**9.86**	-	-	-	-

Note:

1) The figures disclosed above are based on the restated unconsolidated summary statement of profits and losses of the Company.
2) The above statement should be read with the notes to restated unconsolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

Intellect Design Arena Limited
Annexure XVIII - Capitalisation statement

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	Pre Rights Issue as at Sep 30, 2016	As adjusted for IPO (refer note 3 below)
Debt		
Short-term borrowings (A)	11,110.73	
Long-term borrowings (B)	-	
Total borrowings (A+B)	**11,110.73**	
Shareholder's funds		
Share capital	5,054.92	
Reserves and surplus	50,875.57	
Total shareholders' funds (C)	**55,930.49**	
Long-term borrowings / Total shareholder's funds (B/C)	**0.20**	

Note:

1) The above has been computed on the basis of the restated unconsolidated summary statements of the Company.
2) The above statement should be read with the notes to restated unconsolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.
3) The corresponding post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the book building process and hence the same have not been provided in the above statement.

Intellect Design Arena Limited
Annexure XIX - Restated unconsolidated statement of accounting ratios

(All amounts are in INR Lakhs unless otherwise stated)

Particulars		As at					
		30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Restated Profit / (Loss) after tax from total operations	A	(608.39)	2,194.12	(6,042.45)	-	-	-
Weighted average number of equity shares considered for calculating basic EPS	B	1009,84,201	1006,76,076	999,55,231	1,00,000	50,000	50,000
Weighted average number of equity shares considered for calculating diluted EPS	C	1009,84,201	1054,39,363	999,55,231	1,00,000	50,000	50,000
Restated net worth	D	55,930	55,781	53,232	5	5	5
Accounting ratios:							
Basic earnings per share (Rs.) (A/B)		(0.60)	2.18	(6.05)	-	-	-
Diluted earnings per share (Rs.) (A/C)		(0.60)	2.08	(6.05)	-	-	-
Return on net worth (%)		(1.09%)	3.93%	(11.35%)	0.00%	0.00%	0.00%
Net asset value per share (Rs.) (Refer Note 3d below)		55.32	55.35	52.05	5.00	10.00	10.00

Notes:

1) The above ratios have been computed on the basis of the restated unconsolidated summary statements of the Company.
2) The above statement should be read with the notes to restated unconsolidated summary statements of assets, liabilities, profit and loss and cash flows.
3) The Ratios have been computed as below:

a) Basic Earnings per share (Rs.) = Net profit after taxes (as restated) from operations attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/period

b) Diluted Earnings per share (Rs.) = Net profit after taxes (as restated) from operations / Weighted average number of diluted equity shares outstanding during the year/period

c) Return on net worth (%) = Net profit after tax (as restated) / Net worth at the end of the year/period including preference share capital

d) Net asset value per share (Rs.) = Net worth at the end of the year/period /

Total number of equity shares outstanding at the end of the year/period

4) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year/period multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/period.
5) Net worth for ratios mentioned in note 3(c) and 3(d) = Equity share capital + Reserves and surplus (including Securities Premium and surplus in statement of profit and loss).
6) Earnings per share calculations are in accordance with Accounting Standard 20 on Earnings Per Share notified under section 133 of the Companies Act 2013, read together along with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. Weighted average number of equity share outstanding during all the previous years have been considered accordingly.

Intellect Design Arena Limited
Annexure XX - Restated unconsolidated tax shelter statement

(All amounts are in INR Lakhs unless otherwise stated)

S.N	Particulars	For the six month period ended	Year ended			For the nine month period ended	for the period April 18, 2011 to 30 June 2012
		30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	
A	Restated profit before tax	(608.39)	2,194.12	(7,378.54)	-	-	-
B	Tax rate	34.61%	34.61%	33.99%			
B	Tax rate (Long term capital gain / loss)						
C	Tax thereon at the above rate (AxB)	(210.55)	759.34	(2,507.97)	-	-	-
D	**Permanent differences**						
	Weighted deduction u/s 35(2AB) - claim of revenue expenditure	-	(3,496.02)	(2,609.60)	-	-	-
	Weighted deduction u/s 35(2AB) - claim of capital expenditure	-	(1,060.47)	(18.87)	-	-	-
	Donation	-	-	19.50	-	-	-
	Share Issue Expenses	-	-	42.35	-	-	-
	Income exempt under section 10(34)	(69.58)	(397.42)	(1,347.60)	-	-	-
	Provision for diminution in value of investments written back	-	-	(69.34)	-	-	-
		-	-	-	-	-	-
	Total (D)	(69.58)	(4,953.91)	(3,983.57)	-	-	-
E	**Timing differences**						
	Differences in book depreciation and depreciation under Income Tax Act, 1961	142.06	311.41	604.41	-	-	-
	- Book depreciation	1,120.75	1,904.52	1,705.68			
	- IT depreciation	978.69	1,593.10	1,101.27			

		-	-	-			
	Deduction u/s 35(1)(iv) - claim of capital expenditure incurred on scientific research	-	(1,060.47)	(18.87)			
	Profit / (loss) on sale of assets, net	-	(442.38)	(8.42)			
		-	-	-			
	Provision for Leave Encashment	38.22	150.96	41.00			
	Provision for gratuity	198.86	186.91	-			
	Provision for doubtful debts	252.00	228.24	227.38			
	Provision for Exigency Fund	-	17.68	7.89			
	Provision for Superannuation	-	443.21	-			
	Gratuity Paid	-	(419.02)	-			
	Superannuation Paid during the year	-	(393.83)	-			
	Total (E)	631.14	(977.29)	853.39	-	-	-
F	**Net Adjustments (D + E) before set off of losses**	561.56	(5,931.20)	(3,130.18)	-	-	-
	Taxable income before set off of losses	**(46.83)**	**(3,737.08)**	**(10,508.72)**	-	-	-
G	Business losses set off as carried forward losses	-	-	-	-	-	-
H	**Net Adjustments after set off of losses (F+G)**	561.56	(5,931.20)	(3,130.18)	-	-	-
I	**Tax expense/(savings) thereon**	194.35	(2,052.67)	(1,070.57)	-	-	-
	Tax at normal rates	194.35	(2,052.67)	(1,070.57)	-	-	-
	Tax at special rate	-	-	-	-	-	-
J	**Total tax on current profits**				-	-	-
	Tax on continuing operations (Including deferred tax asset)	(16.21)	(1,293.33)	(3,578.54)	-	-	-
	Current tax on discontinuing operations	-	-	-	-	-	-
	Total	(16.21)	(1,293.33)	(3,578.54)	-	-	-
K	**Tax according to the MAT provisions**	-	458.10	-			
L	**Tax payable (Higher of J and K)**	-	458.10	-			

Intellect Design Arena Limited
Annexure XXI - Restated unconsolidated statement of related party transactions

(i) List of related parties and transactions as per the requirements of Accounting Standard - 18, "Related Party Disclosures" issued by Institute of Chartered Accountants of India and notified by Ministry of Corporate Affairs

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	For th period ended	Year ended			For the period ended	
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Subsidiaries	Intellect Design Arena Pte Ltd, Singapore ('Intellect Singapore')	Intellect Design Arena Pte Ltd, Singapore ('Intellect Singapore')	Intellect Design Arena Pte Ltd, Singapore ('Intellect Singapore')	-	-	-
	Intellect Design Arena Limited, United Kingdom ('Intellect UK')	Intellect Design Arena Limited, United Kingdom ('Intellect UK')	Intellect Design Arena Limited, United Kingdom ('Intellect UK')	-	-	-
	Intellect Design Arena SA, Switzerland ('Intellect Switzerland')	Intellect Design Arena SA, Switzerland ('Intellect Switzerland')	Intellect Design Arena SA, Switzerland ('Intellect Switzerland')	-	-	-
	Intellect Design Arena FZ-LLC, Dubai ('Intellect Dubai')	Intellect Design Arena FZ-LLC, Dubai ('Intellect Dubai')	Intellect Design Arena FZ-LLC, Dubai ('Intellect Dubai')	-	-	-
	Intellect Commerce Limited, India ('Intellect Commerce')	Intellect Commerce Limited, India ('Intellect Commerce')	Intellect Commerce Limited, India ('Intellect Commerce')	-	-	-
	Intellect Design Chile Ltda , Chile ('Intellect Chile') *	Intellect Design Chile Ltda , Chile ('Intellect Chile') *	Intellect Design Chile Ltda , Chile ('Intellect Chile') *	-	-	-
	Intellect Design Arena Inc, USA ('Intellect Inc. – SEEUS')**	Intellect Design Arena Inc, USA ('Intellect Inc. – SEEUS')**	Intellect Design Arena Inc, USA ('Intellect Inc. – SEEUS')**	-	-	-
	SEEC Technologies Asia Private Limited, India ('Seec Asia')***	SEEC Technologies Asia Private Limited, India ('Seec Asia')***	SEEC Technologies Asia Private Limited, India ('Seec Asia')***	-	-	-
	Laser Soft Infosystems Limited, India ('Laser Soft')	Laser Soft Infosystems Limited, India ('Laser Soft')	Laser Soft Infosystems Limited, India ('Laser Soft')	-	-	-
	Indigo TX Software Pvt Ltd, India ('Indigo TX')	Indigo TX Software Pvt Ltd, India ('Indigo TX')	Indigo TX Software Pvt Ltd, India ('Indigo TX')	-	-	-

	Intellect Design Arena Co. Ltd, Vietnam ('Intellect Vietnam')	Intellect Design Arena Co. Ltd, Vietnam ('Intellect Vietnam')	Intellect Design Arena Co. Ltd, Vietnam ('Intellect Vietnam')	-	-	-

Particulars	For the period ended	Year ended			For the period ended	
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Subsidiaries (Continued)	SFL Properties Private Ltd, India ('SFL Properties')	SFL Properties Private Ltd, India ('SFL Properties')	SFL Properties Private Ltd, India ('SFL Properties')	-	-	-
	Intellect Design Arena Philippines Inc.('Intellect Philippines')**	Intellect Design Arena Philippines Inc.(' Intellect Philippines')**	Intellect Design Arena Philippines Inc.(' Intellect Philippines')**	-	-	-
	Sonali Polaris FT Limited, Bangladesh ('Sonali Polaris FT')	Sonali Polaris FT Limited, Bangladesh ('Sonali Polaris FT')	Sonali Polaris FT Limited, Bangladesh ('Sonali Polaris FT')	-	-	-
	FT Grid Pte Ltd, Singapore ('FT Grid')**	FT Grid Pte Ltd, Singapore ('FT Grid')**	FT Grid Pte Ltd, Singapore ('FT Grid')**	-	-	-
	Intellect Design Arena, PT Indonesia ('Intellect Indonesia')**	Intellect Design Arena, PT Indonesia ('Intellect Indonesia')**	Intellect Design Arena, PT Indonesia ('Intellect Indonesia')**	-	-	-
	Intellect Design Arena Inc.('Intellect Canada')*	Intellect Design Arena Inc.('Intellect Canada')*	-	-	-	-
	Intellect Design Arena Limited.('Intellect Thailand')**	Intellect Design Arena Limited.('Intellect Thailand')**	-	-	-	-
	Intellect Design Arena,SDN BHD.('Intellect Malaysia')**	Intellect Design Arena,SDN BHD.('Intellect Malaysia')**	-	-	-	-
	Intellect Design Arena Pty Ltd.('Intellect Australia')**	Intellect Design Arena Pty Ltd.('Intellect Australia')**	-	-	-	-
	Intellect Payments Limited ('Intellect Payments')	Intellect Payments Limited ('Intellect Payments')	-	-	-	-
	Intellect India Limited ('Intellect India')	Intellect India Limited ('Intellect India')	-	-	-	-
Joint Venture	Intellect Polaris Design LLC, USA ('IPDLLC USA')	Intellect Polaris Design LLC, USA ('IPDLLC USA')				

* Subsidiaries of Intellect Design Arena Limited, UK
** Subsidiaries of Intellect Design Arena Pte Ltd, Singapore
*** Subsidiary of Intellect Design Arena Inc., USA

Intellect Design Arena Limited (Continued)
Annexure XXI - Restated unconsolidated statement of related party transactions

Particulars	For the period ended	Year ended			For the period ended	
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Associates	NMS Works Software Private Limited (NMS)	NMS Works Software Private Limited (NMS)	NMS Works Software Private Limited (NMS)	-	-	-
	Adrenalin eSystems Limited (Adrenalin eSystems)	Adrenalin eSystems Limited (Adrenalin eSystems)	Adrenalin eSystems Limited (Adrenalin eSystems)	-	-	-
	Intellect Polaris Design LLC, USA ('IPDLLC USA')	Intellect Polaris Design LLC, USA ('IPDLLC USA')	Intellect Polaris Design LLC, USA ('IPDLLC USA')	-	-	-
Enterprises that directly or indirectly through one or more intermediaries, over which Key Management Personnel is able to exercise significant influence, "Others"	-	Polaris Banyan Holding Private Ltd	Polaris Banyan Holding Private Ltd	-	-	-
	-	Polaris Consulting & Services Pte Ltd, Singapore ('PCSL Singapore')	Polaris Consulting & Services Pte Ltd, Singapore ('PCSL Singapore')	-	-	-
	-	Polaris Consulting & Services Inc , Canada ('PCSL Canada')	Polaris Consulting & Services Inc , Canada ('PCSL Canada')	-	-	-
	-	Polaris Consulting & Services Limited, United Kingdom ('PCSL UK')	Polaris Consulting & Services Limited, United Kingdom ('PCSL UK')	-	-	-
	-	Polaris Consulting & Services GmbH, Germany ('PCSL Germany')	Polaris Consulting & Services GmbH, Germany ('PCSL Germany')	-	-	-
	-	Polaris Consulting & Services Pty Ltd, Australia ('PCSL Australia')	Polaris Consulting & Services Pty Ltd, Australia ('PCSL Australia')	-	-	-
	-	Polaris Consulting and Services Japan K.K , Japan ('PCSL Japan')	Polaris Consulting and Services Japan K.K , Japan ('PCSL Japan')	-	-	-
	-	Polaris Consulting & Services Ireland Ltd, Ireland, ("PCSL Ireland')	Polaris Consulting & Services Ireland Ltd, Ireland, ("PCSL Ireland')	-	-	-

Intellect Design Arena Limited (Continued)
Annexure XXI - Restated unconsolidated statement of related party transactions

Particulars	For the period ended	Year ended			For the period ended	
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Enterprises that directly or indirectly through one or more intermediaries, over which Key Management Personnel is able to exercise significant influence, "Others" (Continued)	-	Polaris Consulting & Services B.V, Netherlands ('PSL Netherlands')	Polaris Consulting & Services B.V, Netherlands ('PSL Netherlands')	-	-	-
	-	Polaris Software (shanghai) company Limited, China ('PSL China')	Polaris Software (shanghai) company Limited, China ('PSL China')	-	-	-
	-	Polaris Software Consulting & Services Sdn.Bhd., Malaysia ('PCSL Malaysia')	Polaris Software Consulting & Services Sdn.Bhd., Malaysia ('PCSL Malaysia')	-	-	-
	-	Polaris Consulting & Services kft. , Hungary ('PCSL Hungary')	Polaris Consulting & Services kft. , Hungary ('PCSL Hungary')	-	-	-
	-	Polaris Consulting & Services Limited, India ('PCSL India')	Polaris Consulting & Services Limited, India ('PCSL India')	-	-	-
	-	Polaris Consulting & Services Limited, FZ LLC ('PCSL Dubai')	Polaris Consulting & Services Limited, FZ LLC ('PCSL Dubai')	-	-	-
	-	Polaris Consulting & Services SA ('PCSL Switzerland')	Polaris Consulting & Services SA ('PCSL Switzerland')	-	-	-
	-	Optimus Global Services Limited ('Optimus')	Optimus Global Services Limited ('Optimus')	-	-	-

Key Management Personnel (KMP)	Mr. Arun Jain, Chairman and Managing Director, Mr. Anil Kumar Verma, Executive Director	Mr. Arun Jain, Chairman and Managing Director, Mr. Anil Kumar Verma, Executive Director	Mr. Arun Jain, Chairman and Managing Director Mr. Anil Kumar Verma, Executive Director	-	-	-

Intellect Design Arena Limited
Annexure XXI - Restated unconsolidated statement of related party transactions
(ii) Details of transactions with related parties

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	Year / Period ended					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Transactions during the year / period :						
Key Management personnel						
Remuneration and Other Benefits	-	331.40	158.00	-	-	-
Subsidiaries						
Rental Income						
Intellect Commerce	-	1.20	-	-	-	-
Laser Soft	-	-	6.00	-	-	-
Seec Asia	-	-	9.38	-	-	-
Rental Expense						
Seec Asia	-	-	34.36	-	-	-
Software Development Income						
Intellect Malaysia	838.41	833.79	-	-	-	-
Intellect Philippines	68.40	235.97	106.10	-	-	-
Sonali Polaris FT	40.85	149.53	418.43	-	-	-
Intellect Singapore	1,254.98	2,060.38	236.85	-	-	-
Intellect Chile	-	556.31	-	-	-	-
Intellect Canada	627.51	675.26	-	-	-	-
Intellect Dubai	4,496.55	10,329.67	5,059.83	-	-	-
Intellect Inc. - SEEUS	774.12	1,072.39	1,522.08	-	-	-
Intellect UK	4,728.87	10,340.74	14,247.59	-	-	-
Intellect Switzerland	397.13	808.68	-	-	-	-
Intellect Thailand	5.34	30.91	-	-	-	-
Intellect Vietnam	182.26					
Software Development Expense						
Indigo TX	63.60	49.28	160.80	-	-	-
LaserSoft	465.00	1,757.00	1,705.00	-	-	-
Intellect Singapore	348.09	734.04	190.67	-	-	-
Intellect Vietnam	73.25	194.75	255.83	-	-	-
Intellect Philippines	12.00	506.67	-	-	-	-
Intellect Chile	-	(31.82)	-	-	-	-
Intellect Dubai	605.90	1,303.54	38.87	-	-	-
Intellect Malaysia	32.78	1.06	-	-	-	-
Intellect Canada	183.71	424.54	-	-	-	-
Intellect Inc. - SEEUS	258.37	-	520.00	-	-	-
Intellect Switzerland	0.87	17.32	79.28	-	-	-
Intellect UK	508.43	473.52	7,613.30	-	-	-
Reimbursement of expenses to the Company						
Intellect Singapore	-	77.15	8.02	-	-	-
Intellect Canada	-	17.27	-	-	-	-

Intellect Inc. - SEEUS	971.32	714.67	7.83	-	-	-
Intellect UK	5.75	117.52	144.01	-	-	-
Indigo TX	0.24	-	-	-	-	-
LaserSoft	8.70	-	-	-	-	-
SFL	0.49					
Intellect Commerce	12.28	-	-	-	-	-
Intellect Payments	25.48					
Intellect Chile	3.43					
Intellect Malaysia	18.26	-	-	-	-	-
Intellect Dubai	86.15	-	-	-	-	-
Seec Asia	40.44	-	-	-	-	-

Intellect Design Arena Limited (Continued)
Annexure XXI - Restated unconsolidated statement of related party transactions

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	Year / Period ended					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Reimbursement of expenses by the Company						
		-	-	-	-	-
Intellect UK	140.74	-	-	-	-	-
Intellect Dubai	1,049.55	-	-	-	-	-
SFL Properties	-	-	-	-	-	-
Intellect Payments	-	-	-	-	-	-
Indigo TX	28.31	-	14.41	-	-	-
Intellect Commerce	0.65	-	111.17	-	-	-
LaserSoft	46.24	-	12.45	-	-	-
Intellect Malaysia	-	30.11	-	-	-	-
Intellect Canada	39.47	4.44	-	-	-	-
Intellect Singapore	102.37	-	0.11	-	-	-
Intellect Philippines	1.76	184.09	8.25	-	-	-
Intellect Vietnam	0.06	194.75	-	-	-	-
Intellect Chile		-	3.11	-	-	-
Intellect Inc. - SEEUS		11.02	-	-	-	-
Seec Asia	0.82	-	9.73	-	-	-
Advances Given						
Intellect Singapore	2.36	3.34	9.41	-	-	-
Intellect Canada	12.47	5.29	-	-	-	-
Intellect Dubai	13.08	-	39.11	-	-	-
Intellect Switzerland	-	-	14.70	-	-	-
Intellect UK	18.96	-	32.58	-	-	-
Balance outstanding at year end:						

Loans and advances						
Indigo TX	103.38	46.45	70.47	-	-	-
LaserSoft	1,014.07	646.48	224.58	-	-	-
Intellect Commerce	59.49	238.87	350.84	-	-	-
SFL Properties	10.49	8.00	-	-	-	-
PCSL India	-	8.78	-	-	-	-
Intellect Switzerland	44.92	45.30	-	-	-	-
Intellect Philippines	14.73	21.98	8.25	-	-	-
Intellect Singapore	466.99	81.26	1.50	-	-	-
Intellect Chile	34.90	31.51	3.11	-	-	-
Intellect Dubai	-	183.63	-	-	-	-
Intellect Inc. - SEEUS	1,749.92	-	9.80	-	-	-
Seec Asia	-	-	4.64	-	-	-
Intellect India	1.24	0.75	-	-	-	-
Intellect Malaysia	45.54	30.15	-	-	-	-
Intellect Payments	265.14	12.66	-	-	-	-
Intellect Vietnam	76.74	-	-	-	-	-

Intellect Design Arena Limited (Continued)
Annexure XXI - Restated unconsolidated statement of related party transactions

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	Year / Period ended					
	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Trade Receivables						
Indigo TX	1.58	12.48	-	-	-	-
Sonali Polaris FT	1,166.24	1,138.77	299.17	-	-	-
Intellect Singapore	898.32	501.27	74.43	-	-	-
Intellect Switzerland	168.03	110.50	-	-	-	-
Intellect Canada	656.01	169.99	-	-	-	-
Intellect Malaysia	888.57	88.94	-	-	-	-
Intellect Dubai	2,668.47	1,996.78	926.03	-	-	-
Intellect Inc. - SEEUS	1,749.12	1,632.11	1,539.49	-	-	-
Intellect UK	1,894.87	2,936.25	2,167.07	-	-	-
Intellect Thailand	35.20	31.49	-	-	-	-
Intellect Philippines	(24.04)	(86.64)	-	-	-	-
Intellect Chile	608.51	599.03	-	-	-	-
Intellect Vietnam	178.92					
Other Current Assets						
Sonali Polaris FT	-	-	379.00	-	-	-
Trade Payables						
Indigo TX	100.50	-	160.80	-	-	-
LaserSoft	140.50	65.00	323.55	-	-	-
PCSL Malaysia	-	-	-	-	-	-
Intellect Singapore	31.27	24.47	104.33	-	-	-
Intellect Vietnam	156.50	91.02	73.31	-	-	-

Intellect Inc. - SEEUS	394.01	-	342.06	-	-	-
Intellect Dubai	216.65	764.26	-	-	-	-
Intellect UK	92.59	92.37	-	-	-	-
Intellect Philippines	183.26	243.08	-	-	-	-
Other current liabilities						
Intellect Dubai	588.22	-	1,168.98	-	-	-
Intellect Switzerland	-	-	592.63	-	-	-
Intellect UK	807.12	155.41	104.01	-	-	-
PCSL Canada	-	-	-	-	-	-
Intellect Australia	114.19	114.71	-	-	-	-
Intellect Singapore	-	205.25	-	-	-	-
PCSL India	-	383.95	-	-	-	-
Seec Asia	-	392.37	-	-	-	-
Intellect Canada	94.52					
Investments						
Indigo TX	1,702.97	1,702.97	1,702.97	-	-	-
LaserSoft	5,201.05	5,201.05	5,201.05	-	-	-
Intellect Commerce	900.00	900.00	900.00	-	-	-
SFL Properties	1,544.53	1,544.53	1,544.53	-	-	-
Sonali Polaris FT	238.75	238.75	238.75	-	-	-
Intellect Singapore	1,698.60	1,698.60	404.60	-	-	-
Intellect Vietnam	22.50	22.50	22.50	-	-	-
Intellect Dubai	203.70	203.70	203.70	-	-	-
Intellect Switzerland	112.76	112.76	112.76	-	-	-
Intellect UK	617.50	617.50	617.50	-	-	-
Intellect India	5.00	5.00	-	-	-	-
Intellect Payments	5.00	5.00	-	-	-	-
Associates						
Reimbursement of expenses to the Company						
Adrenalin eSystems	11.41	-	20.68	-	-	-
Reimbursement of expenses by the Company						
Adrenalin eSystems	189.52	210.22	181.05	-	-	-

Intellect Design Arena Limited (Continued)
Annexure XXI - Restated unconsolidated statement of related party transactions

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	Year / Period ended					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Balance outstanding at year end:						
Short Term Loans and Advances						
Adrenalin eSystems	769.96	591.85	381.63	-	-	-
NMS	-	-	-	-	-	-
Trade payables						
Adrenalin eSystems	-	17.91	-	-	-	-
Investments						
IPDLLC USA	1,380.15	1,380.15	-	-	-	-

Adrenalin eSystems	1,956.11	1,956.11	1,593.88	-	-	-
NMS	648.30	648.30	648.30	-	-	-
Others						
Software development service income						
PCSL Australia	-	-	52.95	-	-	-
PSL China	-	46.73	161.11	-	-	-
PCSL Malaysia	-	37.12	71.37	-	-	-
PCSL Canada	-	-	2,067.94	-	-	-
PCSL Germany	-	625.34	-	-	-	-
PCSL India	-	2,847.74	-	-	-	-
Software development expenses						
PCSL India	-	2,508.84	2,146.40	-	-	-
PCSL Canada	-	-	1,443.41	-	-	-
PCSL Australia	-	180.07	-	-	-	-
PSL China	-	1.87	-	-	-	-
PCSL Germany	-	259.29	-	-	-	-
PCSL Malaysia	-	31.17	-	-	-	-
Rental Income						
PCSL India	-	334.11	192.30	-	-	-
Rental Expenses						
PCSL India	-	188.64	95.31	-	-	-
Reimbursement of expenses to the Company						
PCSL India	-	-	618.43	-	-	-
PCSL Australia	-	-	10.01	-	-	-
PSL China	-	-	24.50	-	-	-
PCSL Malaysia	-	-	57.12	-	-	-
PCSL Germany	-	-	13.13	-	-	-
Reimbursement of expenses by the Company						
PCSL India	-	-	936.38	-	-	-
PCSL Canada	-	-	23.76	-	-	-
Balance outstanding at year end:						
Trade receivables						
PCSL Australia	-	-	52.01	-	-	-
PSL China	-	30.88	95.34	-	-	-
PCSL Malaysia	-	-	38.47	-	-	-
PCSL Canada	-	-	1,390.14	-	-	-
PCSL Germany	-	334.20	-	-	-	-
PCSL India		2,417.12	-	-	-	-

Intellect Design Arena Limited (Continued)
Annexure XXI - Restated unconsolidated statement of related party transactions

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	Year / Period ended

	30-Sep-16	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	30-Jun-12
Short Term Loans and Advances						
PCSL Australia	-	-	10.01	-	-	-
PSL China	-	-	24.50	-	-	-
PCSL Japan	-	-	0.52	-	-	-
PCSL Canada	-	7.76	-	-	-	-
PCSL Singapore	-	0.33	-	-	-	-
PCSL Germany	-	-	1.34	-	-	-
NMS	-	-	-	-	-	-
Other Current Assets						
PCSL India	-	-	16.44	-	-	-
Trade payables						
PCSL India	-	2,046.16	1,673.45	-	-	-
PCSL Malaysia	-	-	88.69	-	-	-
PCSL Canada	-	-	1,491.85	-	-	-
PCSL Ireland	-	0.53	-	-	-	-
PCSL Australia	-	23.40	-	-	-	-
PSL China	-	1.24	-	-	-	-
PCSL Germany	-	92.26	-	-	-	-
Other current liabilities						
PCSL Canada	-	-	669.37	-	-	-
PCSL UK	-	0.10	-	-	-	-

Intellect Design Arena Limited
Annexure XXII - Restated unconsolidated statement of segment information

Primary Segment Information based on business:

The Company has only one 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.

Secondary segment information (by Geographical segments):

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	**As at / Year / Period ended**					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Segment Revenue						
India, Middle East & Africa	14,945.55	29,228.47	22,781.84	-	-	-
Asia Pacific	3,795.66	8,013.77	2,151.99	-	-	-
Europe	6,136.90	13,779.23	16,056.25	-	-	-
United States	730.88	3,589.07	4,320.24	-	-	-
Capital Expenditure						
- Within India	3,826.18	6,369.24	1,316.47	-	-	-
- Outside India	-	-	-	-	-	-
Segment Assets						
- Within India	87,009.59	76,182.98	69,886.20	-	-	-
- Outside India	-	-	-	-	-	-

Note:
1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

Intellect Design Arena Limited
Annexure XXIII - Restated unconsolidated statement of dividend

(All amounts are in INR Lakhs unless otherwise stated)

Particulars	As at					
	30-Sep-16	**31-Mar-16**	**31-Mar-15**	**31-Mar-14**	**31-Mar-13**	**30-Jun-12**
Equity shares:						
Number of equity shares (numbers)	1010,98,422	1007,78,624	1001,98,474	10,000	50,000	50,000
Face value per share (Rs.)	5	5	5	5	10	10
Rate of dividend (%)	-	-	-	-	-	-
Dividend amount (in million)	-	-	-	-	-	-
Tax on dividend (in million)	-	-	-	-	-	-

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations in conjunction with Restated Consolidated Summary Statements including notes thereto and the examination report thereon, which appear in the chapter entitled 'Financial Statements' on page 165 of this Draft Letter of Offer. Our audited financial statements are prepared in accordance with Indian GAAP and the relevant provisions of the Companies Act and restated pursuant to the SEBI ICDR Regulations and described in the examination reports on the Financial Statements dated January 13, 2017. Unless otherwise stated, the financial information in this section has been derived from the Restated Consolidated Summary Statements of our Company.

This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled 'Risk Factors' and 'Forward Looking Statements' on pages 15 and 14, respectively of this Draft Letter of Offer.

Overview

We are a digital technology product solutions provider with a specific focus on the BFSI industry. Our Company directly, and through our Subsidiaries, provides financial platforms for companies in the global BFSI industry with full spectrum, fully integrated products that are operated in over 200 financial institutions across 24 countries.

Our Company's technology products are built on the Digital platform and our business operations are divided into four distinct verticals:

(i) Global Consumer Banking and Central Banking;
(ii) Risk, Treasury & Markets;
(iii) Global Transaction Banking; and
(iv) Insurance.

Our Company's iDigital platform enables us to make our products scalable, extendable, secure and capable of facilitating digital transformation of banking operations and customer experience. Further, the iDigital platform also caters to various other entities within the traditional financial service sector such as insurance and mutual fund and also, the nascent and emerging financial service entities such as e-commerce and digital wallets.

Our Company and its Subsidiaries have a marked global footprint and our Company's products are operated across 6 (six) continents in 24 countries including USA, Canada, Chile, UK, Spain, South Africa, Egypt, Dubai, Singapore, Malaysia, Vietnam, Philippines, Indonesia, Thailand and other countries besides India. Our Company and its Subsidiaries cater to some of the world's largest banks and financial institutions, central banks and insurance companies.

Our Company's business was, until the recent past, a part of Polaris Financial Technology and our technology products business was hived off in 2014 into our Company pursuant to a Scheme of Arrangement-cum-Demerger. For further details pertaining to the demerger please see the chapter entitled *'History and Certain Corporate Matters'* on page 125 of this Draft Letter of Offer.

Our Company's consolidated revenue as restated in the Financial Year 2016 and the Financial Year 2015 was ₹ 83,675.99 lakhs and ₹ 63,627.76 lakhs respectively. Our Company's consolidated profit / loss after tax as restated in the Financial Year 2016 and the Financial Year 2015 ₹ (2,901.02) lakhs and ₹ (7,081.89) lakhs, respectively. Our Company's unconsolidated revenue as restated in the Financial Year 2016 and the Financial Year 2015 was ₹ 56,367.39 lakhs and ₹ 47,514.17 lakhs, respectively. Our Company's unconsolidated profit / loss after tax as restated in the Financial Year 2016 and the Financial Year 2015 was ₹ 2,194.12 lakhs and ₹ (6,042.45) lakhs, respectively.

Our Company's consolidated revenue as restated in the six months ended September 30, 2016, was ₹ 45,965.45 lakhs. Our Company's consolidated profit / loss after tax as restated for the six months ended September 30, 2016 was ₹ (1,760.02) lakhs. Our Company's unconsolidated revenue as restated in the six months ended September 30, 2016, was ₹ 27,284.01 lakhs. Our Company's unconsolidated profit / loss after tax as restated for the six months ended September 30, 2016 was ₹ (608.39) lakhs.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

The business of our Company is subject to various risks and uncertainties including those discussed in Section the entitled '*Risk Factors*' beginning on page 15 of this Draft Letter of Offer. Our financial condition and results of operations are affected by various factors of which the following are of particular importance.

Continuous investment in R&D

Our Company was, prior to the implementation of the Scheme of Arrangement-cum-Demerger, one of the business verticals of Polaris Financial Technology Limited (as it then was). Over the years, this business vertical saw significant investments to build digital technology products on three-tier service-oriented architecture (**SOA**), which has won accolades from industry analysts.

As on December 31, 2016, our Company had a dedicated R&D team comprising 836 people in India and overseas. A significant number of our R&D personnel have been with our Company even prior to the demerger of our business pursuant to the Scheme of Arrangement-cum-Demerger and, consequently, have experience and understand the technological imperatives that drive our business. Further, a significant part of our R&D team is focused on Product Development towards improving and augmenting our suite of product offerings.

Further, to surmount technology obsolescence our Company commissioned the first FinTech 8012 Design Center, in March 2013 for digital transformation. Our R&D team continuously works on latest technologies like Digital 360, natural language processing, artificial intelligence and smart search technologies to integrate and build solutions leveraging our inherent technological strength.

Increasing market penetration in emerging markets

Emerging markets India, countries in the Middle Eastern countries such as UAE, Qatar and Oman, Turkey, Thailand, Philippines, China, countries in Eastern Europe and Latin America generally have implemented basic core banking systems. Accordingly, the technology spends of BFSI operators in these countries is skewed towards upgrading their existing technologies onto digital platforms, extending the technology for serving specialised products for corporates and high net-worth individuals and sophisticated treasury management. Further, these countries are also seeing the advent of new local and / or international banks and financial institutions, which require new technology platforms capable of catering to local needs and complying with local regulations. Accordingly, in these markets, our Company offers, our core banking suite, which comprises of wealth and private banking, loan origination, lending, debt management, collateral and limits management along with omni-channel platform, under the iGCB, and complete risk, treasury and markets solution, under the iRTM. Our Company has also implemented central banking solutions to a few central banks in this region.

Further, certain other emerging markets such as Vietnam, Cambodia, Indonesia, Bangladesh, Sri Lanka, and countries in Eastern and Western Africa are in the nascent stages implementing digital platform. Therefore, financial institutions operating in such countries are generally seeking to build an efficient technology infrastructure of core banking. Accordingly, our Company offers all products under the iGCB portfolio and certain solutions under iRTM to entities operating in these geographies.

While operations in the emerging markets offer the potential for growing faster, the operating margins are generally lower than those in advanced markets.

Competition

Our Company operates in highly competitive global markets. Our Company competes globally across all its verticals with major Indian and global financial technology product providers such as Oracle Corporation, Temenos Group, EdgeVerve, SAP, SAB, Infosys Limited and Tata Consultancy Service Limited. Further, larger operators including those who have a more diversified business model i.e. entities that are involved in both the products and services business may have a pricing advantage due to their economies of scale.

Ability to successfully implement our growth strategies

One of the key determinants of our results of operations will be our ability of implement our growth strategies. As a part of our overall growth strategy, we are venturing into and seeking to increase and develop our operations in more nascent markets in addition to increasing our footprint in the developed markets. Our ability to successfully penetrate these markets could be a key factor in our success.

Our ability to manage our trade receivables

In accordance with our business model a significant part of our Company's current assets are *'trade receivables'* and *'Revenues accrued and not billed'* under other current assets (together with trade receivables the **Receivables**).

Generally, pursuant to our contracts with customers, payments by our customers are based on billing milestones and, consequently, our Receivables Cycle, during the six months ended September 30, 2016, Financial Year 2016 and Financial Year 2015, was 176, 162 and 159 days, respectively.

As on December 31, 2016 our Company *(on an unconsolidated basis)* had sanctioned working capital facilities aggregating ₹ 44,750.01 lakhs of which ₹ 24,285.26 lakhs were outstanding. Of the said working capital facilities, loans aggregating ₹ 18,745.26 lakhs were secured and the remainder of ₹ 5,540.00 lakhs were unsecured. The same is used to fund our working capital needs including that of receivables.

Other factors

In addition to the above factors, the following factors could cause actual results to differ materially from our expectations:

1. Overall global economy;
2. Changes in fiscal, economic or political conditions in India;
3. Company's ability to successfully implement its strategy and its growth and expansion plans;
4. Increasing competition;
5. Changes in the value of the Indian rupee and other currencies; and
6. Regulatory changes pertaining to the BFSI industry in which our Company operates and our Company's ability to respond to them.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in the Restated Financial Statements.

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/period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Property, plant and equipment and capital work in progress

Property, plant and equipment 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 Property, Plant and Equipment not ready for intended use as at the balance sheet date.

When significant parts of plant and equipment are required to be replaced at intervals, our Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.
Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Subsequent expenditure related to an item of property, plant and equipment 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 property, plant and equipment, 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 property, plant and equipment 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.

Our Company identifies and determines cost of each component/ part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

c) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is provided using the straight line method.

Depreciation on plant, property and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. Our Company has used the following rates to provide depreciation on its plant, property and equipment.

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

Assets Category	September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	June 30, 2012
Buildings	29	29	29	NA	NA	NA
Plant and machinery	15	15	15	NA	NA	NA
Computer equipments	3	3	3	NA	NA	NA
Servers and computer accessories	6	6	6	NA	NA	NA
Electrical fittings, furniture and fixtures	10	10	10	NA	NA	NA
Office equipments	5	5	5	NA	NA	NA
Vehicles	4-8	4-8	4-8	NA	NA	NA
Leasehold improvements	Over the lease period or 10	Over the lease period	Over the lease period	NA	NA	NA

	years whichever is lower	or 10 years whichever is lower	or 10 years whichever is lower			
Leasehold land	Over the lease period (99 years)	Over the lease period (99 years)	Over the lease period (99 years)	NA	NA	NA

d) Intangible assets

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

Research and development costs

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

1. The technical feasibility of completing the intangible asset so that it will be available for use or sale.
2. Its intention to complete the asset.
3. Its ability to use or sell the asset.
4. The asset will generate future economic benefits.
5. The availability of adequate resources to complete the development and to use or sell the asset.
6. The ability to measure reliably the expenditure attributable to the intangible asset during new product development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortisation is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

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 amortisation year/period and the amortisation method are reviewed at each year/period end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. The estimated useful life of our Company’s intangible assets are stated below:

Computer software is depreciated over an above 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 our 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 of profit and loss on a straight-line basis over the lease term.

f) Impairment of tangible and intangible 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.

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 our 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/period in which such losses become probable based on the current contract estimates.

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/period 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 our 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/period, 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

Our 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 our 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

our 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 our Company and our Company does not use the foreign exchange forward contracts for trading or speculative purposes.

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

Our 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 our Company make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employee's salary. Our Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. Our Company has no further obligations under the plan beyond its monthly contributions.

Gratuity

Our 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

Our 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. Our Company recognizes contribution payable to the fund as an expenditure, when an employee renders the related service. Our 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 year/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.

Our 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 our Company. The current tax provision and advance income tax as at balance sheet date have been arrived at after setting off advance tax and current tax provision where our Company has 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 our 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 our 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 year/period 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. Our 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.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that our 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. Our 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 year/period.

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

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. Our 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 year/period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year/period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year/period attributable to equity shareholders and the weighted average number of shares outstanding during the year/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 our 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. Our 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.

RESULTS OF OUR OPERATIONS

The following table provides certain information with respect to our results of operations for the Financial Years 2015 and 2016 and the six months ended September 30, 2016, as set forth in our Restated Consolidated Summary Statements.

(in ₹ lakhs except percentage data)

Particulars	Six months ended September 30, 2016		Financial Year ended			
			March 31, 2016		March 31, 2015	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
Revenue						
Revenue from operations	43,676.67	95.02	81,065.55	96.88%	60,874.95	95.67%
Other income	2,288.78	4.98	2,610.44	3.12%	2,752.81	4.33%
Total revenue	**45,965.45**	**100.00**	**83,675.99**	**100.00**	**63,627.76**	**100.00**
Expenses						
Employee benefit expenses	34,333.43	74.69	63,881.62	76.34	53,123.49	83.49
Other expenses	11,651.38	25.35	20,303.09	24.26	15,782.15	24.80
Finance Cost	401.77	0.87	119.22	0.14	80.78	0.13
Depreciation and amortisation expense	1,201.37	2.61	2,077.11	2.48	1,901.27	2.99%
Total expenses	**47,587.95**	**(103.53)**	**86,381.04**	**(103.23)**	**70,887.69**	**111.41**
Restated loss before exceptional items, tax and minority interest	**(1,622.49)**	**(3.53)**	**(2,705.05)**	**(3.23)**	**(7,259.93)**	**(11.41)**
Less: Exceptional items	-	-	-	-	(976.63)	(1.53)
Restated loss before tax and minority interest	**(1,622.49)**	**(3.53)**	**(2,705.05)**	**(3.23)**	**(8,236.56)**	**(12.94)**
Tax expense						
- Current tax	620.00	1.35	657.49	0.79	458.29	0.72
Less: MAT Credit			(405.81)	0.48	-	

Particulars	Six months ended September 30, 2016		Financial Year ended			
			March 31, 2016		March 31, 2015	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
Deferred tax			(82.90)	0.10	(1,357.55)	-2.13
Total tax expense	**620.00**	**1.35**	**168.78**	**0.20**	**(899.26)**	**(1.41)**
Restated (loss) before minority interest	**(2,242.49)**	**(4.88)**	**(2,873.83)**	**(3.43)**	**(7,337.30)**	**(11.53)**
Add/(Less):						
Share of Profit/(loss) on Associate Companies						
Share of Profit/(loss) on Associate Companies - Earlier year/period	482.48	1.05	(27.19)	-0.03	255.41	0.40%
Restated (loss) for the year / period	**(1,760.02)**	**(3.83)**	**(2,901.02)**	**(3.47)**	**(7,081.89)**	**(11.13)**

Principal components of our statement of profit and loss account

Revenue

Our revenue consists of:

a. **Revenue from operations** – Our revenue from operations comprises revenue from our four business verticals viz., global consumer banking and central banking, risk, treasury & markets, global transaction banking and insurance.

b. **Other income** – Other income consisting of interest received on deposits with banks, interest on others, dividends on investments in mutual funds, profit on sale of investments, provision for diminution in value of investments miscellaneous income, profit / (loss) on sale of assets and net gain on foreign currency transactions and translation (other than those considered as finance cost).

Our total revenue, as per the Restated Consolidated Summary Statements, for the six months ended September 30, 2016, the Financial Year 2016 and Financial Year 2015, was₹ 45,965.45 lakhs, ₹ 83,675.99 lakhs and ₹ 63,627.76 lakhs, respectively.

Expenses

Our expenses comprised employee benefit expenses, other expenses and finance cost and depreciation and amortisation expenses.

a. **Employee benefit expenses** – Employee benefit expenses comprises salaries, wages and bonus, contribution to provident and other fund, superannuation scheme, other funds, gratuity expense, cost of technical sub-contractors, social security and other benefit plans for overseas employees and staff welfare expenses.

b. **Other expenses** – Other expenses comprises cost of software packages, consumable and maintenance, travelling expenses, communication expenses, professional and legal charges payment to the auditors,, power and fuel, rent, repairs - plant and machinery, repairs - building, repairs - others, business promotion, office maintenance, provision for doubtful debts, bad debts/advances written off, insurance, printing and stationery, rates and taxes excluding taxes on income, directors' sitting fees, bank charges and commission, miscellaneous expenses and net loss on foreign currency transaction and translation (other than considered as finance cost).

c. **Finance cost** – Finance cost comprises interest related expenses.

Our total expense, as per the Restated Consolidated Summary Statements, for the six months ended September 30, 2016, Financial Year 2016 and Financial Year 2015, was ₹ 47,587.95 lakhs, ₹ 86,381.04 lakhs and ₹ 70,887.69 lakhs, respectively.

The following table sets out the break-up of our expenses as a percentage of our total revenue, as per the Restated Consolidated Summary Statements, for the six months ended September 30, 2016, Financial Year 2016 and Financial Year 2015.

(in ₹ lakhs except percentage data)

Expense	**Six months ended September 30, 2016**	**% of consolidated total revenue**	**Financial Year 2016**	**% of consolidated total revenue**	**Financial Year 2015**	**% of consolidated total revenue**
Employee benefit expenses						
Salaries, wages and bonus	29,222.58	63.58	54,088.18	64.64	44,780.92	70.38
Contribution to provident and other fund	669.65	1.46	1,142.17	1.36	934.34	1.47
-Superannuation scheme	241.23	0.52	448.80	0.54	357.47	0.56
-Other funds	30.56	0.07	266.64	0.32	83.38	0.13
Gratuity expense	293.93	0.64	251.82	0.30	469.51	0.74
Cost of technical sub-contractors	3,067.64	6.67	6,072.96	7.26	5,016.82	7.88
Social security and other benefit plans for overseas employees	107.21	0.23	159.88	0.19	127.87	0.20
Staff welfare expenses	700.63	1.52	1,451.17	1.73	1,353.18	2.13
Total employee benefit expenses	**34,333.43**	**74.69**	**63,881.62**	76.34	**53,123.49**	83.49
Other expenses						
Payment to the auditors						
- Statutory audit	13.00	0.03	22.75	0.03	20.00	0.03
- Other services	14.01	0.03	23.00	0.03	11.00	0.02
- Reimbursement of expense	3.46	0.01	0.72	0.00	0.43	0.00
Cost of software packages, consumable and maintenance	836.80	1.82	1,773.78	2.12	1,312.75	2.06
Travelling expenses	3,260.10	7.09	5,408.96	6.46	5,078.71	7.98
Communication expenses	566.92	1.23	799.17	0.96	768.84	1.21

Expense	Six months ended September 30, 2016	% of consolidated total revenue	Financial Year 2016	% of consolidated total revenue	Financial Year 2015	% of consolidated total revenue
Professional and Legal charges	1,663.83	3.62	3,119.94	3.73	1,836.97	2.89
Power and fuel	390.39	0.85	739.60	0.88	718.93	1.13
Rent	718.52	1.56	1,677.00	2.00	1,421.37	2.23
Repairs - Plant and machinery	142.30	0.31	500.68	0.60	439.85	0.69
Repairs - Building	-		0.56	0.00	23.46	0.04
Repairs - Others	250.32	0.54	578.31	0.69	375.62	0.59
Business promotion	1,320.27	2.87	1,876.58	2.24	1,436.66	2.26
Office maintenance	575.73	1.25	743.41	0.89	518.07	0.81
Provision for doubtful debts	252.00	0.55	841.24	1.01	677.38	1.06
Bad debts / advances written off	-		138.38	0.17	-	
Insurance	87.99	0.19	116.55	0.14	58.70	0.09
Printing and stationery	101.82	0.22	224.75	0.27	149.38	0.23
Rates and taxes excluding Taxes on Income	306.33	0.67	457.79	0.55	309.31	0.49
Donations	-		0.65	0.00	19.51	0.03
Expense towards Chennai Flood Relief	-		46.01	0.05	-	
Directors' sitting fees	7.85	0.02	24.90	0.03	10.83	0.02
Bank charges & commission	79.52	0.17	96.84	0.12	45.48	0.07
Miscellaneous expenses	493.24	1.07	693.81	0.83	548.90	0.86
Net Loss on foreign currency transaction and translation (other than considered as finance cost)	569.98	1.24	397.71	0.48	-	
Total other expenses	**11,651.38**	25.35	**20,303.09**	24.26	**15,782.15**	24.80
Finance Cost						

Expense	Six months ended September 30, 2016	% of consolidated total revenue	Financial Year 2016	% of consolidated total revenue	Financial Year 2015	% of consolidated total revenue
Interest Expenses	401.77	0.87	119.22	0.14	80.78	0.13

Tax Expense

Current Tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to our Company. The current tax provision and advance income tax as at balance sheet date have been arrived at after setting off advance tax and current tax provision where our Company has a legally enforceable right to set off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Deferred Tax

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

RESULTS OF OPERATIONS FOR FINANCIAL YEAR 2016 COMPARED TO FINANCIAL YEAR 2015

Revenue

Our total revenue, as per the Restated Consolidated Summary Statements, increased by 33.17% from ₹ 60,874.95 lakhs in Financial Year 2015 to ₹ 81,065.55 lakhs in Financial Year 2016. This increase was primarily due to incremental customer acquisitions and growth in revenue from the existing customer base.

Other income

Our other income reduced marginally from ₹ 2,752.81 lakhs in Financial Year 2015 to ₹ 2,610.44 lakhs in Financial Year 2016.

Expenses

Our total expenses increased by 21.86% from ₹ 70,887.69 lakhs in Financial Year 2015 to ₹ 86,381.04 lakhs in Financial Year 2016.

Employee benefit expenses

Our employee benefit expenses comprising salaries, wages and bonus, contribution to provident and other fund, gratuity etc., increased by 20.25% from ₹ 53,123.49 lakhs in Financial Year 2015 to ₹ 63,881.62 lakhs in Financial Year 2016. This increase was primarily due to annual salary increase and increase in the number of employees by over 400 employees.

Other expenses

Our other expenses comprising payment to auditors, cost of software packages, consumable and maintenance, travelling expenses, professional legal charges, rent, business etc., increased by 28.65% from ₹ 15,782.15 lakhs to ₹ 20,303.09 lakhs primarily due to an increase in professional and legal charges, cost of software packages, consumable and maintenance expenses, travelling expenses and business promotion expenses.

Finance cost

Our finance cost comprising interest expense increased by 47.59% from ₹ 80.78 lakhs to ₹ 119.22 lakhs primarily due to higher usage of working capital loans for operations.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses increased marginally by 9.25% from ₹ 1,901.27 lakhs in Financial Year 2015 to ₹ 2,077.11 lakhs in Financial Year 2016, primarily, due to the addition of fixed assets.

Profit / Loss after tax

As a result of the foregoing factors, our restated loss for the year decreased from (7,081.89) lakhs in Financial Year 2015 to (2,901.02) lakhs in Financial Year 2016.

Liquidity and capital resources

Historically, our primary liquidity requirements have been to finance our working capital requirements for our operations and for capital expenditures. We have met these requirements through cash flows from operations as well as through borrowings. As on September 30, 2016, we had ₹ 2,593.68 lakhs in cash and bank balances, and ₹ 11,528.82 lakhs in short term borrowings. For further information, please see the chapter entitled '*Financial Indebtedness*' on page 319 of this Draft Letter of Offer.

We believe that our anticipated cash flow from operations, committed debt facilities, together with proceeds from this Issue and our existing cash, will be sufficient to meet our operating and capital expenditure requirements for the the Financial Year 2017.

Cash flows

The table below summarizes the statement of cash flows, as per our Restated Consolidated Summary Statement of Cash Flows, for the year / period indicated:

(in ₹ lakhs)

Particulars	**Six months ended September 30, 2016**	**Financial Year**	
		2016	**2015**
Net cash generated from operating activities	(8,491.38)	(11,081.44)	(1,754.94)
Net cash generated from (used in) investing activities	(4,044.99)	4,216.38	8,515.50
Net cash generated from (used in) financing activities	9,004.49	1,810.44	(849.35)

Operating activities

Net cash flow from operating activities comprises cash consumed/generated from operations and increase/decrease in working capital.

Net cash flow used in operating activities in Financial Year 2016 increased to ₹(11,081.44) lakhs from ₹(1,754.94) lakhs in Financial 2015, primarily due to increase *'trade receivables'* and *'Revenues accrued and not billed under other current assets'*. Further, net cash used in operating activities in the six months ended September 30, 2016, was ₹(8,491.38) lakhs due to an increase in *'trade receivables'* and *'Revenues accrued and not billed under other current assets'*.

Investing activities

Net cash used in investing activities comprises sale of non-trade of investments, proceeds received from sale of fixed assets, increase in purchase of property, plant and equipment.

Net cash used in investing activities decreased from ₹ 8,515.50 lakhs in Financial Year 2015 to ₹ 4,216.38 lakhs in Financial Year 2016. The decrease was primarily due to liquidation of non-trade investments. Net cash used in investing activities increased in the six months ended September 30, 2016 by ₹ 4,044.99 lakhs. The increase was primarily due to capital expenditure including New Product Development.

Financing activities

Net cash flow from financing activities comprises proceeds / repayment of loans.

Net cash used in financing activities increased from ₹ (849.35) lakhs in Financial Year 2015 to ₹ 1,810.44 lakhs in Financial Year 2016. The increase was primarily due to availing of working capital loans. Net cash used in investing activities further increased in the six months ended September 30, 2016, to ₹ 9,004.49 lakhs. The increase was primarily due to availing of working capital loans.

Indebtedness

As on December 31, 2016, we had a sanctioned term loan of USD 2,000.00 lakhs which is yet to be disbursed. Further, as on December 31, 2016 we had sanctioned working capital facilities aggregating ₹ 44,750.01 lakhs of which ₹ 24,285.26 lakhs were outstanding. Of the said working capital facilities, loans aggregating ₹ 18,745.26 lakhs were secured and the remainder of ₹ 5,540.00 lakhs were unsecured.

For further information, please see the chapter entitled '*Financial Indebtedness*' on page 319 of this Draft Letter of Offer.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with any entities that would have been established for the purpose of facilitating off-balance sheet arrangements

Related Party Transactions

For details of the related party transactions, please see the chapter entitled '*Related Party Transactions'* on page 163 of this Draft Letter of Offer. Further, we confirm that none of our debtors are related parties within the meaning of Accounting Standard AS-18 issued by the ICAI other than as disclosed in the financial statements.

Contingent liabilities

The following table sets forth our contingent liabilities.

(in ₹ lakhs)

Particulars	**For the six months ended September 30, 2016**	**Financial Year 2016**	**Financial Year 2015**
Capital commitments (net of advances and deposit)	421.89	567.45	647.77
Demand from Indian income tax authorities	724.91	724.91	-
Sales Tax demand from Commercial Tax Officer, Chennai.	31.62	31.62	-
Service tax demand from Commissioner of Central excise, Chennai	28.42	28.42	-

The above contingent liabilities disclosed in the Restated Consolidated Summary Statements are in accordance with

Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets.

Changes in accounting policies

Our Company has not changed its accounting policies in the last five financial years.

Qualifications and matters of emphasis

Our Financial Statements do not contain any qualifications, reservations and matters of emphasis by our statutory auditors in their audit reports relating to the respective periods.

Quantitative and qualitative disclosure about market risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate and foreign exchange rates of financial instruments. We are exposed to various types of market risks, in the normal course of our business. The following discussion and analysis, which constitutes '*forward-looking statements',* involves risk and uncertainties summarise our exposure to different market risks.

Competitive condition

We operate in a competitive environment. Please refer to the sections entitled *'Risk Factors'*, and chapters entitled *'Industry Overview'* and *'Our Business – Competition'* on pages 15, 92, and 109, respectively, of this Draft Letter of Offer.

Exchange rate risk

Changes in currency exchange rates may indirectly influence our results of operations. Our Company has extensive international operations particularly in the Americas and Europe. Any adverse change in foreign exchange rates may adversely affect our results of operations.

Significant dependence on a single or few customers or suppliers

While revenues from any particular customer may vary between financial reporting periods depending on the nature and term of on-going contracts, historically we are not dependent on single or a few customers. During the six months ended September 30, 2016, Financial Year 2015 and Financial Year 2016, sales to our top ten customers represented, 45.95%, 39.91% and 43.20% respectively, of our total revenue, as per the Restated Consolidated Summary Statements.

Interest rate risk

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to an extent by debt, and increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we may engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, we cannot assure you that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Credit risk

We are exposed to credit risk on amounts owed to us by our customers. If our customers do not pay us promptly, or at all, it may impact our working capital cycle and/or we may have to make provisions for or write-off on such amounts.

Unusual or infrequent events or transactions

Except as described in this Draft Letter of Offer, there have been no other events or transactions that, to our knowledge, may be described as *'unusual'* or *'infrequent'*.

Known trends or uncertainties

Other than as described in this Draft Letter of Offer, particularly in the section entitled *'Risk Factors'* beginning on page 15 of this Draft Letter of Offer and in this chapter, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

Seasonality of business

Our Company's business is not seasonal.

Significant developments after September 30, 2016 that may affect our future results of operations

No circumstances have arisen since the date of the last Financial Statements as disclosed in this Draft Letter of Offer which materially and adversely affect or is likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months of the date of the last Financial Statements as disclosed in this Draft Letter of Offer.

There is no development subsequent to September 30, 2016 that we believe is expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

WORKING RESULTS

In accordance with Circular No.F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977, and in accordance with sub-item B of Item X of Part E of Schedule VIII of the SEBI ICDR Regulations, the information relating to our Company's working results for the period between the last date of the financial statements and upto the end of the last but one month preceding the date of the Letter of Offer will be updated in the Letter of Offer to be filed with the Stock Exchanges.

MARKET PRICE INFORMATION

Our Company is listed and its Equity Shares are traded on the BSE and the NSE.

Stock Market Data of the Equity Shares

The high and low prices recorded on the BSE and the NSE during the last three (3) years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

BSE

Financial Year	High*			Low*			Average Price for the year (₹)**
	Date	Price (₹)	Volume	Date	Price (₹)	Volume	
2015	January 12, 2015	134.40	54,06,820	December 18, 2014	69.00	1,07,888	107.02
2016	November 23, 2015	302.65	15,01,686	June 3, 2015	97.10	2,77,567	180.57

(Source: www.bseindia.com)
The Equity Shares were listed on the BSE on December 18, 2014.
**High and low prices are based on the high and low of the daily prices*
*** Average of the daily closing price.*

NSE

Financial Year	High*			Low*			Average Price for the year (₹)**
	Date	Price (₹)	Volume	Date	Price (₹)	Volume	
2015	January 12, 2015	134.40	1,74,85,970	December 18, 2014	69.25	8,87,525	106.78
2016	November 23, 2015	302.45	51,67,301	June 3. 2015	97.10	7,15,822	180.62

(Source: www.nseindia.com)
The Equity Shares were listed on the NSE on December 18, 2014.
**High and low prices are based on the high and low of the daily prices*
*** Average of the daily closing price.*

Prices for the last six (6) months

The high and low prices and the volume of Equity Shares traded on the respective dates during the last six (6) months, on the BSE and the NSE, are stated as under:

BSE

Month, Year	High*			Low*			Average Price for the month (₹)**
	Date	Price (₹)	Volume	Date	Price (₹)	Volume	
July 2016	July 28, 2016	233.00	3,36,960	July 19, 2016	195.75	2,35,067	212.98
August 2016	August 1, 2016	223.00	3,29,131	August 11, 2016	179.65	3,75,910	197.26

September 2016	September 9, 2016	210.00	4,35,230	September 29, 2016	169.30	2,22,425	192.49
October 2016	October 28, 2016	192.50	2,76,732	October 13, 2016	172.50	2,47,555	181.16
November 2016	November 1, 2016	192.40	1,71,314	November 21, 2016	119.20	1,39,401	145.90
December 2016	December 13, 2016	175.90	6,65,797	December 26, 2016	129.00	1,53,888	147.83

(Source: www.bseindia.com)
**High and low prices are based on the high and low of the daily prices*
***Average of the daily closing price.*

NSE

The high and low prices and volume of Equity Shares traded on the respective dates during the last six (6) months, on the NSE, are stated as under:

Month, Year	High*			Low*			Average Price for the month (₹)**
	Date	Price (₹)	Volume	Date	Price (₹)	Volume	
July 2016	July 28, 2016	232.80	13,98,836	July 19, 2016	195.60	5,17,173	213.09
August 2016	August 9, 2016	222.40	16,23,865	August 11, 2016	179.20	11,75,934	197.30
September 2016	September 9, 2016	210.70	12,66,015	September 29, 2016	169.00	6,99,054	192.42
October 2016	October 28, 2016	192.60	11,20,223	October 13, 2016	172.05	4,69,854	181.31
November 2016	November 1, 2016	192.30	3,81,257	November 21, 2016	118.90	4,88,840	145.94
December 2016	December 13, 2016	175.75	18,34,704	December 26, 2016	129.35	505959	147.78

(Source: www.nseindia.com)
**High and low prices are based on the high and low of the daily prices*
***Average of the daily closing price.*

In the event the high or low or closing price of the Equity Shares is the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

The Board of Directors has approved the Issue at their meeting held on November 3, 2016.The high and low prices of the Equity Shares, as quoted on the BSE and the NSE on November 4, 2016, the day on which the trading happened immediately following the date of the Board meeting, is as follows:

Stock Exchange	Date	Volume (Nos.)	High (₹)	Low (₹)
BSE	November 4, 2016	2,92,673	171.90	158.10
NSE	November 4, 2016	12,57,921	172.00	158.05

(Source: www.bseindia.com and www.nseindia.com)

Volume of Shares traded in the last six (6 months)

The volume of Equity Shares traded in the scrip of our Company during the last six (6) months, on the BSE and the NSE, is as follows:

Month	Volume (in number of shares) on BSE	Volume (in number of shares) on NSE
July, 2016	41,86,907	1,54,40,501
August, 2016	46,62,455	1,33,28,256
September, 2016	36,69,641	1,08,46,206
October, 2016	24,43,590	70,59,458
November, 2016	38,91,872	1,13,25,059
December, 2016	57,97,478	1,91,26,501

(Source: www.bseindia.com and www.nseindia.com)

Week-end closing prices for the Equity Shares for the last four calendar weeks prior to the date of this Draft Letter of Offer on the BSE and the NSE are as follows:

BSE

Week	High*		Low*		Average Price for the week (₹)**
	Date	Price (₹)	Date	Price (₹)	
Week 1	December 30, 2016	142.40	December 26, 2016	129.00	135.57
Week 2	January 6, 2017	148.35	January 2, 2017	138.95	143.74
Week 3	January 11, 2017	149.50	January 13, 2017	142.05	144.92
Week 4	January 18, 2017	152.20	January 16, 2017	141.65	145.97

(Source: www.bseindia.com)
**High and low prices are based on the high and low of the daily prices*
***Average of the daily closing price.*

NSE

Week	High		Low		Average Price for the week (₹)*
	Date	Price (₹)	Date	Price (₹)	
Week 1	December 30, 2016	142.30	December 26, 2016	129.35	135.47
Week 2	January 6, 2017	148.30	December 2, 2017	138.85	143.86
Week 3	January 11, 2017	149.40	January 13, 2017	142.00	145.05
Week 4	January 18, 2017	152.20	January 17, 2017	142.25	145.75

(Source: www.nseindia.com)
**High and low prices are based on the high and low of the daily prices*
***Average of the daily closing price.*

The closing market price of our Equity Shares as on January 25, 2017, the trading day immediately prior to the filing of this Draft Letter of Offer, was ₹ 150.15 and ₹ 150.45 on the BSE and the NSE, respectively. *(Sources:* www.bseindia.com *and www.nseindia.com)*

FINANCIAL INDEBTEDNESS

In this section, unless otherwise specified all references to 'our Company', 'us', 'our' or 'we' are to our Company on an unconsolidated basis.

Secured and Unsecured Indebtedness

As on December 31, 2016, we had sanctioned working capital facilities aggregating ₹ 21,855.00 lakhs of which ₹ 18,745.25 lakhs were outstanding, all of which was secured. Further, our Company has a sanctioned term loan of USD 200.00 lakhs which is yet to be disbursed.

As on December 31, 2016, we had availed of unsecured loan of ₹ 5,540.00 lakhs.

<u>Secured Indebtedness</u>

As on December 31, 2016, the aggregate outstanding secured indebtedness of our Company was ₹ 18,745.25 lakhs. The details of the outstanding secured indebtedness are set out below:

Particulars	Amount (₹ in lakhs)
Working capital limits (Fund based limits)	11,950.00
Working capital limits (Non-fund based limits)	6,795.25
Term Loan	Nil
Total	**18,745.25**

Working Capital Limits

Our Company has availed of working capital loan facilities from various lenders. As on December 31, 2016, our Company had an aggregate sanctioned limit of ₹ 21,855.00 lakhs comprising a fund based limit of up to ₹ 14,500.00 lakhs and non-fund based limit of up to ₹ 7,355.00 lakhs, to meet our working capital requirements. As on December 31, 2016, the amounts outstanding under the fund based facility and non-fund based facility are ₹ 11,950.00 lakhs and ₹ 6,795.25 lakhs, respectively.

The brief details of our working capital facilities are set out below:

Sr. no.	Name of Lender	Nature of borrowing	Amount sanctioned (₹ in lakhs)	Amount outstanding as on December 31, 2016 (in ₹ lakhs)	Rate of Interest / Commission (p.a.)	Tenure	Repayment	Security
1.	IDFC Bank Limited	***Fund based limit***						
		Cash credit with the following sub-limits:	3,000.00	2,958.10	10.50 % (IDFC Bank Limited MCLR plus 100 bps)	Revolving	On demand	Pari passu first hypotheca tion charge on the entire current assets of our Company, both present
		i. Working capital demand loan	(3,000.00)	Nil	As mutually agreed	Minimum tenor of 30 days and maximum tenor of 90 days from the date of drawdown.		
		ii. Foreign currency	(3,000.00)	Nil	As mutually agreed			

Sr. no.	Name of Lender	Nature of borrowing	Amount sanctioned (₹in lakhs)	Amount outstanding as on December 31, 2016 (in ₹ lakhs)	Rate of Interest / Commission (p.a.)	Tenure	Repayment	Security
		demand loan						and future, along with other working capital lenders*.
		iii. Packing credit in foreign currency (PCFC) / Export packing credit (EPC)	(3,000.00)	Nil	PCFC – as mutually agreed EPC – 10.00% (IDFC Bank Limited MCLR plus 50 bps)	Maximum tenor of 90 days from the date of drawdown	On or before due date	
		iv. Foreign bills purchased / Post shipment credit in foreign currency	(3,000.00)	Nil	As mutually agreed			
		v. Sales invoice / bill discounting	(3,000.00)	Nil	As mutually agreed	Maximum tenor of 90 days from the date of drawdown	On or before due date	
		Non-fund based limit						
		Bank guarantee under the sub-limit of cash credit of ₹ 4,500.00 lakhs	1,500.00	1,110.68	Commission - 1.50% Interest on payment by the bank – (IDFC Bank Limited MCLR plus 400 bps)	Not exceeding 60 months (inclusive of claim period)	On respective due dates or on demand	Exclusive mortgage charge on residential properties owned by our Company at Chennai having a minimum market value of ₹ 2000.00 lakhs*

Sr. no.	Name of Lender	Nature of borrowing	Amount sanctioned (₹in lakhs)	Amount outstanding as on December 31, 2016 (in ₹ lakhs)	Rate of Interest / Commission (p.a.)	Tenure	Repayment	Security
2.	The Hongkong and Shanghai Banking Corporation Limited (**HSBC**)	***Fund based limit***						
		Combined limit with the following sub-limits:	3,500.00	3,415.64				Pari passu charge on the entire current assets, book-debt and receivables of our Company, both present and future for ₹70,00,00,000/-. Exclusive charge by way of equitable mortgage over land and building located at No. 117, Karapakkam Village, Chingelput Taluk, Kancheepuram District for ₹70,00,00,000/-. Deposit under lien for ₹2,50,00,000/-
		i.Export facility fir purchase/negotiation/discounting of documents against payment	(3,500.00)	Nil	As mutually agreed	Normally stipulated transit period	-	
		ii.Export facility for purchase/negotiation/discounting of documents against payment	(3,500.00)	Nil	As mutually agreed	120 days	-	
		iii.Pre-shipment loan against export	(3,500.00)	(2,452.83)	As mutually agreed	120 days	-	
		iv.Overdraft	(1,000.00)	(962.81)	To be charged on daily balances at mutually agreed rate per annum over prevalent bank overnight MCLR i.e. 8.5% per annum	Payable on demand	-	
		Non-fund based limit						
		Guarantees	2,500.00	2,452.33	1.00 % per annum	6 years 4 months i.e. 20	-	

Sr. no.	Name of Lender	Nature of borrowing	Amount sanctioned (₹ in lakhs)	Amount outstanding as on December 31, 2016 (in ₹ lakhs)	Rate of Interest / Commission (p.a.)	Tenure	Repayment	Security
						September 2022		
3.	HDFC Bank Limited	***Fund based limit***						
		Export credit (post shipment) with a sub-limit of secured overdraft	6,000.00 with a sub-limit of ₹ (3,000.00)	5,576.25	As mutually agreed	Upto 120 days	Payable on demand	Exclusive charge on the property of our Company at Silver Metropolis, Unit No. 801, 802, 901, 902, 1001, 1002, 8th, 9th & 10th Floors, CTS No. 213/A/2 & 214, Jay Coach Western Express Highway, Goregoan East Mumbai – 400 063. Exclusive charge on current assets of our Company.
		Non-fund based limit						
		Bank guarantee (A)	2,000.00	1,963.23	0.5% per annum	Upto 3 years	-	Exclusive charge on the property of our Company at Silver Metropolis, Unit No. 801, 802, 901,
		Bank guarantee (B)	1,200.00	1,114.00	For upto ₹ 1,150.00 – 2% per annum For ₹ 50.00 – 0.50% per annum	For upto ₹ 1,150.00 – upto 7 years For ₹ 50.00 – upto 3 years		

Sr. no.	Name of Lender	Nature of borrowing	Amount sanctioned (₹ in lakhs)	Amount outstanding as on December 31, 2016 (in ₹ lakhs)	Rate of Interest / Commission (p.a.)	Tenure	Repayment	Security
								902, 1001, 1002, 8th, 9th & 10th Floors, CTS No. 213/A/2 & 214, Jay Coach Western Express Highway, Goregoan East Mumbai – 400 063.
4.	Axis Bank Limited	***Fund based limit***						
		Export packing credit (EPC) / Pre shipment credit in foreign currency (PCFC) with the following sub-limit:	2,000.00	Nil	3 months MCLR plus 1.10% per annum	-	EPC - 180 days or expiry of contracts/ export letters of credit for shipment, whichever is earlier	To be decided subsequently, prior to release of limits
		i.Foreign bills purchased (FBP) / Foreign bills discounted (FBD) / Export bill rediscounting (EBRD)	(2,000.00)	Nil	3 months MCLR plus 1.10% per annum	Maximum of 180 days from date of shipment	On due dates	Export bills with title to goods duly endorsed in favour of the bank and other security applicable to EPC and PCFC
		ii.Cash Credit (CC) / Working capital demand loan	(500.00)	Nil	CC - 3 months MCLR plus 1.35% per annum WCDL – 1	FCDL – 6 months	On demand	To be decided subsequently, prior to release of limits

Sr. no.	Name of Lender	Nature of borrowing	Amount sanctioned (₹in lakhs)	Amount outstanding as on December 31, 2016 (in ₹ lakhs)	Rate of Interest / Commission (p.a.)	Tenure	Repayment	Security
		(WCDL) /Foreign currency denominated loan (FCDL)			months MCLR plus 1.30% per annum FCDL - 3 months MCLR plus 1.10% per annum			
		Non-fund based limit						
		Bank Guarantee	(2,000.00)	Nil	1.00% per annum	Maximum of 36 months	-	Counter guarantee by our Company and other security applicable under EPC and PCFC
5.	Citibank N.A.	***Non-fund based limit***						
		Bank Guarantee	24.60	24.60	0.50% per annum	Up to 15 January, 2018	-	100% cash margin
6.	State Bank of India	***Non-fund based limit***						
		Bank Guarantees	1.00	1.00	1.00% per annum	Up to October 15, 2017	-	100% cash margin
			1.00	1.00	1.00% per annum	Up to October 15, 2017	-	100% cash margin
			128.40	128.40	1.00% per annum	Up to June 4, 2018	-	100% cash margin

** Security is yet to be created by our Company.*

In addition, Axis Bank Limited has sanctioned a sum of ₹ 600.00 lakhs towards hedging the LIBOR risk for the sanctioned foreign currency term loan of USD 2,000.00 lakhs till its repayment and a sum of ₹ 900.00 lakhs to hedge regular foreign exchange flows of our Company for a tenure of up to 24 months.

Term Loan

Set out below are brief details of our term loan facility:

Sr.no.	Name of Lender	Nature of borrowing	Amount sanctioned (in USD lakhs)	Amount outstanding as on December 31, 2016 (in ₹	Rate of Interest / Commission (p.a.)	Tenure	Repayment	Security

				lakhs)				
1.	Axis Bank Limited	Foreign currency term loan	200.00	Nil	3.25% above 6 months USD LIBOR	5 years	After 12 months from the date of first disbursement in 17 quarterly installment	Subservient charge on entire current assets of our Company present and future. Exclusive charge on urban immoveable properties which are in the name of our Company or subsidiaries or promoter with minimum security cover of 1.00x (i.e. equivalent to the value of the loan on the date of disbursement) based on valuation by valuers as decided by Axis Bank Limited.*

** Security is yet to be created by our Company*

Master Facility Agreement with IDFC Bank Limited

Under the master facility agreement dated August 27, 2016 with IDFC Bank Limited, our Company is bound by various terms and conditions. Some of the more prominent covenants are set out below:

1. Our Company may not, without prior written consent of IDFC Bank Limited:

    a. Make any amendments or modifications to the constitutional documents of our Company;

    b. Contract, create, incur, assume or suffer to exist any indebtedness (whether incurred as principal or as surety, whether present or future, actual or contingent) or avail of any credit facility or accommodation from any bank or financial institution or any person, firm or company in any manner (other than the banks at present providing working capital facilities to our Company and as disclosed to the bank), except as otherwise permitted under the master facility agreement;

    c. Undertake or permit any merger, de-merger, consolidation, reorganization, dissolution or reconstitution scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction or dissolution or reconstitution including creation of any subsidiary or permit any company to become its subsidiary;

d. Declare or pay any dividend or authorize or make any distribution to its shareholders/members/partners or permit withdrawal of amounts brought in (i) unless it has paid all the dues in respect of the facilities up to the date on which the dividend is proposed to be declared or paid. Such distribution is to be made, or has made therefore satisfactory to the bank or (ii) if an event of default has occurred and is subsisting or would occur as a result of such declaration or payment of dividend or authorization or making of distribution;

e. Prepay any indebtedness incurred by our Company;

f. Change the accounting method or policies currently followed by our Company unless expressly required by law;

g. Recognise or register any transfer of shares in our Company's capital made or to be made by the promoters and their associates except as may be permitted by the IDFC Bank Limited;

h. (i) buy back, cancel, retire, reduce, redeem, re-purchase or otherwise acquire any of its share capital at the time or thereafter outstanding, or set aside any fund for the foregoing purposes or (ii) except as otherwise provided in the master facility agreement, issue any further share capital whether on a preferential basis or otherwise or change its capital structure in any manner whatsoever (iii) delist its shares; and

i. File any application for seeking immunity under any law.

Facility Advise Letter with HSBC

Under the facility advise letter dated May 27, 2016, as amended by subsequent facility advise letter dated August 5, 2016 with HSBC, our Company is bound by various terms and conditions. Some of the more prominent covenants set out below:

1. Our Company must not, without prior written consent of HSBC:

   a. Make any changes in the capital structure, schemes of amalgamation / re-construction;

   b. Declare dividend, in case the operating profits (earnings before interest less depreciation and taxes) fall below the audited value of the previous year and/or if this results in a breach of the stipulated financial covenants;

   c. Capital expenditure (to the extent not included in the projections submitted by our Company) resulting in an increase in the gross block/capital work-in-progress by more than 15 per cent vis-à-vis the last audited figures;

   d. Repay existing unsecured loans and advances from promoter/directors;

   e. Change the management control of our Company from the existing promoter group throughout the tenor of the facilities; and

   f. Avail any fresh term borrowings not included in the projections or working capital borrowings outside the maximum permissible bank finance from any other bank/lender.

Loan Agreement with HDFC Bank Limited

Under the loan agreement dated May 25, 2016 with HDFC Bank Limited our Company is bound by various terms and conditions. Some of the more prominent covenants set out below:

Our Company must not, without prior written consent of HDFC Bank Limited:

a. Permit any change in the ownership or control of our Company which may change the effective beneficial ownership or control of our Company and also not to effect any material change in the management of the business, not to make any amendments in our Company's MOA and AOA;

b. Assume guarantee, endorse or in any manner become directly or contingently liable for or in connection with the obligation of any person, firm or corporation except for transactions in the ordinary course of business; and

c. Induct a person, into the Board of Directors, who is a promoter or director on the Board of a company which has been identified as a wilful defaulter by any bank or financial institution.

Foreign Currency Loan Agreement with Axis Bank Limited

Under the foreign currency loan agreement dated December 26, 2016 with Axis Bank Limited our Company is bound by various terms and conditions. Some of the more prominent covenants are set out below:

1. Our Company must not, without prior written consent of Axis Bank Limited:

    a. Enter into any scheme of merger, amalgamation, compromise or reconstruction;

    b. Permit any change in the ownership or control of our Company whereby the effective beneficial ownership or control of our Company shall change;

    c. Effect any material change in the management of the business of our Company;

    d. Make any amendments in our Company's MOA and AOA; and

    e. Transfer, create or allow to create in any manner any charge, lien, hypothecation, mortgage, pledge or other encumbrance on any of the properties, assets, actionable claims, etc of our Company which constitute securities to Axis Bank limited for the loan or create or allow to create any interest in any such securities in favour of any one other than Axis Bank Limited.

2. Terms of prepayment: Our Company may not prepay the outstanding principal amounts in full or part before the due dates without the prior approval of Axis Bank Limited. Further, any prepayment will be subjected to a prepayment premium as stipulated by Axis Bank Limited.

Corporate guarantee issued by our Promoter in favour of Banks, Financial Institutions or Consortium of Banks and Financial Institutions.

Nil

Corporate guarantee issued by our Company in favour of loan availed by subsidiaries

Nil

<u>Unsecured Indebtedness</u>

Short Term Loans

Sr. no.	Name of Lender	Nature of borrowing	Amount sanctioned (₹ in lakhs)	Amount outstanding (in ₹ lakhs)	Rate of Interest / Commission (p.a.)	Tenure	Repayment
1.	Polaris Banyan	Short term unsecured	5,540.00	5,540.00	Interest rate linked to	12 months	On demand

	Holding Private Limited	loan			market rate		

Further, otherwise than stated in the chapter entitled '*Related Parties Transactions*' beginning on page 163 of this Draft Letter of Offer, as of September 30, 2016, our Company has neither given any loan to nor taken any loan from our Subsidiaries, Group Companies, material associate companies and related parties.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

1. *(i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, our Directors, our Promoters, our Group Companies or our Subsidiaries.*

   *Our Company, in its meeting held on January 13, 2017, determined that outstanding legal proceedings involving our Company, our Directors, our Promoters, our Group Companies or our Subsidiaries: (a) where the amount involved, to the extent quantifiable, is higher of ₹ 100 lakhs or 1% of the total revenue as per the Restated Consolidated Summary Statements of the Financial Year 2016; or (b) whose outcome is material from the perspective of Company's business, operations, prospects or reputation of our Company, will be considered as material litigation (**Material Litigation**).*

2. *(i) outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.*

   *Our Company in its meeting held on January 13, 2017, determined that outstanding dues to creditors in excess of 5% of our Company's trade payables, as per the Restated Consolidated Summary Statements of the Financial Year 2016, shall be considered as material dues (**Material Dues**).Details of outstanding dues to creditors including small scale undertakings, as of September 30, 2016, have been disclosed on our website at www.intellectdesign.com*

All terms defined in a particular litigation are for that particular litigation only. In this chapter, the next of date of hearing of all matters has been provided, where such date has been notified to our Company, absent which the status of the matter has been simply disclosed as pending.

A. Litigation involving our Company

(i) ***Litigation against our Company***

(a) *Criminal Complaints*

Nil

(b) *Actions initiated by Statutory / Regulatory Authorities*

1. Our Company received a show cause notice (**Notice**) dated February 23, 2016 from the Competition Commission of India (**CCI**) alleging violation of Section 6(2) of the Competition Act, 2002 (**Act**) for failure to give notice to CCI within 30 days of passing of the board resolution dated March 18, 2014 of our Company (**Resolution**) approving the scheme of arrangement-cum-demerger (**Scheme**) pursuant to which our Company had acquired the product business of Polaris Consulting & Services Limited (earlier know as Polaris Financial Technology Limited) (**Polaris**) (the acquisition pursuant to the Scheme is hereinafter referred as **Combination**). The Notice alleges that the Combination had exceeded the jurisdictional thresholds provided under Section 5 of the Act and our Company has failed to give a notice to CCI in accordance with Section 6(2) of the Act within 30 days of passing the Resolution. The Notice has asked us to show cause as to why penalty should not be levied against our Company under Section 43A of the Act for the above said alleged violation. In response to the Notice, our Company has denied the allegations *inter alia* on the grounds that the Combination was exempt under the target exemption notification S.O. 482(E) dated March 4, 2011 notified by the Government and hence our Company was not required to file a notice under Section 6(2) of the Act with the CCI. Further, our Company has stated that the Notice was

time barred, as CCI had issued a notice one year after the Scheme came into effect. The matter is currently pending.

(c) *Tax Proceedings*

Direct Tax Cases (Consolidated)

Nil

Indirect Tax Cases (Consolidated)

Nil

(d) *Other material pending litigations*

Nil

(ii) ***Litigation by our Company***

(a) *Criminal Complaints*

Nil

(b) *Other material pending litigations*

Nil

B. Litigation involving our Promoters

(i) ***Litigation against our Promoters***

(a) *Criminal Complaints*

1. Mr. Harpal Singh (**Plaintiff**) filed a criminal complaint (Criminal Complaint 413 of 2003 now 108/SS/2005) in the Court of Metropolitan Magistrate, Esplanade, Mumbai (**Metropolitan Magistrate**) accusing Mr. Arun Jain of criminal conspiracy, cheating on account of failure to appoint the Plaintiff as Managing Partner of a corporate entity by the name Optimus Outsourcing Company Limited (**Optimus**) allegedly envisaged to be incorporated by the Plaintiff and Mr. Arun Jain and to fix his compensation and equity stake in Optimus. The Plaintiff also accused Arun Jain of committing an offence of defamation against him on account of an article published in the Economic Times quoting Mr. Arun Jain. The Metropolitan Magistrate vide its order dated June 13, 2003 issued a process to institute criminal proceedings against Mr. Arun Jain. Aggrieved by the order dated June 13, 2003, Mr. Arun Jain filed a writ petition (Criminal Writ Petition No. 1882 of 2003) in the High Court of Judicature at Bombay (**Bombay High Court**) praying inter alia to quash the order of the Metropolitan Magistrate and to grant stay on the criminal proceedings of the Metropolitan Magistrate. The Bombay High Court vide its order dated March 5, 2004 has granted stay on the criminal proceedings till return of notices. The matter is currently pending.

2. Mr. Suren Khirwadkar (**Plaintiff**) filed a criminal complaint (Criminal Complaint No. 414 of 2003 now 111/SS/2005) in the Court of Metropolitan Magistrate, Esplanade, Mumbai (**Metropolitan Magistrate**) accusing Mr. Arun Jain of criminal conspiracy, cheating on account of failure to appoint the Plaintiff as managing partner of a corporate entity by the name Optimus Outsourcing Company Limited (**Optimus**) allegedly envisaged to be incorporated by the Plaintiff and Mr. Arun Jain and to fix his compensation and equity stake in Optimus. The Plaintiff also accused Mr. Arun Jain of committing an offence of defamation against him on account of an article published in the Economic Times quoting Mr. Arun Jain. The

Metropolitan Magistrate vide its order dated June 13, 2003 issued a process to institute proceedings against Mr. Arun Jain. Aggrieved by the order dated June 13, 2003, Mr. Arun Jain filed a writ petition (Criminal Writ Petition No. 1881 of 2003) in the High Court of Judicature at Bombay (**Bombay High Court**) praying inter alia to quash the order of the Metropolitan Magistrate and to grant stay on the criminal proceedings of the Metropolitan Magistrate. The Bombay High Court vide its order dated March 5, 2004 has granted stay on the criminal proceedings till return of notices .The matter is currently pending.

(b) *Actions initiated by Statutory / Regulatory Authorities*

1. SEBI has passed an *ad interim ex-parte* order dated November 24, 2015 (**Ex-parte Order**) alleging that Mr. Arun Jain, our Company's Promoter and Chairman and Managing Director and another, violated Sections 12A (d) and (e) of the SEBI Act, 1992 and Regulations 3 and 4 of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (**SEBI PIT Regulations**). SEBI in the said order observes that Mr. Arun Jain, the then Promoter and Chairman and Managing Director of Polaris Software Lab Limited (now Polaris Software & Consulting Limited) (**Polaris**), had traded on 5 days during July 2008 in the equity shares of Polaris while allegedly being in possession of unpublished price sensitive information relating to Polaris. SEBI in its Ex-parte Order has calculated notional profits as the alleged unlawful gains made by Mr. Arun Jain and other had made due to the said trades. Further, the Ex-parte Order directs impounding of the alleged unlawful gains of ₹ 98,11,689 and interest@ 12% p.a. of ₹ 86,56,869 aggregating to ₹ 1,84,68,558 and freezing the bank account and depositary participant account of Mr. Arun Jain till the time the said amounts were deposited in an escrow account. Further, the Ex-parte Order states that it is without prejudice to the right of SEBI to take any other action that may be initiated against Mr. Arun Jain, in accordance with law. He was given an opportunity to file his reply to SEBI within 21 days from the date of receipt of the Ex-parte Order.

   Thereafter, Mr. Arun Jain vide his letter dated November 25, 2015 informed SEBI that an amount equivalent to the alleged unlawful gains was deposited into an escrow account, and subsequently vide a series of correspondences with SEBI, has sought detailed inspection of certain documents and records to respond to the allegations made in the Ex-parte Order. SEBI vide its letter dated December 19, 2016, informed Mr. Arun Jain that the inspection could be availed on January 11, 2017. Accordingly, the said inspection of documents was undertaken on January 11, 2017. The matter is currently pending.

(c) *Tax Proceedings*

Direct Tax Cases (Consolidated)

Nil

Indirect Tax Cases (Consolidated)

Nil

(d) *Other material pending litigations*

1. Mr. Suren Khirwadkar and Mr. Harpal Singh Dugal (**Plaintiffs**), instituted a civil suit for damages of ₹ 21,36,00,000 in the High Court of Judicature at Bombay on April 28, 2003 against Polaris Software Lab Limited (**Polaris**), Optimus Outsourcing Company Limited (**Optimus**) and Mr. Arun Jain (collectively Polaris, Optimus and Arun Jain are hereinafter referred to as **Defendants**). The Plaintiffs averred that the Plaintiffs and the Defendants envisaged to incorporate and set up Optimus for the purpose of carrying on the business of business process outsourcing, however the Defendants allegedly failed to (i) appoint the Plaintiffs as managing partners of Optimus; (ii) fix their compensation and their equity stake in Optimus; and (iii) co-operate in and complete the acquisition of companies which had existing infrastructure and facilities required for the business process outsourcing business. The Plaintiffs alleged that the termination of services of the Plaintiffs as directors of Polaris was malafide and the publication of an article against the

Plaintiffs in the Economic Times was defamatory. The Defendants, in its written statement, denied the allegations raised by the Plaintiffs. The matter is currently pending.

(ii) ***Litigation by our Promoters***

(a) *Criminal Complaints*

Nil

(b) *Other material pending litigations*

Nil

C. Litigation involving our Directors

(i) ***Litigation against our Directors***

(a) *Criminal Complaints*

1. Mr. Harpal Singh (**Plaintiff**) filed a criminal complaint (Criminal Complaint 413 of 2003 now 108/SS/2005) in the Court of Metropolitan Magistrate, Esplanade, Mumbai (**Metropolitan Magistrate**) accusing Dr. Ashok Jhunjhunwala, who was appointed as an Independent Non-Executive Director of Polaris Software Lab Limited (**Polaris**), of criminal conspiracy, cheating on account of false representation to induce the Plaintiff to join Polaris, and defamation on account of an article published in the Economic Times on the alleged unsatisfactory performance of the Plaintiff. The Metropolitan Magistrate vide its order dated June 13, 2003 issued a process to institute proceedings against Dr. Ashok Jhunjhunwala. Aggrieved by the order dated June 13, 2003, Dr. Ashok Jhunjhunwala filed a writ petition (Criminal Writ Petition No. 1635 of 2003) in the High Court of Judicature at Bombay (**Bombay High Court**) praying inter alia to quash the order of the Metropolitan Magistrate and to grant stay on the criminal proceedings of the Metropolitan Magistrate. The Bombay High Court vide its order dated November 5, 2003 has granted stay on the proceedings till return of notices. The matter is currently pending.

2. Mr. Suren Khirwadkar (**Plaintiff**) filed a criminal complaint (Criminal Complaint 414 of 2003 now 111/SS/2005) in the Court of Metropolitan Magistrate, Esplanade, Mumbai (**Metropolitan Magistrate**) accusing Dr. Ashok Jhunjhunwala, who was appointed as an Independent Non-Executive Director of Polaris Software Lab Limited (**Polaris**), of criminal conspiracy, cheating on account of false representation to induce the Plaintiff to join Polaris, and defamation on account of an article published in the Economic Times on the unsatisfactory performance of the Plaintiff. The Metropolitan Magistrate vide its order dated June 13, 2003 issued a process to institute criminal proceedings against Dr. Ashok Jhunjhunwala. Aggrieved by the order dated June 13, 2003, Dr. Ashok Jhunjhunwala filed a writ petition (Criminal Writ Petition No. 1636 of 2003) in the High Court of Judicature at Bombay (**Bombay High Court**) praying inter alia to quash the order of the Metropolitan Magistrate and to grant stay on the criminal proceedings of the Metropolitan Magistrate. The Bombay High Court vide its order dated November 5, 2003 has granted stay on the criminal proceedings till return of notices. The matter is currently pending.

(b) *Actions initiated by Statutory / Regulatory Authorities*

Nil

(c) *Tax Proceedings*

Direct Tax Cases (Consolidated)

Sr. No.	Type of Direct Tax	No. of Cases	Total Amount (in ₹ lakhs)
1.	Income Tax - Orders	1	538.97*

** To the extent quantifiable*

(d) *Other material pending litigations*

Nil

(ii) ***Litigation by our Directors***

(c) *Criminal Complaints*

Nil

(d) *Other material pending litigations*

Nil

D. Litigation involving our Subsidiaries

(i) ***Litigation against our Subsidiaries***

(a) *Criminal Complaints*

1. Deputy Registrar of Companies, Tamil Nadu has filed a complaint (**Complaint**) in the Court of Additional Chief Metropolitan Magistrate, Economic Offences, Chennai (**Court**) against Laser Soft Infosystems Limited (**Laser Soft**), one of our subsidiaries alleging failure by Laser Soft to file Form 5 INV for the Financial Years 2010-11 as required under the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the companies) Rules, 2012. Laser Soft has filed an application for compounding of the alleged failure to file the Form 5 INV with the Registrar of Companies and have separately made an application to the Regional Director, Chennai intimating about the compounding application filed with the ROC and *inter alia* praying that the Complaint be withdrawn. The matter is currently pending.

(b) *Actions initiated by Statutory / Regulatory Authorities*

1. Laser Soft Infosystems Limited (**Laser Soft**), one of our subsidiaries, has received a show cause notice dated July 2, 2014 (**Notice**) from the Registrar of Companies, Chennai (**ROC**) which alleges failure by Laser Soft to file Form 5 INV for the Financial Years 2011, 2012 and 2013 as required under the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the companies) Rules, 2012. On August 20, 2014, Laser Soft has filed its reply to the Notice whereby it has informed the ROC that the failure to file the Form 5 INV was inadvertent and the said Form 5 INV has been filed for the Financial Years 2011, 2012 and 2013. Laser Soft has also filed an application for compounding of the alleged failure to file the Form 5 INV with the Registrar of Companies and have separately made an application to the Regional Director, Chennai intimating about the compounding application filed with the ROC. The matter is currently pending.

(c) *Tax Proceedings*

Direct Tax Cases (Consolidated)

Sr. No.	Type of Direct Tax	No. of Cases	Total Amount (in ₹ lakhs)
1.	Income Tax		
2.	**(a)** Orders	6	253.21*
	(b) Notice	1	Nil**
Total		**7**	**253.21***

**To the extent quantifiable*

***Not quantifiable. Intellect Design Arena Pte Limited, Singapore (**Intellect Singapore**), a susbsidiary of our Company, received a letter dated October 15, 2014 from the Principal Tax Officer, Corporate Tax Division, Comptroller of Income Tax, Singapore seeking certain information by November 31, 2014 in respect of the tax return filed for the Assessment Year 2013. Intellect Design Arena Pte Limited has not responded to the said letter*

Indirect Tax Cases (Consolidated)

Sr. No.	Type of Indirect Tax	No. of Cases	Total Amount (in ₹ lakhs)
1.	Service Tax - Orders	2	18.17*
2.	Sales Tax / VAT - Orders	5	79.03*
Total		**7**	**97.20**

** To the extent quantifiable.*

(d) *Other material pending litigations*

Nil

(ii) *Litigation by our Subsidiaries*

(a) Criminal Complaints

Nil

(b) Other material pending litigations

Nil

E. Litigation involving our Group Companies

(i) *Litigation against our Group Companies*

(a) Criminal Complaints

Nil

(b) Actions initiated by Statutory / Regulatory Authorities

Nil

(c) Tax Proceedings

Direct Tax Cases (Consolidated)

Nil

Indirect Tax Cases (Consolidated)

Nil

(d) *Other material pending litigations*

Nil

(ii) ***Litigation by our Group Companies***

(a) *Criminal Complaints*

Nil

(b) *Other material pending litigations*

Nil

F. Litigation against any other person whose outcome may have a material adverse effect on the position of our Company

As on date of this Draft Letter of Offer, there are no litigations against any other person whose outcome may have a material adverse effect on the position of our Company.

Outstanding dues to small scale undertakings and other creditors by our Company

As of September 30, 2016, our Company had 597 creditors to whom an aggregate amount of ₹ 3,403.25 lakhs was outstanding. Based on the materiality threshold decided by our Board, as disclosed above, there are no material creditors of our Company. Further, none of our creditors have been identified as micro enterprises and small enterprises by our Company based on available information. For complete details about outstanding dues to creditors of our Company, see www.intellectdesign.com.

Material Developments

Except as stated in chapter entitled *'Management Discussion and Analysis of Financial Conditions and Results of Operations'* beginning on page 297 of this Draft Letter of Offer, there have not arisen, since the date of the last financial information disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect, or are likely to affect, our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from various governmental agencies and other statutory and / or regulatory authorities, required for carrying out its present business and except as mentioned below, no further material approvals are required by our Company for carrying out its existing business operations. Unless otherwise stated, these approvals or licenses are valid as of date of this Draft Letter of Offer.

The main objects clause, objects incidental or ancillary to the attainment of the main object and objects other than main or ancillary objects of the Memorandum of Association of our Company enables our Company to undertake its existing business activities.

For further details in connection with the regulatory and legal framework within which we operate, please see the chapter entitled '*Regulations and Policies*' beginning on page 122 of this Draft Letter of Offer.

Approvals relating to our Company

A. *Incorporation Details*

1. Certificate of incorporation, dated April 18, 2011, issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands, to our Company upon incorporation as 'Fin Tech Grid Limited'.

2. Fresh certificate of incorporation, dated February 3, 2014, issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands, to our Company consequent to change of name from 'Fin Tech Grid Limited' to 'Intellect Design Arena Limited'.

B. *Approvals in relation to our business*

Our Company is required to obtain various approvals in relation to our business. The registrations and approvals obtained by our Company in respect of our business operations include the following:

1. **Business related approvals**

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
Letter of permission for 100% export oriented unit licence for Corporate Office	STPIC / IMSC/ 2015-16 /764	January 12, 2016	December 23, 2020	Director, Software Technology Parks of India, Department of Electronics & Information Technology, Ministry of Communication & Technology, Government of India
Green card for Corporate Office	STPIC / 1969 / 2015-16 / 802	January 29, 2016	December 23, 2020	Joint Director, Software Technology Parks of India, Department of Electronics & Information Technology, Ministry of Communication & Technology, Government of India
Private bonded warehouse licence and in-bond manufacture sanction order for Corporate Office	VIII/ 40 / 1 / 2011 – EOU. TBM.1	February 19, 2016	December 23, 2020	Assistant Commissioner, Office of Assistant Commissioner of Central Excise, Tambaram Division, Chennai
Letter of permission for	STPIM / MUM /	July 9, 2014	May 4,	Director, Software Technology

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
100% export oriented unit license for office at Silver Metropolis, Goregaon (East), Mumbai	ESG / S / 1056 / Polaris / LOP-R(2) / 5593 and STPIM / MUM / ESG / S / 1056 / PFTL / Ch_Name / 15653		2019	Parks of India, Department of Electronics & Information Technology, Ministry of Communication & Technology, Government of India
Green card for office at Silver Metropolis, Goregaon (East), Mumbai	MIT / STPI-MUM / 2009 / 1679	May 5, 2009	May 4, 2019	Designated Officer, Ministry of Information Technology and Chairman, Interministerial Standing Committee on Software Technology Park Scheme
License for storage in private bonded warehouse and permission to manufacture in bond for office at Silver Metropolis, Goregaon (East), Mumbai	S / 15-106 / 2003 EOU	April 15, 2015	May 4, 2019	Assistant Commissioner, Central Excise, Goregaon, Mumbai
Letter of Approval for office at SEEPZ, Mumbai	SEEPZ / IA-I / NUS / APL / 589 / 2002-03 / 9182 and SEEPZ /IA-I / NUS / APL / 589 / 2002-03 / 13976	August 27, 2013	May 17, 2017	Assistant Development Commissioner, SEEPZ Special Economic Zone
Fire License for office at Gurgaon	MCG / FS / SFSO / 2016 / 2656	November 16, 2016	October 16, 2017	Senior Fire Station Officer, for Commissioner, Municipal Corporation, Gurgaon

2. **General**

Description	Reference No.	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Certificate of importer exporter code	3814000064	December 29, 2015	Valid until cancelled	Assistant Development Commissioner, Madras Export Processing Zone, Department of Commerce, Ministry of Commerce & Industry, Government of India
Allotment of code number under the Employees Provident Fund and Miscellaneous Provisions Act, 1976	TNMAS1028389	September 30, 2014	Valid until cancelled	Regional Office, Chennai, Employee's Provident Fund Organisation
Allotment of code number under the Employee State Insurance Act, 1948 for Registered Office	51001116430001 008	October 10, 2014	Valid until cancelled	Assistant / Deputy Director, Regional Office, Chennai, Employees' State Insurance Corporation
Allotment of code number under the Employee State	69511116430011 008	October 25, 2014	Valid until cancelled	Assistant / Deputy Director, Regional Office, Chennai,

Description	Reference No.	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Insurance Act, 1948 for office at Gurgaon				Employees' State Insurance Corporation
Allotment of code number under the Employee State Insurance Act, 1948 for office at the Capital, Hyderabad	52511116430011 008	October 25, 2014	Valid until cancelled	Assistant / Deputy Director, Regional Office, Chennai, Employees' State Insurance Corporation
Allotment of code number under the Employee State Insurance Act, 1948 for office at Silver Metropolis, Goregaon (East), Mumbai	31511116430011 008	October 25, 2014	Valid until cancelled	Assistant / Deputy Director, Regional Office, Chennai, Employees' State Insurance Corporation
Registration certificate of establishment under the Maharashtra Shops and Establishments Act, 1948 for office at SEEPZ, Mumbai	762026898 / Commercial II and 762026891/ Commercial II	December 15, 2016	January 3, 2018	Inspector under Maharashtra Shops and Establishments Act, 1948
Registration certificate of establishment under the Maharashtra Shops and Establishments Act, 1948 for office at Silver Metropolis, Goregaon (East), Mumbai	760025087 / Commercial II	December 15, 2016	December 31, 2017	Inspector under Maharashtra Shops and Establishments Act, 1948
Registration certificate of establishment under the Punjab Shops and Commercial Establishments Act, 1958 for office at Gurgaon	PSA / REG / GGN / LI-GGN-2-4 / 0145122	November 14, 2015	March 31, 2018	Inspector, Shops and Commercial Establishment, GGN-2-4 Circle
Registration certificate of establishment under the Andhra Pradesh Shops and Commercial Establishments Act, 1988 for office at Hitech City, Madhapur, Hyderabad	SER / RAN / JCL / RR / 24941 / 2017	January 3, 2017	December 31, 2017	Joint Commissioner, Labour Department, Telangana
Certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970 for Corporate Office	D1 / 5249 / 2016	August 5, 2016	July, 2017	Assistant Commissioner of Labour (I/C), Office of Deputy Commissioner of Labour – II, Chennai
Certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970 for office at Hi-Tech City, Madhapur, Hyderabad	JCL-RRZ / 460 / 2011 (PE)	September 12, 2011	Valid until cancelled	Registering Officer and Joint Commissioner of Labour Rangareddy Zone

Certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970 for office at Gurgaon	RC-6594 / HR / 997 / GGN / 386	May 18, 2016	Valid until change in list of contractors / number of workers	Labour Commissioner cum Registering Officer, Haryana

C. Tax related approvals

Description	Reference No.	Date of Issue/ Renewal	Expiry Date	Issuing Authority
Permanent account number (**PAN**)	AABCF9355R	April 18, 2011	Valid until cancelled	Income Tax Department, Government of India
Tax deduction and collection account number (**TAN**)	CHEI07920D	June 12, 2014	Valid until cancelled	Income Tax Department, Government of India
Centralised service tax registration certificate under Finance Act, 1994	AABCF9355RS D001	June 3, 2015	Valid until cancelled	Central Excise Officer
Registration certificate under Tamil Nadu Value Added Tax Act, 2006 for Registered Office	33260641652	August 30, 2014	Valid until cancelled	Assistant Commissioner (C.T.), Chennai
Registration certificate under Tamil Nadu Value Added Tax Act, 2006 for Corporate Office and office at Seethakanthi Business Centre, Chennai	33260641652	October 28, 2014	Valid until cancelled	Assistant Commissioner (C.T.), Chennai
Registration certificate under Maharashtra Value Added Tax Act, 2002 for office at Silver Metropolis, Goregaon (East), Mumbai	27491084090V	October 14, 2014	Valid until cancelled	Sales Tax Officer, Registration Branch, Mumbai
Registration certificate under Haryana Value Added Tax Act, 2003 for office at Gurgaon	06221838178	March 3, 2015	Valid until cancelled	Assessing Authority, Gurgaon (E) District
Registration certificate under Andhra Pradesh Value Added Tax Act, 2005 for office at the Capital, Hyderabad	367133433186	November 28, 2015	Valid until cancelled	Assistant Commercial Tax Officer, Madhapur Circle, Hyderabad.
Registration certificate as a dealer under the Central Sales Tax Act, 1956 for Registered Office, Corporate Office and office at Seethakanthi Business Centre, Chennai	962237	August 30, 2014	Valid until cancelled	Assistant Commissioner (C.T.), Chennai
Registration certificate as a dealer under the Central Sales Tax Act, 1956 for	27491084090C	October 14, 2014	Valid until cancelled	Sales Tax Officer, Registration Branch, Mumbai

Description	Reference No.	Date of Issue/ Renewal	Expiry Date	Issuing Authority
office at Silver Metropolis, Goregaon (East), Mumbai				
Registration certificate as a dealer under the Central Sales Tax Act, 1956 for office at Gurgaon	06221838178	April 16, 2015	Valid until cancelled	Assessing Authority
Registration certificate as a dealer under the Central Sales Tax Act, 1956 for office at the Capital, Hyderabad	367133433186 (Central)	November 28, 2015	Valid until cancelled	Assistant Commercial Tax Officer, Madhapur Circle, Hyderabad.
Registration certificate under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 for office at Silver Metropolis, Goregaon (East), Mumbai	27491084090P	December 10, 2014	Valid until cancelled	Professional Tax Officer (18), Registration, Mumbai
Certificate of enrollment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 for office at Silver Metropolis, Goregaon (East), Mumbai	99062223907P	December 10, 2014	Valid until cancelled	Professional Tax Officer (18), Registration, Mumbai
Certificate of registration under Telangana Tax on Profession Trade, Calling and Employment Act, 1987 office at Hi-Tech City, Madhapur, Hyderabad	36540983512	February 12, 2015	Valid until cancelled	Deputy Commercial Tax Officer, Madhapur Circle, Hyderabad
Certificate of enrolment under Telangana Tax on Profession Trade, Calling and Employment Act, 1987 office at Hi-Tech City, Madhapur, Hyderabad	36710286260	February 12, 2015	Valid until cancelled	Deputy Commercial Tax Officer, Madhapur Circle, Hyderabad

D. Applications for issue/renewal of approvals and licences

Description	Reference No.	Expiry Date	Date of application	Authority
Fire License for Corporate Office	IDAL / Fire Licence Renewal / 2016 – 2017 / 001	January 22, 2017	January 2, 2017	Director, Directorate of Fire & Rescue Services

E. Licences and approvals for which applications have not be made

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue of Equity Shares to the Eligible Equity Shareholders is being made in accordance with the resolution passed by the Board of Directors under Section 62 and other provision of the Companies Act, at their meeting held on November 3, 2016.

The Board of Directors in their meeting held on [●] have determined the Issue Price at ₹ [●] per Equity Share and the Rights Entitlement as [●] Rights Share(s) for every [●] fully paid up Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received approval from the NSE and the BSE under the SEBI Listing Regulations for listing of the securities to be allotted in the Issue pursuant to the letter dated [●] and [●], respectively.

Prohibition by SEBI or RBI

Neither our Company, the Promoters, and members of our Promoter Group, the Directors nor the persons in control of the Promoter or any other company to which the above persons are associated as promoters, directors or persons in control, have been prohibited from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI.

None of the Directors of our Company are associated with the capital markets in any manner. SEBI has not initiated action against any entities with which the Directors are associated. Further, neither our Company nor the Promoters and relatives of our Promoter Group, have been declared willful defaulters by the RBI or any other authority and no violations of securities laws have been committed by them in the past and no proceedings in relation to such violations are currently pending against them.

RBI Approval for Renunciation

Any renunciation (i) from resident Indian Equity Shareholder(s) to Non-Resident(s), or (ii) from Non-Resident Equity Shareholder(s) to resident Indian(s), or (iii) from a Non-Resident Equity Shareholder(s) to other Non-Resident(s), is subject to the renouncer(s)/ Renouncee(s) obtaining the necessary regulatory approvals. The renouncer(s)/Renouncee(s) is/ are required to obtain any such approval and attach the same to the CAF, along with any other approval that may be required by such renouncer(s)/Renouncee(s). All such renunciations shall be subject to any conditions that may be specified in such regulatory approval. Applications not complying with conditions of the approval/not accompanied by such approvals are liable to be rejected.

Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India

None of the Directors currently hold or have held directorships in the last five (5) years in a listed company, whose shares have been suspended from trading from any stock exchange(s); or in a listed company that has been/ was delisted from any stock exchange(s).

Eligibility for the Issue

We are an existing company registered under the Companies Act and the Equity Shares of our Company are listed on the BSE and the NSE. Our Company is eligible to undertake the Issue in terms of Chapter IV of the SEBI ICDR Regulations.

Due to the provisions of clause 3(b) of Part E of Schedule VIII of the SEBI ICDR Regulations, our Company is required to make disclosures as per Part A of Schedule VIII of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGER, SPARK CAPITAL ADVISORS (INDIA) PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER, SPARK CAPITAL ADVISORS (INDIA) PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 27, 2017 WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY,**

3. **WE CONFIRM THAT:**
   - **I. THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   - **II. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY SEBI, THE GOVERNMENT OF INDIA AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   - **III. THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

4. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID AND NONE OF THESE INTERMEDIARIES HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

5. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS - NOTAPPLICABLE**

6. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER/ LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER/ LETTER OF OFFER - NOT APPLICABLE**

7. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER / LETTER OF OFFER - NOT APPLICABLE**

8. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE - NOT APPLICABLE**

9. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE OBJECTS LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

10. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - NOT APPLICABLE FOR A RIGHTS ISSUE. TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 56 OF THE SEBI ICDR REGULATIONS.**

11. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.**

12. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW,**

ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

13. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:

I. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE (1) DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

II. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

14. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

15. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

16. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

17. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO IS RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH THE CIRCULAR DATED SEPTEMBER 27, 2011. NOT APPLICABLE.

18. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY DISCLOSED, AS PER THE ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS, AND INCLUDED IN THE DRAFT LETTER OF OFFER

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 35 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS DRAFT LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to us and Lead Manager and their respective directors, officers, employees, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue.

Caution

Our Company and the Lead Manager shall make all information available to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with SEBI.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer of rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Chennai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue will be the NSE.

Disclaimer Clause of the BSE

As required, a copy of this Draft Letter of Offer has been submitted to the Stock Exchanges. The disclaimer clause as intimated by the Stock Exchanges to us, post scrutiny of the Draft Letter of Offer, will be included in the Letter of Offer as set out below:

“BSE Limited ("the Exchange") has given *vide* its letter dated [●], permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
ii. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which maybe suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

Disclaimer Clause of the NSE

As required, a copy of this Draft Letter of Offer has been submitted to the NSE. NSE has given pursuant to its letter [●] dated [●] permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized the draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by the NSE should not in any way be deemed or construed that the offer document has been cleared or approved by the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

This Draft Letter of Offer was filed with the Corporation Finance Department of the SEBI, located at Overseas Towers, 7th Floor, 756-L, Anna Salai, Chennai 600 002, for its observations. After SEBI gives its observations, the Letter of Offer will be filed with the Designated Stock Exchange as per the provisions of the Companies Act and SEBI ICDR Regulations.

Selling Restrictions

The distribution of this Draft Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by the legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer may come are required to inform themselves about and observe such restrictions. We are making this Issue of Equity Shares on a rights basis to our Eligible Equity Shareholders and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAFs to the Eligible Equity Shareholders who have provided an Indian address.

The Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on directly or indirectly to any other person or published in whole or in part for any purpose.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is filed with SEBI for observations. Accordingly, the Rights Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction.

Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Draft Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer should not, in connection with the issue of the Rights Shares, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If this Draft Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Shares referred to in this Draft Letter of Offer.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

IMPORTANT INFORMATION FOR INVESTORS - ELIGIBILITY AND TRANSFER RESTRICTIONS

As described more fully below, there are certain restrictions regarding the Rights Shares and Equity Shares that affect potential Investors. These restrictions are restrictions on the ownership of Equity Shares by such persons following the offer.

The Rights Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (U.S. Persons) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The Rights Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of forty (40) days after the commencement of the Issue, an offer or sale of Rights Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Eligible Investors

The Rights Shares are being offered and sold only to persons who are outside the United States and are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. All persons who acquire the Rights Shares are deemed to have made the representations set forth immediately below.

Equity Shares and Rights Offered and Sold in this Issue

Each purchaser acquiring the Rights Shares, by its acceptance of the Letter of Offer, will be deemed to have acknowledged, represented to and agreed with us and the Lead Manager that it has received a copy of the Letter of Offer and such other information as it deems necessary to make an informed investment decision and that:

1. The purchaser is authorized to consummate the purchase of the Rights Shares in compliance with all applicable laws and regulations;

2. The purchaser acknowledges that the Rights Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and, accordingly, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

3. The purchaser is purchasing the Rights Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;

4. The purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Rights Shares, is a non-U.S. Person and was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such Rights Shares was originated, and continues to be a non-U.S. Person and located outside the United States and has not purchased such Rights Shares for the account or benefit of any U.S. Person or any person in the United Sates or entered into any arrangement for the transfer of such Rights Shares or any economic interest therein to any U.S. Person or any person in the United States;

5. The purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

6. If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Rights Shares, or any economic interest therein, such Rights Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them, and confirms that the proposed transfer of the Rights Shares is not part of a plan or scheme to evade the registration requirements of the Securities Act;

7. The purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any '*directed selling efforts*' as defined in Regulation S under the Securities Act in the United States with respect to the Rights Shares;

8. The purchaser understands that such Rights Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

   THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (**SECURITIES ACT**) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

9. The purchaser agrees, upon a proposed transfer of the Rights Shares, to notify any purchaser of such Rights Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Shares being sold;

10. Our Company will not recognize any offer, sale, pledge or other transfer of such Rights Shares made other than in compliance with the above-stated restrictions; and

11. The purchaser acknowledges that our Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such rights or Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such rights or Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") who receives any communication in respect of, or who acquires any rights or Equity Shares under, the offers contemplated in this Draft Letter of Offer will be deemed to have represented, warranted and agreed to and with each Lead Manager and our Company that in the case of any rights or Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:

1. The Rights Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified Investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Lead Manager has been given to the offer or resale; or

2. Where Rights Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified Investors, the offer of those Rights Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an 'offer of Equity Shares to the public' in relation to any of the rights or Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the rights or Equity Shares to be offered so as to enable an Investor to decide to purchase or subscribe for the rights or Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Listing

The existing Equity Shares are listed on the BSE and the NSE. Our Company will make an application to the BSE and the NSE for obtaining in-principle approval in respect of the Rights Shares. We will apply to the BSE and the NSE for listing and trading of the Rights Shares.

If the permission to deal in and for an official quotation of the securities is not granted by the Stock Exchanges mentioned above, we shall forthwith repay, without interest, all monies received from Applicants in pursuance of the Letter of Offer.

Our Company will issue and dispatch Allotment advice/ Share Certificates/demat credit and/or letters of regret along with refund order or credit the Allotted Equity Shares to the respective beneficiary accounts, if any, within a period of fifteen (15) days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Consents

Consents in writing of the directors, the Statutory Auditors, the Lead Manager, the Legal Advisor to the Issue, the Registrar to the Issue, the Bankers to our Company and Bankers to the Issue to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Our Company has received written consent from the Statutory Auditors to include its name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Letter of Offer and as an "expert" defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Statutory Auditors on the Restated Consolidated Summary Statements and Restated Unconsolidated Summary Statements, each dated January 13, 2017 and the statement of tax benefits dated January 13, 2017 included in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Expert

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors to include its name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Letter of Offer and as an "expert" defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Statutory Auditors on the Restated Consolidated Summary Statements and Restated Unconsolidated Summary Statements, each dated January 13, 2017 and the statement of tax benefits dated January 13, 2017 included in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Issue Related Expenses

The Issue related expenses include, *inter alia*, Lead Manager's fee, printing and distribution expenses, advertisement, Registrar, legal and depository fees and other expenses will be met out of our Company's internal accruals.

The estimated Issue expenses are as under:

(in ₹ lakhs)

Activity	**Expense* (in ₹ lakhs)**	**Expense* (% of total expenses)**	**Expense* (% of the Issue size)**
Lead Manager Fees	[●]	[●]	[●]
Fees of Registrar to the Issue	[●]	[●]	[●]
Fees to the legal advisor, Audit / CA fees, other service providers, commission to SCSBs and statutory fees	[●]	[●]	[●]
Printing and distribution expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others, if any (specify)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

* *Will be completed after finalisation of the Issue Price.*

Filings

This Draft Letter of Offer has been filed with the Corporation Finance Department of SEBI, located at Overseas Towers, 7th Floor, 756-L, Anna Salai, Chennai 600 002, for its observations. After SEBI gives its observations, the final Letter of Offer will be filed with the Designated Stock Exchange as per the provisions of the Companies Act.

Previous issues

Our Company has not made a public issue or rights issue of Equity Shares in the last five (5) years.

Except as disclosed in this Draft Letter of Offer under chapter entitled *'Capital Structure'* beginning on page 58 of this Draft Letter of Offer, our Company has not made any issue of shares for consideration other than cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Our Company has not paid commission and brokerage on previous issues of the Equity Shares.

Performance vis-à-vis objects

Our Company has not made a public issue or rights issue of Equity Shares since our incorporation. None of our group companies, Subsidiaries and associate companies is listed.

Outstanding Debentures

There are no outstanding debentures issued by our Company.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of Investor complaints in compliance with the corporate governance requirements under the SEBI Listing Regulations. Additionally, our Company is registered with the SEBI Complaints Redress System **(SCORES)** as required by the SEBI Circular no. CIR/ OIAE/2/2011 dated June 3, 2011. The share transfer and dematerialization is being handled by Karvy Computershare Private Limited, the Registrar and Share Transfer Agent, who is also the Registrar to the Issue. Letters are filed category wise after being attended to. All Investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the compliance officer.

The Stakeholders Relationship Committee comprises of Mr. Venkataratnam Balaraman, Independent Non – Executive Director, Mr. Anil Kumar Verma, Executive Director, Dr. Ashok Jhunjhunwala, Independent Non – Executive Director, Ms. Aruna Krishnamurthy Rao, Independent Non – Executive Director. The Stakeholders Relationship Committee considers and resolves the grievances of the security holders of our Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.

Investor grievances arising out of the Issue

The Investor grievances arising out of the Issue will be handled by Karvy Computershare Private Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling post- Issue correspondences only.

The agreement between our Company and the Registrar provides for a period during which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of the Investors.

All grievances relating to the Issue may be addressed to the Registrar to the Issue or the SCSB in case of ASBA Applicants giving full details such as Folio No. / Demat Account No., name and address, contact telephone/ cell numbers, email id of the first Applicant, number of Equity Shares applied for, CAF serial number, amount paid on application and the name of the bank/ SCSB and the branch where the CAF was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

Our Company is registered with the SCORES as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, Investor grievances are tracked online by our Company.

The average time taken by the Registrar for attending to routine grievances will be within five (5) working days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Registrar to the Issue

Karvy Computershare Private Limited
"Karvy Selenium, Tower B",
Plot no. 31 &32,
Financial District,
Nanakramguda, Gachibowli, Hyderabad – 500 032,
Telangana, India.
Telephone: +91 40 6716 2222
Facsimile: +91 40 2342 0814
Email: intellectdesign.rights@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M. Muralikrishna
SEBI Registration No.: INR000000221

Investors may contact the Compliance Officer in case of any pre-Issue/ post -Issue related problems such as non-receipt of Allotment advice/ Share Certificates/ demat credit/ refund orders etc. The contact details of the Compliance Officer are as follows:

Mr. V.V. Naresh
Company Secretary and Compliance Officer
Tel: +91 44 3341 8607
E-mail: naresh.vv@intellectdesign.com / companysecretary@intellectdesign.com

Status of complaints

1. Total number of complaints received during the Financial Year 2015: 3
2. Total number of complaints received during the Financial Year 2016: 8
3. Time normally taken for disposal of various types of investor complaints: 2 working days.

Status of outstanding investor complaints

As on the date of this Draft Letter of Offer, there are no outstanding investor complaints against our Company.

Changes in Auditors during the last three (3) years

There has been no change in auditors during the last three (3) years except for the Shareholders *vide* their resolution dated September 17, 2014 appointing S.R. Batliboi & Associates LLP as the Auditors of our Company in place of M/s Sivasubramanium & Rao, Chartered Accountants.

Capitalization of reserves or profits / issuance of Equity Shares for consideration other than cash

Other than as disclosed under the chapter entitled *'Capital Structure'* beginning on page 58 of this Draft Letter of Offer, our Company has not capitalized any of its reserves or profits / issued shares for consideration other than cash.

Revaluation of fixed assets

Our Company has not revalued its fixed assets till date.

Stock market data for Equity Shares

For stock market data, please see the chapter entitled *'Market Price Information'* beginning on page 316 of this Draft Letter of Offer.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Composite Application Form, the Split Application Form, the Memorandum of Association and Articles of Association of our Company, and the provisions of the Companies Act, FEMA, the guidelines and regulations issued by SEBI, the guidelines, notifications and regulations for the issue of capital and for listing of securities issued by the Government of India and other statutory and regulatory authorities from time to time, approvals, if any from the RBI or other regulatory authorities, the SEBI Listing Regulations and terms and conditions as stipulated in the allotment advice or security certificate.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, all QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 2,00,000, complying with the eligibility conditions of SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) Investors whose application amount is more than ₹200,000, can participate in the Issue either through the ASBA process or the non ASBA process. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For further details, please refer *'Terms of the Issue - Procedure for Application'* beginning on page 357 of this Draft Letter of Offer.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

All rights/obligations of the Eligible Equity Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Basis for the Issue

The Equity Shares are being offered for subscription for cash to the existing Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form and on the register of members of our Company in respect of the equity shares held in physical form at the close of business hours on the Record Date, i.e., [●], fixed in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Eligible Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], you are entitled to the number of Equity Shares as set out in Part [●] of the CAFs.

The distribution of this Draft Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Our Company is making the issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and Draft Letter of Offer and the CAFs will be dispatched only to those Eligible Equity Shareholders who have a registered address in India. Any

person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be in any restricted jurisdiction.

PRINCIPAL TERMS OF THE EQUITY SHARES

Face Value

Each Equity Share will have the face value of ₹ 5.

Issue Price

Each Equity Share is being offered at a price of [●] (including a premium of [●] per Equity Share). The Issue Price has been arrived at after consultation between our Company and the Lead Manager and has been decided prior to the determination of the Record Date.

Rights Entitlement Ratio

The Rights Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Shares or every [●] Equity Shares held on the Record Date.

Terms of Payment

Full amount of ₹ [●] per Rights Shares is payable on application.

Fractional Entitlements

The Rights Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Shares for every [●] Equity Shares held as on the Record Date. For Rights Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored as above would be given preferential consideration for the Allotment of one (1) additional right share each if they apply for additional Rights Shares over and above their rights entitlement, if any.

Those Eligible Equity Shareholders holding less than [●] Equity Shares, i.e. holding upto [●] Equity Shares and therefore entitled to 'zero' Rights Shares under this Issue shall be dispatched a CAF with the Letter of Offer, that it is not and that at the time of subscribing for the separate account in own name would be given preference in the Allotment of one (1) additional Right Share if, such Eligible Equity Shareholders have applied for the additional Rights Shares. However, they cannot renounce the same in favour of third parties. CAFs with zero entitlement will be non-negotiable/non-renounceable.

For example, if an Eligible Equity Shareholder holds between [●] and [●] Equity Shares, he will be entitled to zero Rights Shares on a rights basis. He will be given a preference for Allotment of one (1) additional Equity Share if he has applied for the same.

Ranking

The Rights Shares being issued shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Shares allotted in the Issue shall rank *pari passu* with the existing Equity Shares in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of Equity Shares proposed to be issued

Our Company's existing Equity Shares are currently traded on the BSE and the NSE under the ISIN INE306R01017. The fully paid-up Rights Shares proposed to be issued on a rights basis shall, in terms of SEBI Circular No. CIR/MRD/DP/21/2012 dated August 2, 2012, be Allotted under a temporary ISIN shall be frozen till the time final listing/ trading approval is granted by the Stock Exchange. Upon receipt of such listing and trading approval, the Rights Shares proposed to be issued on a rights basis shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading.

The listing and trading of the Rights Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. Upon Allotment, the Rights Equity Shares shall be traded on Stock Exchanges in the demat segment only.

The Rights Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Shares shall be taken within seven (7) Working Days of finalization of Basis of Allotment. Our Company has received in-principle approval from BSE letter no. [●] dated [●] and from NSE letter no. [●] dated [●].

Our Company will apply to the BSE and NSE for final approval for the listing and trading of the Rights Shares. No assurance can be given regarding the active or sustained trading in the Rights Shares or the price at which the Rights Shares offered under the Issue will trade after the listing thereof.

If permissions to list, deal in and for an official quotation of the Rights Shares are not granted by the BSE and/or NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight (8) days after our Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of fifteen (15) days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight (8) days, be liable to repay the money, with interest as applicable.

Subscription to the Issue by the Promoter and Promoter Group

Our Promoters, by way of their respective letters dated January 21, 2017 has undertaken on behalf of itself, other Promoters and Promoter Group that (a) they shall subscribe to the Rights Equity Shares offered to them on their own account or through Promoters and Promoter Group; and, or (b) apply on their own account or through Promoter and Promoter Group for any Rights Shares renounced in their favour by other members of Promoters and Promoter Group; and, or (c) if any Rights Equity Shares offered in the Issue remain unsubscribed, the Promoters shall subscribe for the same to the extent of any unsubscribed portion in the Issue.

Such subscription of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their shareholding. However, the acquisition of additional Rights Shares by the Promoters and members of the Promoter Group shall not result in a change of control of the management of our Company and shall not result in breach of minimum public shareholding requirement in accordance with Regulation 38 of the SEBI Listing Regulations read with rule 19A of SCRR. Also, such Allotment of Rights Shares shall be exempted from open offer requirements in terms of Regulation 10(4) (a) of the SEBI Takeover Code. For further details of under subscription and Allotment to the Promoter and Promoter Group, please see the sub-chapter entitled *'Basis of Allotment'* under the chapter entitled *'Terms of the Issue'* beginning on page 372 of this Draft Letter of Offer.

Rights of the Equity Shareholder

Subject to applicable laws, Equity Shareholders shall have the following rights:

1. Right to receive dividend, if declared;
2. Right to attend general meetings and exercise voting powers, unless prohibited by law;
3. Right to vote on a poll either in person or by proxy;
4. Right to receive offers for rights shares and be allotted bonus shares, if announced;
5. Right to receive surplus on liquidation;
6. Right of free transferability of shares; and
7. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association.

General Terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Rights Shares in dematerialised mode is one (1) equity share. In case an Eligible Equity Shareholder holds Rights Shares in physical form, our Company would issue to the Allottees one (1) certificate for the Equity Shares allotted to each folio (**Consolidated Certificate**). Such Consolidated Certificates may be split into smaller denominations at the request of the respective Eligible Equity Shareholder.

Joint Holders

Where two (2) or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

Nomination facility is available in respect of the Rights Shares in accordance with the provisions of the Section 72 of the Companies Act. An Eligible Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole Eligible Equity Shareholder or all the joint Eligible Equity Shareholders, as the case may be, shall become entitled to the Rights Shares offered in the Issue. A person, being a nominee, becoming entitled to the Equity Shares by reason of death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered Eligible Equity Shareholder. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Rights Shares, in the event of death of the said Eligible Equity Shareholder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Rights Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Where the Rights Shares are held by more than one (1) person jointly, the nominee shall become entitled to all the rights in the Rights Shares only in the event of death of all the joint holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of our Company or such other person at such addresses as may be notified by our Company. The Investor can make the nomination by filling in the relevant portion of the CAF. In terms of Section 72 of the Companies Act, or any other rules that may be prescribed under the Companies Act, any person who becomes a nominee shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the Equity Shares; or
2. to make such transfer of the Equity Shares, as the deceased holder could have made.

If the person being a nominee, so becoming entitles, elects to be registered as holders of the Rights Shares himself, he shall deliver to our Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Equity Shareholder.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Rights Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Rights Shares, until the requirements of the notice have been complied with.

Only one (1) nomination would be applicable for one folio. Hence, in case the Investor(s) has already registered the nomination with our Company, no further nomination needs to be made for Rights Shares that may be allotted in this Issue under the same folio.

In case the Allotment of Rights Shares is in dematerialised form, there is no need to make a separate nomination for the Rights Shares to be allotted in this Issue. Nominations registered with respective DP of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective DP.

Arrangements for Disposal of Odd Lots

Our Company's Equity Shares are traded in dematerialised form only and therefore the marketable lot is 1 (One) Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one (1) English language national daily newspaper with wide circulation, one (1) Hindi national daily newspaper with wide circulation and one (1) Tamil language daily newspaper with wide circulation and/or, will be sent by post to the registered address of the Eligible Equity Shareholders in India or the Indian address provided by the Equity Shareholders from time to time.

Procedure for Application

The CAF for the Rights Shares offered as part of the Issue would be printed for all Eligible Equity Shareholders. In case the original CAFs are not received by the Eligible Equity Shareholder or is misplaced by the Eligible Equity Shareholder, the Eligible Equity Shareholder may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and their full name and address. In case the signature of the Investor(s) does not match with the specimen registered with our Company, the application is liable to be rejected.

Please note that neither our Company nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF/duplicate CAF attributable to postal delays or if the CAF/duplicate CAF are misplaced in the transit. Eligible Equity Shareholder(s) should note that those who are making the application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Eligible Equity Shareholder(s) violates any of these requirements, they shall face the risk of rejection of both applications.

Please note that QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹200,000 can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors, or (iii) Investors whose application amount is more than ₹200,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Please also note that by virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (*OCBs*) have been derecognized as an eligible class of Investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Eligible Equity Shareholder being an OCB is required to obtain prior approval from RBI for applying to this Issue.

The CAF consists of four (4) parts:

Part A: Form for accepting the Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Equity Shares;
Part B: Form for renunciation of Equity Shares;
Part C: Form for application of Equity Shares by Renouncee(s);

Part D: Form for request for split Application forms.

Option available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Rights Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies for an investment in Equity Shares, then he can:

1. Apply for his Rights Entitlement of Equity Shares in full;
2. Apply for his Rights Entitlement of Equity Shares in part;
3. Apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the Rights Shares;
4. Apply for his Rights Entitlement in full and apply for additional Rights Shares;
5. Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Rights Shares offered, either in full or in part, by filling Part A of the CAFs and submit the same along with the application money payable to the Bankers to the Issue or any of the collection centers as mentioned on the reverse of the CAFs before close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors in this regard. Investors at centres not covered by the collection branches of the Bankers to the Issue can send their CAFs together with the cheque drawn at par on a local bank at Chennai or a demand draft payable at Chennai to the Registrar to the Issue by registered post so as to reach the Registrar to the Issue prior to the Issue Closing Date. Please note that neither our Company nor the Lead Manager or the Registrar to the Issue shall be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in the transit. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, please see the section entitled *'Terms of the Issue - Mode of Payment for Resident Investors'* and *'Terms of the Issue - Mode of Payment for Non-Resident Investors'* beginning on page 364, respectively of this Draft Letter of Offer.

Additional Rights Shares

You are eligible to apply for additional Rights Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Shares offered to you without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Shares shall be considered and Allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under *'Terms of the Issue - Basis of Allotment'* beginning on page 372 of this Draft Letter of Offer.

Further, under the Foreign Exchange Regulations currently in force in India, transfers of shares between Non-Residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required.

Due to the aforementioned factors FPIs, FVCIs, multilateral and bilateral institutes intending to apply for additional Rights Equity Shares or intending to apply for Rights Equity Shares renounced in their favour shall be required to obtain prior approval from the appropriate regulatory authority.

If you desire to apply for additional Rights Shares, please indicate your requirement in the place provided for additional Rights Shares in Part A of the CAF. Renouncee(s) applying for all the Rights Shares renounced in their favour may also apply for additional Rights Shares by indicating the details of additional Rights Equity Shares applied in place provided for additional Rights Equity Shares in Part C of CAF. In terms of Regulation 6 of Notification No. FEMA 20 12000-RB dated May 3, 2000, as amended from time to time, only the existing Non-Resident shareholders may subscribe for additional equity shares over and above the equity shares offered on rights basis by our Bank.

Where the number of additional Rights Shares applied for exceeds the number of Rights Shares available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

The Issue includes a right exercisable by you to renounce the Rights Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not Allot and/or register the Rights Shares in favour of the following Renouncees: (i) more than three (3) persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors; (iv) HUF; or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860, as amended or the Indian Trust Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be). Additionally, the Eligible Equity Shareholders may not renounce in favour of persons or entities which would otherwise be prohibited from being offered or subscribing for Rights Shares or Rights Entitlement under applicable securities laws.

Any renunciation (i) from a resident Eligible Equity Shareholder to a Non-Resident, or (ii) from a non-resident Eligible Equity Shareholder to a resident, or (iii) from a Non-Resident Eligible Equity Shareholder to a Non-Resident is subject to the renouncer / Renouncee obtaining the necessary approvals, including from the RBI, and such approvals should be attached to the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (***OCBs***) have been derecognized as an eligible class of Investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Shares being offered but wish to renounce the same in favour of Renouncee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has, however, clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated Non-Resident entities in terms of Regulation 5(1) of RBI Notification No. 20/ 2000-RB dated May 3, 2000 under the FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of the RBI if the investment is through the automatic route on case by case basis. Equity Shareholders renouncing their rights in favour of OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Letter of Offer and the CAF.

Part ‘A’ of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part ‘B’ of the CAF) duly filled in shall be the conclusive evidence for our Company of the fact of renouncement to the person(s) applying for Equity Shares in Part ‘C’ of the CAF for the purpose of Allotment of such Rights Shares. The Renouncees applying for all the Rights Shares renounced in their favour may also apply for additional Rights Shares. Part ‘A’ of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no right to further renounce any Rights Shares in favour of any other person.

Procedure for renunciation

To renounce all the Rights Shares offered to an Eligible Equity Shareholder in favour of one Renouncee

If you wish to renounce the offer indicated in Part ‘A’, in whole, please complete Part ‘B’ of the CAF. In case of joint holding, all joint holders must sign Part ‘B’ of the CAF. The person in whose favour renunciation has been made should complete and sign Part ‘C’ of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part ‘C’ of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either (i) accept this offer in part and renounce the balance, or (ii) renounce the entire offer under this Issue in favour of two (2) or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part ‘D’ of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Shares, does not match with the specimen registered with our Company/ Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Rights Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Bankers to the Issue or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with the application money in full.

Change and/or introduction of additional holders

If you wish to apply for Rights Shares jointly with any other person(s), not more than three (3) including you, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that the Board of Directors shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Equity Shares offered, using the CAF:

S. No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A *(All joint holders must sign)*
2.	Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Shares *(All joint holders must sign)*
3.	Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) Or Renounce your Rights Entitlement to all the Rights Shares offered to you to more than one Renouncee	Fill in and sign Part D *(all joint holders must sign)* requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. 1. For the Rights Shares you wish to accept, if any, fill in and sign Part A. 2. For the Rights Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncees. 3. Each Renouncee should fill in and sign Part C for the Rights Shares accepted by them.
4.	Renounce your Rights Entitlement in full to one person *(Joint Renouncees are considered as one).*	Fill in and sign Part B *(all joint holders must sign)* indicating the number of Rights Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C *(All joint Renouncees must sign)*
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

Please note that:

1. Options (3) and (4) will not be available for Equity Shareholders applying through ASBA process.

2. Part ‘A’ of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom the Draft Letter of Offer has been addressed. If used, this will render the application invalid.

3. Request for each SAF should be made for a minimum of one (1) Rights Share or, in each case, in multiples thereof and one SAF for the balance Rights Shares, if any.

4. Request by the Investor for the SAFs should reach the Registrar to the Issue on or before [●].

5. Only the Eligible Equity Shareholder to whom the Draft Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.

6. SAFs will be sent to the Investor(s) by post at the Applicant’s risk.

7. Eligible Equity Shareholders may not renounce in favour of persons or entities who would otherwise be prohibited from being offered or subscribing for Rights Shares or Rights Entitlement under applicable securities laws.

8. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part ‘B’ of the CAF) duly filled in shall be conclusive evidence for us of the person(s) applying for Equity Shares in Part ‘C’ of the CAF to receive Allotment of such Equity Shares.

9. While applying for or renouncing their Rights Entitlement, all joint Eligible Equity Shareholders must sign the CAF and in the same order and as per specimen signatures recorded with our Company/ Depositories.

10. *Non-Resident Eligible Equity Shareholders:* Application(s) received from Non-Resident/NRIs, or persons of Indian origin residing abroad for Allotment of Rights Shares alloted as a part of this Issue shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, Allotment of Rights Shares, subsequent issue and Allotment of Rights Shares, interest, export of Share Certificates, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.

11. Applicants must write their CAF number at the back of the cheque / demand draft.

12. The RBI has mandated that CTS 2010 compliant cheques can only be presented in clearing hence the CAFs accompanied by non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Equity Shareholder, the Registrar to the Issue will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within seven (7) days prior to the Issue Closing Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of either original CAF or both the applications. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper (Non-ASBA)

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque drawn at par on a bank in Chennai pay order/demand draft, net of bank and postal charges payable at Chennai and the Investor should send the same by registered post directly to the Registrar to the Issue. For details of the mode of payment, please refer *'Terms of the Issue - Modes of Payment'* beginning on page 363 of this Draft Letter of Offer. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed "[●]" and should be postmarked in India. The applications on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with our Company /Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Intellect Design Arena Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders;
3. Registered Folio Number/ DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
6. Allotment option preferred - physical or demat form, if held in physical form;
7. Number of Rights Shares entitled to;
8. Number of Rights Shares applied for;
9. Number of additional Rights Shares applied for, if any;
10. Total number of Equity Shares applied for;
11. Total amount paid at the rate of ₹ [●] per Rights Share;
12. Particulars of cheque/ demand draft;
13. Savings/ current account number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories;
14. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Shares applied for pursuant to the Issue;
15. If the payment is made by a draft purchased from NRE/FCNR/NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR/NRO account;
16. Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company/Depositories); and
17. Additionally, all such Applicants are deemed to have accepted the following:

    "*I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the United States Securities Act of 1933 (**US Securities Act**) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the **United States**) or to, or for the account or benefit of a "U.S. Person" as defined in Regulation S of the US Securities Act (**Regulation S**). I/ we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or* *who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the applications. Our Company shall refund such application amount to the Eligible Equity Shareholder without any interest thereon.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor.

Last date for Application

The last date for submission of the duly filled in CAF is [●]. The Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding [●] days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the invitation to offer contained in the Draft Letter of Offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose off the Equity Shares hereby offered, as provided under *'Basis of Allotment'* beginning on page 372 of this Draft Letter of Offer.

Modes of Payment

Investors are advised to use CTS cheques to make payment. Investors are cautioned that CAFs accompanied by non-CTS cheques are liable to be rejected.

Mode of payment for Resident Investors

1. All cheques / demand drafts accompanying the CAF should be drawn in favour of "[●]" crossed 'A/c Payee only' and should be submitted along with the CAF to the Bankers to the Issue/ Collecting Bank or to the Registrar to the Issue;

2. Investors residing at places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with an account payee cheque drawn on a bank in Chennai at par, pay order/demand draft for the full application amount, net of bank and postal charges drawn in favour of "[●]", crossed 'A/c Payee only' and payable at Chennai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The envelope should be superscribed "[●]". Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Mode of payment for Non-Resident Investors

As regards the application by Non-Resident Investor, the following conditions shall apply:

1. Individual Non-Resident Indian Applicants who are permitted to subscribe for Rights Shares by applicable local securities laws can obtain application forms from the following address:

   Karvy Computershare Private Limited
   "Karvy Selenium, Tower B",
   Plot no. 31 &32,
   Financial District,
   Nanakramguda, Gachibowli, Hyderabad – 500 032,
   Telangana, India.
   Telephone: +91 40 6716 2222
   Facsimile: +91 40 2342 0814
   Email: intellectdesign.rights@karvy.com
   Website: www.karisma.karvy.com
   Contact Person: Mr. M. Muralikrishna
   SEBI Registration No.: INR000000221

2. Applications will not be accepted from Non-Resident Indian in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Shares may be restricted by applicable securities laws.

3. All non-resident investors should draw the cheques/ demand drafts for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/ collection centres or to the Registrar to the Issue.

4. Non-Resident Investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges drawn in favour of "[●]", crossed 'A/c Payee only' payable at Chennai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The envelope should be superscribed "[●]". Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

5. Payment by Non-Residents must be made by demand draft payable at Chennai, pay order/cheque payable drawn on a bank account maintained at Chennai or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

1. By Indian Rupee drafts purchased from abroad and payable at Chennai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);or
2. By cheque/draft drawn on an NRE or FCNR Account maintained in Chennai; or
3. By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable in Chennai at par;
4. FIIs/ FPIs registered with SEBI must utilise funds from special non-resident rupee account;
5. Non-Resident Investors with repatriation benefits should draw the cheques/ demand drafts in favour of "[●]", crossed 'A/c Payee only' for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/collection centres or to the Registrar to the Issue;
6. Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO account as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued

by debiting the NRE/FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

1. As far as Non-Residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in Chennai or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Chennai In such cases, the Allotment of Equity Shares will be on non-repatriation basis.
2. Non-Resident Investors without repatriation benefits should draw the cheques/demand drafts in favour of "[●]", crossed 'A/c Payee only' for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/collection centres or to the Registrar to the Issue;
3. Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.
4. An Eligible Equity Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Shares can be remitted outside India, subject to tax, as applicable according to the Income Tax Act.
- In case Rights Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- In case of an application received from Non-Residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Application by ASBA Investors

Process

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. Our Company and the Lead Manager is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Letter of Offer. Investors who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Manager, our Company, its Directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or other Applicants whose application amount exceeds ₹200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI Circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors (iii) Investors whose application amount is more than ₹200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Please note that subject to

SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Rights Shares in the Issue through the ASBA Process is only available to the Eligible Equity Shareholders of our Company on the Record Date and who:

1. hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Rights Shares in the Issue in dematerialised form;
2. have not renounced his/her Rights Entitlements in full or in part;
3. are not a Renouncee;
4. are applying through a bank account maintained with SCSBs; and
5. are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account.

More than one (1) ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account.

Acceptance of the Issue under the ASBA process

ASBA Investors may accept the Issue and apply for the Rights Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of our Company in this regard.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Mode of payment under the ASBA process

The Investor applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar to the Issue. Upon receipt of intimation from the Registrar to the Issue, the SCSBs shall transfer such amount as per the Registrar to the Issue's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI ICDR Regulations, into the separate bank account maintained by our Company for the purpose of the Issue. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Manager to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

Please note that in accordance with the provisions of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs and Non-Institutional Investors complying with eligibility conditions prescribed under the SEBI circular SEBI /CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process.

A Retail Individual Investor applying for a value of up to ₹ 200,000, can participate in the Issue either through the ASBA process or non-ASBA process.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Investors is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

S. No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF *(All joint holders must sign)*
2.	Accept your Rights Entitlement in full and apply for additional Rights Shares.	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Shares *(All joint holders must sign)*

The Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the Designated Branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Additional Equity Shares

An Eligible Equity Shareholder is eligible to apply for additional Equity Shares over and above the number of Equity Shares that such an Eligible Equity Shareholder is entitled to, provided that the Eligible Equity Shareholder is eligible to apply for the Equity Shares under applicable law and has applied for all the Equity Shares (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under '*Terms of the Issue - Basis of Allotment*' on page 372 of this Draft Letter of Offer. If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncee applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Application on Plain Paper under the ASBA process

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be superscribed "[●]" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company /Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

1. Name of Issuer, being Intellect Design Arena Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders;
3. Registered Folio Number/ DP and Client ID No.;
4. Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
5. Number of Equity Shares held as on Record Date;
6. Number of Rights Shares entitled to;
7. Number of Rights Shares applied for;
8. Number of additional Rights Shares applied for, if any;
9. Total number of Rights Shares applied for;
10. Total amount paid at the rate of ₹ [●] per Rights Share;
11. Particulars of cheque/ demand draft;
12. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
13. In case of Non-Resident Investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Shares applied for pursuant to the Issue;
15. Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in our records; and
16. Additionally, all such Applicants are deemed to have accepted the following:

    "*I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the United States Securities Act of 1933 (**US Securities Act**) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the **United States**) or to or for the account or benefit of a 'U.S. Person' as defined in Regulation S of the US Securities Act (**Regulation S**). I/ we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of we, the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who, we, the Registrar, the Lead Manager or any other person acting on behalf of we have reason to believe is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Option to receive Equity Shares in Dematerialized Form

ELIGIBLE EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Investors applying under the ASBA Process

1. Please read the instructions printed on the respective CAF carefully.
2. Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Draft Letter of Offer are liable to be rejected. The CAF must be filled in English.
3. The CAF in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Manager to the Issue.
4. All Applicants, and in the case of application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the Income Tax Act, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to the Issue shall be made into the accounts of such Investors**.
5. All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque/demand draft/pay order is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
6. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the CAF as per the specimen signature recorded with our Company /or Depositories.
7. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company / Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
8. All communication in connection with application for the Equity Shares, including any change in address of the Investors should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.
9. Only the person or persons to whom the Rights Shares have been offered and not Renouncee(s) shall be eligible to participate under the ASBA process.
10. Only persons outside the restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Shares under applicable securities laws are eligible to participate.

11. Only the Eligible Equity Shareholders holding shares in demat are eligible to participate through ASBA process.
12. Eligible Equity Shareholders who have renounced their entitlement in part/ full are not entitled to apply using ASBA process.
13. Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors and other Applicants whose application amount exceeds ₹200,000 can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non- Institutional Investors (iii) Investors whose application amount is more than ₹200,000, can participate in the Issue either through the ASBA process or the non ASBA process.

14. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

15. Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

16. In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under *'Terms of the Issue - Application on Plain Paper'* beginning on page 368 of this Draft Letter of Offer.

Do's:

1. Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in.
2. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialized form only.
3. Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.
4. Ensure that there are sufficient funds (equal to {number of Equity Shares as the case may be applied for} X {Issue Price of Equity Shares, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
5. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.
6. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.
7. Except for CAFs submitted on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income Tax Act.
8. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
9. Ensure that the Demographic Details are updated, true and correct, in all respects.
10. Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.

Don'ts:

1. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
2. Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
3. Do not pay the amount payable on application in cash, by money order, pay order or by postal order.

4. Do not send your physical CAFs to the Lead Manager to Issue / Registrar / Collecting Banks (assuming that such Collecting Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.
5. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
6. Do not apply if the ASBA Account has been used for five Applicants.
7. Do not apply through the ASBA Process if you are not an ASBA Investor.
8. Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under *'Terms of the Issue - Grounds for Technical Rejection for Non-ASBA Investors'* beginning on page 379 of this Draft Letter of Offer, applications under the ABSA Process are liable to be rejected on the following grounds:

1. Application on a SAF.
2. Application for Allotment of Rights Entitlements or additional Rights Shares which are in physical form.
3. DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
4. Sending an ASBA application on plain paper to the Registrar to the Issue.
5. Sending CAF to Lead Manager / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.
6. Renouncee applying under the ASBA Process.
7. Submission of more than five CAFs per ASBA Account.
8. Insufficient funds are available with the SCSB for blocking the amount.
9. Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.
10. Account holder not signing the CAF or declaration mentioned therein.
11. CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdiction and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.
12. CAFs which have evidence of being executed in/dispatched from any restricted jurisdiction.
13. QIBs, Non-Institutional Investors and other Eligible Equity Shareholders applying for Rights Shares in this Issue for value of more than ₹200,000 who hold Equity Shares in dematerialised form and is not a renouncer or a Renouncee not applying through the ASBA process.
14. The application by an Eligible Equity Shareholder whose cumulative value of Rights Shares applied for is more than ₹200,000 but has applied separately through split CAFs of less than ₹200,000 and has not done so through the ASBA process.
15. Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
16. Submitting the GIR instead of the PAN.
17. An Eligible Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.
18. Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

Depository account and bank details for Investors applying under the ASBA Process

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. INVESTORS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE

ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF/PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under the ASBA Process should note that on the basis of name of these Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF/plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository, demographic details of these Investors such as address, bank account details for printing on refund orders and occupation (Demographic Details). Hence, Investors applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor. The Demographic Details given by the Investors in the CAF would not be used for any other purposes by the Registrar to the Issue. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Investors applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Investor applying under the ASBA Process as per the Demographic Details received from the Depositories. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Shares are not allotted to such Investor. Investors applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Investor in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Investors applying under the ASBA Process and none of our Company, the SCSBs or the Lead Manager shall be liable to compensate the Investor applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three (3) parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Underwriting

The Issue is not underwritten.

Issue Schedule

Issue Opening Date:	[●]
Last date for receiving requests for SAFs:	[●]
Issue Closing Date:	[●]

The Board may however decide to extend the Issue period as it may determine from time to time but not exceeding thirty (30) days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Articles of Association of our Company and the approval of the Designated Stock Exchange, the Board will proceed to allot the Rights Shares in the following order of priority:

1. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or

in part and also to the Renouncee(s) who has/ have applied for Rights Shares renounced in their favour, in full or in part.

2. Investors whose fractional entitlements are being ignored would be given preference in Allotment of one (1) additional Rights Share each if they apply for additional Rights Share. Allotment under this head shall be considered if there are any unsubscribed Rights Shares after Allotment under (1) above. If number of Rights Shares required for Allotment under this head are more than the number of Rights Shares available after Allotment under (1) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

3. Allotment to the Eligible Equity Shareholders who having applied for all the Rights Shares offered to them as part of the Issue, have also applied for additional Rights Shares. The Allotment of such additional Rights Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Shares after making full Allotment in (1) and (2) above. The Allotment of such Rights Shares will be at the sole discretion of the Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

4. Allotment to Renouncees who having applied for all the Rights Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Rights Shares will be at the sole discretion of the Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

5. Allotment to any other person that the Board of Directors as it may deem fit provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of the Board in this regard shall be final and binding.

6. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Code.

Our Promoters, by way of their respective letters dated January 21, 2017 has undertaken on behalf of itself, other Promoters and Promoter Group that (a) they shall subscribe to the Rights Equity Shares offered to them on their own account or through Promoters and Promoter Group; and, or (b) apply on their own account or through Promoter and Promoter Group for any Rights Shares renounced in their favour by other members of Promoters and Promoter Group; and, or (c) if any Rights Equity Shares offered in the Issue remain unsubscribed, the Promoters shall subscribe for the same to the extent of any unsubscribed portion in the Issue.

Such subscription of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their shareholding. However, the acquisition of additional Rights Shares by the Promoters and members of the Promoter Group shall not result in a change of control of the management of our Company and shall not result in breach of minimum public shareholding requirement in accordance with Regulation 38 of the SEBI Listing Regulations read with rule 19A of SCRR. Also, such Allotment of Rights Shares shall be exempted from open offer requirements in terms of Regulation 10(4) (a) of the SEBI Takeover Code. For further details please refer to *'Terms of the Issue - Basis of Allotment'* on page 372 of this Draft Letter of Offer.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Equity Shares in the Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advices / Refund Orders

Our Company will issue and dispatch Allotment advice/ Share Certificates/ demat credit and/or letters of regret along with refund order or credit the allotted Rights Shares to the respective beneficiary accounts, if any, within a period of fifteen (15) Working Days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Electronic Clearing Service ***(NECS)*** except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Rights Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within fifteen (15) Working Days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding Rights Share certificates will be kept ready within two (2) months from the date of Allotment thereof under Section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the Rights Share certificates.

The letter of allotment/ refund order would be sent by registered post/ speed post to the sole/ first Investor's registered address in India or the Indian address provided by the Eligible Equity Shareholders from time to time. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/ first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

In the case of Non-Resident Shareholders or Investors who remit their application money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the applicable laws and other approvals, in case of Non-Resident Shareholders or Investors who remit their application money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollars. The Share Certificate(s) will be sent by registered post / speed post to the address in India of the Non Resident Shareholders or Investors.

The Draft Letter of Offer and the CAF shall be dispatched to only such Non-resident Shareholders who have a registered address in India or have provided an Indian address.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. NECS - Payment of refund would be done through NECS for Investors having an account at any of the 68 centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories/the records of the Registrar. The payment of refunds is mandatory for Investors having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).

2. National Electronic Fund Transfer ***(NEFT) -*** Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have

registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. Direct Credit - Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

4. RTGS - If the refund amount exceeds ₹200,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through NECS or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

5. For all other Investors the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

6. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non- residents

Where applications are accompanied by Indian Rupee drafts purchased abroad and payable at Chennai, refunds will be made in the Indian Rupees based on the U.S. Dollars equivalent which ought to be refunded. Indian Rupees will be converted into U.S. Dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. Our Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice / Share Certificates/ Demat Credit

Allotment advice/ Share Certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within fifteen (15) Working Days, from the Issue Closing Date. In case our Company issues Allotment advice, the respective Share Certificates will be dispatched within one (1) month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for Share Certificates.

Option to receive Rights Shares in Dematerialized Form

Investors shall be allotted the Rights Shares in dematerialized (*electronic*) form at the option of the Investor. Our Company has signed a tripartite agreement with NSDL on September 23, 2014 which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. Our Company has also signed a tripartite agreement with CDSL on September 11, 2014 which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the Allottees who have opted for Rights Shares in dematerialized form will receive their Rights Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a Depository Participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Rights Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Rights Shares in physical form. No separate CAFs for Rights Shares in physical and/or dematerialized form should be made. If such CAFs are made, the CAFs for physical Rights Shares will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Rights Shares sought in demat and balance, if any, will be allotted in physical Rights Shares. Eligible Equity Shareholders of our Company holding Equity Shares in physical form may opt to receive Rights Shares in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Shares in this Issue in the electronic form is as under:

1. Open a beneficiary account with any Depository Participant *(care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company).* In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. *Those Investors who have already opened such beneficiary account(s) need not adhere to this step.*

2. For Eligible Equity Shareholders already holding Equity Shares of our Company in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Rights Shares arising out of this Issue may be made in dematerialized form even if the original Equity Shares of our Company are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company / Depositories.

3. The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-a-vis such information with the Investor's Depository Participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's Depository Participant.

4. If incomplete / incorrect beneficiary account details are given in the CAF, the Investor will get Rights Shares in physical form.

5. The Rights Shares allotted to Applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the Applicant by the Registrar to the Issue but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Shares to the Applicant's depository account.

6. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

7. Non-transferable allotment advice/refund orders will be directly sent to the Investors by the Registrar.

8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

General instructions for non-ASBA Investors

1. Please read the instructions printed on the CAF carefully.

2. Applicants that are not QIBs or are not Non - Institutional Investor or those whose application money does not exceed ₹200,000 may participate in the Issue either through ASBA or the non-ASBA process. Eligible Equity Shareholders who have renounced their entitlement (in full or in part), Renouncees and Applicants holding Equity Shares in physical form and/or subscribing in the Issue for Allotment in physical form may participate in the Issue only through the non ASBA process.

3. Application should be made on the printed CAF, provided by our Company except as mentioned under *'Terms of the Issue - Application on Plain Paper'* beginning on page 361 of this Draft Letter of Offer and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Draft Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's / husband's name must be filled in block letters.

4. The CAF together with the cheque/demand draft should be sent to the Bankers to the Issue/Collecting Bank or to the Registrar to the Issue and not to our Company or Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorised by our Company for collecting applications, will have to make payment by Demand Draft payable at Chennai of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post. If any portion of the CAF is/are detached or separated, such application is liable to be rejected.

5. **Applications where separate cheques/demand drafts are not attached for amounts to be paid for Rights Shares** are **liable to be rejected. Applications accompanied by cash, postal order or stock invest are liable to be rejected.**

6. Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN allotted under the Income Tax Act , irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.

7. Investors, holding Equity Shares in physical form, are advised that it is mandatory to provide information as to their savings/current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.

8. All payment should be made by cheque/demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

9. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the CAF as per the specimen signature recorded with our Company.

10. In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Bankers to the Issue.

11. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company /Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

12. Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, including regulations relating to QFI's, in the matter of refund of application money, Allotment of Rights Shares, subsequent issue and Allotment of Rights Shares, interest, export of Share Certificates, etc. In case an NR or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Shares may be restricted by applicable securities laws.

13. All communication in connection with application for the Rights Shares, including any change in address of the Investors should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the date of Allotment, should be sent to the Registrar and Transfer Agents of our Company, in the case of Equity Shares held in physical form and to the respective Depository Participant, in case of Equity Shares held in dematerialized form.

14. SAFs cannot be re-split.

15. Only the person or persons to whom Rights Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.

16. Investors must write their CAF number at the back of the cheque /demand draft.

17. Only one (1) mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.

18. A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.

19. No receipt will be issued for application money received. The Bankers to the Issue / Collecting Bank/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

20. The distribution of the Draft Letter of Offer and issue of Rights Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard the Draft Letter of Offer and not to attempt to subscribe for Rights Shares.

21. Investors are requested to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

Do's for non-ASBA Investors

1. Check if you are eligible to apply i.e. you are an Eligible Equity Shareholder on the Record Date.

2. Read all the instructions carefully and ensure that the cheque/ draft option is selected in Part A of the CAF and necessary details are filled in.

3. In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Shares will be allotted in the dematerialized form only.

4. Ensure that your Indian address is available to our Company and the Registrar and Transfer Agent, in case you hold Equity Shares in physical form or the Depository Participant, in case you hold Equity Shares in dematerialised form.

5. Ensure that the value of the cheque/ draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF.

6. Ensure that you receive an acknowledgement from the collection branch of the Banker to the Issue for your submission of the CAF in physical form.

7. Ensure that you mention your PAN allotted under the Income Tax Act with the CAF, except for Applications on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts.

8. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

9. Ensure that the demographic details are updated, true and correct, in all respects.

Don’ts for non-ASBA Investors

1. Do not apply if you are not eligible to participate in the Issue the securities laws applicable to your jurisdiction.

2. Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Banker to the Issue.

3. Do not pay the amount payable on application in cash, by money order or by postal order.

4. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

5. Do not submit Application accompanied with stockinvest.

Grounds for Technical Rejections for non-ASBA Investors

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

1. Amount paid does not tally with the amount payable.

2. Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar and Transfer Agent (in the case of physical holdings).

3. Age of Investor(s) not given (in case of Renouncees).

4. Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for application of any value.

5. In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted.

6. If the signature of the Investor does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories.

7. CAFs are not submitted by the Investors within the time prescribed as per the CAF and this Draft Letter of Offer.

8. CAFs not duly signed by the sole/joint Investors.

9. CAFs/ SAFs by OCBs not accompanied by a copy of an RBI approval to apply in this Issue.

10. CAFs accompanied by stockinvest/ outstation cheques/ post-dated cheques/ money order/ postal order/ outstation demand drafts.

11. In case no corresponding record is available with the Depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID.

12. CAFs that do not include the certifications set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdictions and is authorized to acquire the Rights Entitlements and Equity Shares in compliance with all applicable laws and regulations.

13. CAFs which have evidence of being executed in/dispatched from restricted jurisdictions.

14. CAFs by ineligible Non-Residents (including on account of restriction or prohibition under applicable local laws) and where a registered address in India has not been provided.

15. CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.

16. In case the GIR number is submitted instead of the PAN.

17. Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

18. Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.

19. Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for Equity Shares for an amount exceeding ₹200,000, not through ASBA process.

Please read this Draft Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of this Draft Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Draft Letter of Offer or the CAF.

Bids by FPIs, FIIs and QFIs

In terms of the SEBI (FPI) Regulations, the issue of Equity Shares to a single FPI or an Investor group (*which means the same set of ultimate beneficial owner(s) investing through multiple entities*) is not permitted to exceed 10% of our Company's post-Issue Equity Share Capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share Capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid up Equity Share Capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Equity Shareholders of our Company. However, as on the date of this Draft Letter of Offer, our Company has not increased the FII limit.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three (3) years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees as applicable under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (*being deemed FPIs*) shall be included.

Further, in terms of the SEBI (FPI) Regulations, a QFI may continue to buy, sell or otherwise deal in securities, subject to the provisions of the SEBI (FPI) Regulations, until January 6, 2015 (or such other date as may be specified by SEBI) or until the QFI obtains a certificate of registration as FPI, whichever is earlier.

The existing individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid-up capital of an Indian company, respectively**.** In terms of the FEMA Regulations, a QFI shall not be eligible to invest as a QFI upon obtaining registration as an FPI. However, all investments made by a QFI in accordance with the regulations, prior to registration as an FPI shall continue to be valid and taken into account for computation of the aggregate limit.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. Applications will not be accepted from NRIs in restricted jurisdictions.

NRI Applicants may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRI Applicants who intend to make payment through NRO accounts shall use the Application Form meant for resident Indians and shall not use the Application Forms meant for reserved category.

Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular bearing number CIR/ CFD/ DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non- Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding ₹200,000 shall mandatorily make use of ASBA facility.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular bearing number CIR/ CFD/ DIL/ 1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non- Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding ₹200,000 shall mandatorily make use of ASBA facility.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (**SEBI VCF Regulations**) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (**SEBI FVCI Regulations**) prescribe, amongst other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (**SEBI AIF Regulations**) prescribe, amongst other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"***Any person who:***
(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to ten years*"*.

Dematerialized dealing

Our Company has entered into agreements dated November 30, 2011 and October 25, 2011 with NSDL and CDSL, respectively, and its Equity Shares bear the ISIN INE071F01012.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest Scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by our Company. However, the Bankers to the Issue / Registrar to the Issue/ Depositary Participants/ stock brokers/ Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Rights Shares allotted, will be refunded to the Investor within a period of fifteen (15) Working Days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

The Board of Directors declares that:

1. All monies received out of the Issue shall be transferred to a separate bank account;
2. Details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
3. Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company may utilize the funds collected in the Issue only after the Basis of Allotment is finalized.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Rights Shares are to be listed will be taken within seven (7) Working Days of finalization of Basis of Allotment.

3. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within fifteen (15) Working Days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. The certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within the specified time.

6. No further issue of securities affecting our Company's Equity Share Capital shall be made till the securities issued/

offered through this Draft Letter of Offer are listed or till the application money are refunded on account of non-listing, under-subscription etc.

7. Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

8. Adequate arrangements shall be made to collect all ASBA applications and to consider then similar to non-ASBA applications while finalising the Basis of Allotment.

9. At any given time there shall be only one (1) denomination for the Equity Shares of our Company.

10. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

11. All information shall be made available by the Lead Manager and the Issuer to the Investors at large and no selective or additional information would be available for a section of the Investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc.

12. Our Company shall utilize the funds collected in the Issue only after finalisation of the Basis of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Important

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of the Draft Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

2. All enquiries in connection with this Draft Letter of Offer or CAF and requests for SAFs must be addressed quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and superscribed "[●]" on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

   Karvy Computershare Private Limited
   "Karvy Selenium, Tower B",
   Plot no. 31 &32,
   Financial District,
   Nanakramguda, Gachibowli, Hyderabad – 500 032,
   Telangana, India.
   Telephone: +91 40 6716 2222
   Facsimile: +91 40 2342 0814
   Email: intellectdesign.rights@karvy.com
   Website: www.karisma.karvy.com
   Contact Person: Mr. M. Muralikrishna
   SEBI Registration No.: INR000000221

3. The Issue will remain open for a minimum fifteen (15) days. However, the Board will have the right to extend the Issue period as it may determine from time to time but not exceeding thirty (30) days from the Issue Opening Date.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and

FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign Investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (***DIPP***), issued Circular 1 of 2015 (***Circular 1 of 2015***), which with effect from May 12, 2015, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on May 11, 2015. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, Circular 1 of 2015 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended; (ii) the Non-Resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning given to such terms in the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act, 1956 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company including voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares and or their consolidation/splitting are stated. The regulations contained in Schedule I of the Companies Act, 2013, shall apply to our Company in so far as they are not inconsistent with or repugnant to any of the regulations contained in the Articles of Association of our Company.

3. STATUTORY PROVISIONS

Except where the context requires otherwise, references to statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted or as their application is modified by other provisions from time to time.

4. INCREASE OF CAPITAL OF THE COMPANY AND HOW CARRIED INTO EFFECT

The Company in General Meeting, may from time to time, increase its capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such amounts as the resolution shall prescribe. Subject to the provisions of the act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall prescribe and if no direction be given, as the Directors shall determine and in particulars, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at General Meetings of the Company, in conformity with the applicable provisions of the Act. Whenever the capital of the Company has been increased under the provisions of these Articles, the Directors shall comply with the provisions of Section 64 of the Act.

5. ALLOTMENT OTHERWISE THAN FOR CASH

Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company as payment or part-payment for any property or assets of any land whatsoever, sold or to be sold or transferred or to be transferred or for goods or machinery supplied or to be supplied or for services rendered or for technical assistance or know-how made or to be made available to the Company or the conduct of its business and shares which may be so allotted may be issued as fully or partly paid-up otherwise than in cash and if so issued, shall be deemed to be fully or partly paid as the case may be.

6. ADDITIONAL CAPITAL TO FORM PART OF EXISTING CAPITAL

so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares, shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

7. REDEEMABLE PREFERENCE SHARES

Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue preferential shares which are or at the option of the Company are to be liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

8. REDUCTION OF CAPITAL

The Company may (subject to the provisions of Sections 52, 55, 66 of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Security Premium Account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

9. VARIATION OF RIGHTS

If at any time the share capital is divided into different classes of shares, all or any of the rights and privileges attached to the shares of any class may subject to the provisions of Section 48 of the Act be varied, commuted, affected, dealt with or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution at a separate meeting of the holders of the issued shares of that class.

10. FURTHER ISSUE OF SHARES

a) Where it is proposed to increase the subscribed capital of the Company by the issue of new shares:

(i) such new shares shall be offered to the persons who, at the date of the offer are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit to the capital paid-up on these shares at that date;

(ii) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice shall contain a statement of this right;

(iv) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.

(v) To employees under a scheme of employees’ stock option, subject to Special Resolution passed by the company and subject to such conditions as may be specified in the relevant Rules.

(vi) To any persons, by way of passing a Special Resolution to that effect, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be specified in the relevant Rules

b) Whenever any shares are to be offered to the members the Directors may dispose of any such shares which, by reason of the proportion borne by them to the number of persons entitled to such offer or by reason of any other difficulty in apportioning the same cannot in the opinion of the Directors be conveniently offered to the members.

c) The right to issue further shares provided in this clause, shall include a right to the Company, to issue any instrument, including Global Depositary Receipt.

11. ISSUE OF FURTHER PARI PASSU SHARES NOT TO AFFECT THE RIGHT OF SHARES ALREADY ISSUED

The rights conferred upon the holders of the shares of any class issued with preferred or any other rights shall not, unless otherwise expressly provided by the terms of issue of class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

12. SUB-DIVISION AND CONSOLIDATION OF SHARES

a) Subject to the provisions of Section 61 of the Act, the Company in General Meeting may from time to time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled. The cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of the share capital.

b) The Directors are hereby authorised to issue Equity Shares or Debentures (whether or not convertible into equity shares) with the approval of members by a Special Resolution passed at a General Meeting for offer and allotment to such of the officers, employees and workers of the Company as the Directors may select or the trustees or such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the stock exchanges and of the Securities Exchange Board of India, the Directors may impose the condition that the shares in or debentures of the Company so allotted shall not be transferable for a specified period.

13. SHARES TO BE NUMBERED PROGRESSIVELY AND NO SHARES TO BE SUB-DIVIDED

The shares in the capital shall be numbered progressively according to their several denominations, provided however that the provision relating to progressive numbering shall not apply to the shares of the Company which are in dematerialized form. Except in the manner herein before mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

14. DEMATERIALISATION OF SECURITIES

a) The Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

b)

(i) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect, of any security in manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities.

(ii) If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and on receipt of the information the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

c) All securities held by a depository shall be dematerialized and be in fungible form.

d)

(i) The depository whose name is entered as the registered owner of securities in the Register of Members of the Company shall not have any Voting Rights or any other rights in respect of the Securities held by it.

(ii) Every person holding Securities of the Company and whose name is entered as the Beneficial Owner in records of the depository shall be deemed to be a member of the Company. The Beneficial Owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities as a member in respect of his Securities which are held by a depository.

e)

(i) Provisions contained in Section 56 of the Act and these Articles shall not apply to transfer of Securities effected in respect of Securities held in fungible form.

(ii) In the case of transfer or transmission of Securities where the Company has not issued any certificates and where such Securities are being held in fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

15. SHARES AT THE DISPOSAL OF THE DIRECTORS

Subject to the provisions of these Articles and the Act, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any one of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of the Act) and at such times as they may from time to time think fit and proper and with the sanction of the members at General Meeting to give to any person the option to call for or be allotted shares of any class of the Company either at par or at premium during such time and for such consideration and such option being exercisable at such times as the Directors think fit; and any shares which may be so allotted may be issued as fully paid up shares and if so issued shall be deemed to be fully paid up shares. The Boards shall cause to be filed the returns as to allotment provided for in Section 39 of the Act and relevant Rules. Provided that the option or right to call of shares shall not be given to any person except with the sanction of the company in the General Meeting.

16. ACCEPTANCE OF SHARES

Any application signed by, or on behalf of, an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is entered in its Register of Members shall, for the purpose of these Articles, be a member of the Company.

17. DEPOSIT AND CALL, ETC., TO BE A DEBT PAYABLE IMMEDIATELY

The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposits, call or otherwise, in respect of any shares allotted by them, shall, immediately on the inscription of the name of the allottee in the Register of Members as the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.

18. LIABILITY OF MEMBERS

Every member, or his heirs, executors, administrators or other representatives, shall pay to the Company the portion of the capital represented by his share or shares, which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Director shall, from time to time, in accordance with the Company's Regulations require or fix for the payment thereof.

19. SHARE CERTIFICATE

a) The share certificates shall be issued in marketable lots and where share certificates are issued in either more or less than market lots, sub-division or consolidation of share certificates into market lots shall be done free of charge.
The share certificate shall be in the format specified in Form No. SH. 1 as per the relevant provisions of the Act and the Rules made thereunder.

b) Any two or more joint allottees of a share shall, for the purposes of this Article, be treated as a single Member, and the certificate of any share which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. For any further certificate the Board shall be entitle but shall not be bound, to prescribe a charge not exceeding Rupees One. The Company shall comply with the provisions of Section 56 of the Act.

c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, or digitally signed but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

d) The Company shall be entitled to dematerialise its shares, debentures and other securities and rematerialize its shares, debentures and other securities held in the Depositories and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996.

e) Notwithstanding anything contained in sub-clause (d) above, the Board shall not accept application(s) for subdivision or consolidation of shares or debentures or bonds into denominations of less than marketable lots except where such a subdivision or consolidation is required to be made to comply with a statutory order or an order of a competent court of law or a request from a member to convert his holding of odd lots of shares or debentures or bonds into transferable/marketable lot subject, however to verification by the Company.

f) No fee shall be charged for issue of new share certificates in replacement of those which are Old, decrepit, worn-out or where the cages on the reverse of the share certificates for recording transfers have been fully utilized.

g) When a new share certificate has been issued in pursuance of sub-clause (f) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of Share Certificate No. _______________ sub divided/ replaced/ on consolidation of shares".

h) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on payment of such fee, not exceeding Rupees fifty (50) per certificate as the Board may from time to time fix, and onsuch terms, if any, as to evidence and indemnity as to payment of such out-of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

i) When a new share certificate has been issued in pursuance of sub-clause (h) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "a duplicate issued in lieu of share certificate No._______". The word "duplicate" shall be stamped or punched in bold letters across the face of the share certificate.

j) Where a new share certificate has been issued in pursuance of sub-clauses (f) or (h) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the name or names of the person or persons to whom the Certificate is issued the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in Register of Members by suitable cross reference in the "Remarks" column.

k) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority or a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purposes; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

l) All books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-clause (k) of this Article shall be in the safe custody of the person authorised by the Board in this regard.

m) All books referred to in sub-clause (l) shall be preserved in good order permanently.

20. REGISTER AND INDEX OF MEMBERS

The Company shall keep a Register and Index of Members in accordance with Sections 88, of the Act and the details of the members holding shares both in material and dematerialised form in any media as permitted by law including electronic media. The Company shall also be entitled to keep in any state or country outside India a Branch Register of Members resident in that state or country

21. DELIVERY OF SHARE/DEBENTURE CERTIFICATES

The Company shall within two months after the allotment of any of any Securities and within one month after the application for the registration of the transfer of any such Security, deliver in accordance with section 20 of the Act. The expression "i" for the purpose of this Article means a transfer duly stamped and otherwise valid and does not include any transfer which the company is for any reason entitle to refuse to register and docs not register.

22. LIABILITY OF JOINT HOLDERS

If any share stands out in the names of two or more persons all the joint holders of the shares shall be severally as well as jointly liable for the payment of all deposits, installments and calls due in respect of such shares, and for all incidents thereof according to the Company's Regulations, but the person first named in the Register shall, as regards receipt of dividend or bonus or service of notice, and all or any other matters connected with the company, except voting at meetings and the transfer of the shares, and any other matter by the said Act or herein otherwise provided, be deemed the sole holder thereof.

23. REGISTERED HOLDER ONLY THE OWNER OF THE SHARES

Save as herein or by the law otherwise expressly provided, the Company shall be entitle to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not except as ordered by a Court of competent jurisdiction, or as by law required, be bound to recognize any equitable, contingent, future, partial or other claim to or interest in any share, on the part of any other person whether or not it shall have express or implied notice thereof, provisions of the Act shall apply and save as aforesaid, no notice of any trust expressed, implied or constructive shall be entered in the Register. The Directors shall, however be at liberty; at their sole discretion to register any share in the joint names of any two or more persons, and the survivor or survivors of them.

24. SHARE CERTIFICATE FOR JOINT MEMBER

The Company shall not be bound to register more than three persons as the joint holders of any share except in the case of executors or trustees of a deceased member and in respect of a share held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to any one of the several joint holders shall be sufficient delivery to all such holders.

25. FRACTIONAL CERTIFICATES

The Company may issue such fractional coupons as the Board may approve in respect of any of the shares of the Company on such terms as the Boards thinks fit as to the period within which the fractional coupons are to be converted into share certificates.

26. UNDERWRITING AND BROKERAGE – COMMISSION MAY BE PAID

Subject to the provisions of Section 40 of the Act, the Company may at any time pay a commission to any person, in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures of the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in case of shares five percent of the price at which the shares are issued and in case of debentures two and a half percent of the price at which the debentures are issued. The Company shall also pay a higher rate of commission over and above the said percentage if so authorised by the Act.

Such commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

27. BROKERAGE

The Company may pay a reasonable sum for brokerage.

28. CALLS

a) **Directors may make calls**

The Board may from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the Members in respect of all monies unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the time and place appointed by the Board. A call may be made payable by installments.

b) **Notice of calls**

Thirty days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such calls shall be made.

c) **Calls to date from resolution**

A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.

d) **Call may be revoked**

A call may be revoked or postponed at the discretion of the Board.

e) **Liability of Joint Holders**

Joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

f) **Directors may extend time**

The Board may, from time to time at its discretion, extend the time fixed for payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitle to such extension save as a matter of grace and favour.

g) **Overdue calls to carry interest**

If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member and the Board shall be at liberty to waive payment of such interest either wholly or in part.

h) **Sums deemed to be calls**

Any sum, which by the terms of issue of share become payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue of the same becomes payable, and in case of nonpayment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

i) **Part payment on account of call etc. not to preclude forfeiture**

Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the company of a portion of any money which shall from time to time be due from any member to the company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

j) **Proof on trial or suit for money on shares**

On the trial or hearing of any action or suit brought by the Company against any member or his legal representative to recover any moneys claimed to be due to the Company for any call or other sum in respect of his shares, it shall be sufficient to prove:

(i) that the name of the Member, in respect of whose shares the money is sought to be recovered, appears entered in the Register of Members as the holder or one of the holders, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, on the said shares;

(ii) that the resolution making the call is duly recorded in the minutes books; and

(iii) that notice of such call was duly given to the Member or his legal representatives issued in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which such call was made, nor that the meeting at which such call was made was duly convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt and the same shall be recovered by the company against the Member or his representative from whom it is ought to be recovered, unless it shall be proved, on behalf of such Member or his representatives against the company that the name of such Member was improperly inserted in the Register or that the money sought to be recovered has actually been paid.

k) **Payment of unpaid share capital in advance**

(i) The Board may if it thinks fit, subject to the provisions of the Act, agree to and receive from any Member willing to advance the same, either in money or moneys worth the whole or any part of the amount remaining unpaid on the shares held by him beyond the sum actually called up and upon the moneys so paid or satisfied in advance, or so much thereof, as from time to time and at any time thereafter exceeds the amount of the calls then made, upon and due in respect of the shares on account of which such advances have been made, the Board may pay or allow interest at such rate as the Member paying such advance and the Board agree upon provided always that if at any time after the payment of any such money the rate of interest so agreed to be paid to any such Member appears to the Board to excessive, if shall be lawful or the Board from time to time to repay to such Member so much of such money as shall then exceed the amount of the calls made upon such shares, unless there be an express agreement to the contrary; and after such repayment such member shall be liable to pay, and such shares shall be charged with the payment of all future calls as if no such advance had been made; provided also that if at any time after the payment of any money so paid in advance, the company shall go into liquidation, either voluntary or otherwise, before the full amount of the money so advanced shall have become due by the members to the Company, on installments or calls, or in any other manner, the maker of such advance shall be entitle (as between himself and the other members) to receive back from the Company the full balance of such moneys rightly due to him by the Company in priority to any payment to members on account of capital.

(ii) No member paying any such sum in advance shall be entitled to any Voting Rights, dividend or right to participate in profits in respect of money so advanced by him until the same would but for such payment become presently payable.

29. FORFEITURE AND SURRENDER OF SHARES

a) **If money payable on share not paid notice to be given to members**

If any Member fails to pay any call or installment of call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reasons of such non-payment.

b) **Term of Notice**

The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of notice) and a place or places on and at which such call or installment and such interest thereon at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and the place appointed, the share in respect of which the call was made or installment is payable will be liable to be forfeited.

c) **In default of payment, shares may be forfeited**

If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given, may at any time thereafter, but before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture.

d) **Notice of forfeiture**

When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture or to any of his legal representatives, or to any of the persons entitled to the shares by transmission and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members but no forfeiture, shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

e) **Forfeited shares to become property of the company and may be sold etc.**

Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

f) **Member still liable to pay money due notwithstanding the forfeiture**

Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay, and shall forthwith pay to the Company on demand all calls, amounts, installments interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture, until payment, at such rate as the Board may determine and the Board may enforce the payment thereof if it thinks fit.

g) **Effect of forfeiture**

The forfeiture of share shall involve extinction, at the time of forfeiture, of all interest in and of all claims and demands against the Company, in respect of the share, and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

h) **Surrender of shares**

The Directors may subject to the provisions of the Act, accept a surrender of any shares from or by any Member desirous of surrendering them on such terms as they think fit.

i) **Evidence of forfeiture**

A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on the date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

30. LIEN ON SHARES

a) **Company's lien on shares**

The fully paid shares will be free from all lien. The Company shall have a first and paramount lien upon all the shares, being partly paid-up shares, registered in the name of each member (whether solely or jointly with another or others), and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that Article 23 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien if any on such shares. The Board of Directors may at any time declare any shares to be exempt, wholly or partially from the provisions of this Article.

b) **Lien enforced by sale**

For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their member or some other person to execute a transfer thereof on behalf of and in the name of such member. No such sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof is presently payable or the liability in respect of which such lien exists is liable to be presently fulfilled or discharged and until notice in writing of the intention to sell shall have been served on such Member, or his heirs, executors, administrators, or other representatives or upon the persons (if any) entitled by transmission to the shares or any one or more of such heirs, executors, administrators, representatives or persons, and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

c) **Application of sale proceeds**

The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of such debts, liabilities or engagements and the residue (if any) paid to such member, or any of his heirs, executors, administrators, representatives or assigns or any of the persons (if any) entitled by transmission to the shares sold.

d) **Validity of sale under Articles**

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only in and against the Company exclusively.

e) **Cancellation of share certificate in respect of forfeited shares**

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitles thereto.

f) **Power to annul forfeiture**

The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as it thinks fit.

31. ACCOUNTS

a) **Accounts**

The Directors shall keep or cause to be kept at the Registered Office of the Company or at such place in India as the Board thinks fit proper books of accounts in respect of:

(i) all sums of money received and expended by the Company, and the matters in respect of which the receipt and expenditure take place;

(ii) all sales and purchase of goods by the Company;

(iii) the assets and liabilities of the Company. and

(iv) The items of cost, if any- as specified in the relevant Rules.

b) Proper books of account shall also be kept at each branch office of the Company, whether in or outside India, relating to the transactions of that office and proper summarised returns made up to dates at intervals of not more than three months shall be sent by each branch office to the Company at its Registered Office of the Company or the other place referred to in clause (a) hereof.

c) The books of account referred to in clause (a) and (b) shall be such books as are necessary to give a true and fair view of the state of affairs of the Company or such branch office and to explain its transaction.

d) The books of accounts and other Books and Papers shall be open to inspection by any Directors during business hours.

e) The Directors shall comply in all respects with Sections 128, 129, 133, 134, 136, 137 and 138 of the said Act and any statutory modifications thereof.

f) **Inspection to members when allowed**

The Directors shall, from time to time, determine whether and to what extent, and at what times and places, and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of the members not being Directors; and no member (not being a Director) shall have any right of inspection of any account or book or document of the Company except as conferred by law or authorised by the Directors, or by a resolution of the Company in general meeting.

g) **Financial Statements to be laid before the member**

Subject to Section 129 of the Act at every annual general meeting of the Company the Directors shall lay before the Company a Financial Statements for each financial year.

h) **Contents of Financial Statements**

The Financial Statement shall give a true and fair view of the state of affairs of the Company at the end of the period of the account.

Financial Statements shall comply with the provisions 129 and 133 of the said Act.

i) **Financial Statements how to be signed**

(i) The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act.

(ii) The Directors shall make out and attach to every Balance Sheet laid before the Company in general meeting a report of the board of Directors which shall comply with the requirements of and shall be signed in the manner provided by Section 134 of the said Act.

j) **Right of Members to copies of Financial Statements and Auditors' Report**

A copy of every Financial Statements (including consolidated Financial Statement, the Auditors' Report and every other document required by law to be annexed or attached, as the case may be, to the Financial Statement) which is to be laid before the Company in General Meeting shall not less than twenty one days before the date of meeting be sent to every member, every trustee for the debenture holder of any debentures issued by the Company and to the Auditors of the company.

If the copies of the documents aforesaid are sent less than twenty one days before the date of the meeting they shall, notwithstanding that fact, be deemed to have been duly sent if it is so agreed by ninety five percent of the members entitled to vote at the meeting.

The accidental omission to send the documents aforesaid, to or the non receipt of the documents aforesaid by, any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

k) Any member or holder of debentures of the Company whether he is or is not entitled to have copies of the Company's Financial Statements sent to him, shall on demand, be entitled to be furnished without charge, and any person from whom the Company has accepted a sum of money by way of deposit shall on demand accompanied by the payment of a fee of fifty rupees, be entitled to be furnished with a copy of the Financial Statements and every other documents required by law to be annexed or attached thereto.

l) **Copies of Financial Statements etc. be filed**

(i) A copy of the Financial Statements, including consolidated Financial Statements, if any, along with all the documents which are required to be or attached to such Financial Statements under this Act, duly adopted at the annual general meeting of the company, shall be filed with the registrar within thirty days of the annual general meeting.

(ii) If the Annual General Meeting before which a Financial Statement is laid as aforesaid does not adopt the Financial Statements, the un-adopted Financial Statements together with the other documents that are required to be attached to the financial statements shall be filed with the registrar within thirty days of the annual general meeting. Thereafter, the Financial Statements adopted at the adjourned annual general meeting shall be filed with the Registrar within thirty days of such adjourned annual general meeting.

m) **When accounts to be deemed finally settled**

Every account when audited and approved by a general meeting shall be conclusive.

32. BORROWING POWERS

a) **Power to Borrow**

Subject to the provisions of Sections 179 and 180 of the Act and of these Articles, the Board may, from time to time at its discretion, by a resolution passed at a Meeting of the Board accept deposits from Members, either in advance of call or otherwise, and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the company provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

b) **The payment or repayment of monies borrowed**

The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by a resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of debentures of the Company, charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being, and debentures, and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

c) **Terms of issue of debentures**

Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they or any part of them shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with a right to conversion or allotment of shares shall be issued only with the consent of the company in General Meeting accorded by a special resolution.

d) **Register of mortgages etc. to be kept**

The Board shall cause a proper register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall cause the requirements of Section 71, 77 and 79 to 85 (both inclusive) of the Act, in that behalf to be duly complied with (within the time prescribed by the said sections or such extensions thereof as may be permitted by the Company Law Board or the court or the Registrar as the case may be) so far as they fail to be complied with by the Board.

e) **Register and index of debenture holders**

The Company shall if any time it issues debentures, keep a Register and Index of Debenture holders in accordance with Section 88 of the Act and the applicable Rules made thereunder. The company may at any time issue debentures both in material and dematerialised form in any media as permitted by law including electronic media. The Company shall also be entitles to keep in any country outside India a a part of Register of debenture holders resident in that country. The Company shall have the power to keep in any Country outside India a part of Register of Debenture holders resident in that State or Country.

33. DIRECTORS AND OFFICERS

a) **Board of Directors - Number of Directors**

Until otherwise determined by the company in a General Meeting and subject to the Provisions of Section 149 of the Act, the number of directors (excluding Debenture Directors and Nominee Directors appointed under Articles 34 (c) and (d) hereof and Alternate Directors) shall not be less than three nor more than fifteen.

b) **Quorum**

(i) Subject to section 174 of the Act and other applicable Rules, the quorum for the transaction of business at any meeting of the Board shall be at least two directors or one third of its total strength (any fraction contained in the one third being rounded off as one) whichever is higher and the directors participating through video conferencing or by other audio visual means shall also be counted for the purpose of this Article.

(ii) Where a meeting of the Board could not be held for want of quorum, the director present to attend the meeting, (where more than one director is present, any one of them after mutual discussion) shall be entitled to intimate the date, time and place of the adjourned meeting, which intimation shall be sent by him within two days of the meeting that could not be held for want of quorum. In the event, the director or directors present, do not send any intimation, then the adjourned meeting shall be held in the manner specified in the Act.

(iii) The provisions of sub-section (1) of section 173 shall not be deemed to have been contravened, merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms of that section could not be held for want of a quorum.

c) **Meeting of Directors**

A minimum number of four meetings of the Directors shall have been held in every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meeting and proceedings, as they think fit, and may determine the quorum necessary for the transaction of business.

d) **Voting**

At any meeting of the Board, each director shall be entitled to one vote. All decisions of the Board must be by majority vote. The Chairman shall have a casting vote.

e) **Notice and agenda**

Meetings of the Board and of any committee of the Board shall be held at least once every three months and at least 7 days written notice shall be given to each of the members of the Board of any such meeting through hand delivery or by post or by electronic means. Any notice shall include an agenda identifying in reasonable detail the matters to be discussed at the meeting, shall be accompanied by full and detailed information and all relevant papers for discussion at such meeting and, if sent to an address outside India, shall be sent by courier, fax or e-mail.

f) **Attendance by video conferencing or other audio visual means**

Without prejudice to the rights of the directors to appoint alternate directors, any member of the Board who is not able to attend a meeting of the Board or of any committee of which he is a member, shall be entitled to participate in that meeting by video conferencing or other audio visual means.

g) **Transfer of information**

Subject to applicable law, the Company shall provide to the Directors all information requested by them relating to the Company.

h) **Chairman**

The Directors may elect a Chairman to chair its meetings and determine the period for which he is to hold office. The Chairman be permitted to hold the position of both the Chairman of the Board and/or General Meeting as well as Managing Director/CEO/equivalent position thereof in the Company as per the recommendations of the appropriate committee of the Directors and approved by the Directors.

34. MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND OTHER DIRECTORS

a) **Alternate Director**

The Board may appoint an alternate director to act for a director hereinafter called "original director" during his absence for a period of not less than three months from India. An alternate director appointed under this Article shall not hold office as such for a period longer than that permissible to the original director and shall vacate office if and when the original director returns to India . If the term of office of original director is determined before he so returns to India aforesaid any provision for automatic re-appointment of retiring directors in default of another appointment shall apply to the original and not to the alternate director.

b) **Managing Director and Whole time Director**

The Board may appoint, from time to time, one or more of their members to be the Managing Director or Joint Managing Director or Whole-time Director or Deputy Managing Director or Manager of the Company on such terms and on such remuneration (whether by way of Salary or commission, or partly in one and partly in another) as they may think fit and the directors so appointed shall not while holding that office, be subject to retirement by rotation or taken into account in determining the rotation of retirement of directors, but their appointment shall be subject to determination ipso facto if they cease from any cause to be a director or if the Company in General Meeting resolve that their tenure of the office of Managing Director or Joint Managing Director or Whole time Director or Deputy Managing Director or Manager be determined. Subject to the provisions of the Act, the Directors, may from time to time entrust and confer upon a Managing Director for the time being such of the powers exercisable upon such terms and conditions and with such restrictions as they may think fit either collaterally with or to the exclusion of and in substitution for all or any of their own powers and from time to time revoke, withdraw, alter or vary ail or any of such powers.

c) **Debenture Director**

If it is provided by any Trust Deed, security or otherwise, in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director or Directors of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director or Directors accordingly. Any Director so appointed is herein referred to as "Debenture Director". A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another director may be appointed in his place. ; A Debenture Director shall automatically cease to hold office as a director if and when the debentures are fully discharged.

d) **Nominee Directors**

So long as any moneys remain owing by the Company to any development financial institutions or public financial institutions, or by two or more of them or so long as any of them holds or continues to hold Securities in the Company as a result of any guarantee furnished by them on behalf of the Company and remaining outstanding, it shall have a right to appoint from time to time any person as Director, Whole time or non-whole time (which Director or Directors is/are hereinafter referred to as 'Nominee Director/s) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person in his or their places. Subject as aforesaid, Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

e) **Co-Option of Directors**

Directors shall have power at any time and from time to time to co-opt any other person as a director either to fill a casual vacancy or as an additional director, so that the total number of directors shall not at any time exceed the maximum fixed. Any Director appointed to fill a casual vacancy shall hold office only up to the date up to which the director in whose place he has been placed would have held the office if it had not been vacated. Any additional director shall hold office only up to the date of next Annual General Meeting or the last date of Annual General Meeting should have been held whichever is earlier.

f) **Remuneration of Directors**

The remuneration of Directors , including the fees payable to the Directors of the Company in attending the Meetings of the Board or the Committees of the Board, shall be determined by the Board of Directors from time to time, provided, that the sitting fees payable to the Directors as aforesaid shall be within the maximum permissible limits under the Act and Rules.

g) **Directors' travelling expenses**

In addition to the remuneration payable to them, Directors shall be entitled to be paid all travelling, hotel and other incidental expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings or in connection with the business of the Company. The rules in this regard may be framed by the Board of Directors from time to time.

h) **Special remuneration for performing extra services**

It any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a Member of any committee formed by the Director(s)) the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration, subject to provisions of the Act.

i) **Directors may act notwithstanding any vacancy**

The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board of Directors, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for a quorum or for summoning a General Meeting but for no other purpose.

j) **Secretary to call board meeting**

The Secretary shall, and when directed by any Director to do so, convene a meeting of the Board by giving a notice in writing to every other Director.

k) **Terms of office of Directors**

Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation.

l) **Retirement of Directors by rotation**

At every annual general meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one third, shall retire from office.

m) **Ascertainment of Directors to retire**

The Directors to retire by rotation under the foregoing Article shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring Director shall be eligible for re-election.

n) **Company to appoint successors**

The Company, at the annual general meeting at which a Director retires in manner aforesaid, may, fill up the vacated office by electing the retiring Director or some other person thereto.

o) **Removal of Directors**

The Company may (subject to the provisions of Section 169 of the Act) remove any Director before the expiration of his period of office and appoint another person in his stead.

p) **Circular resolution**

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the members of the committee at their address registered with the Company in India by hand delivery or by post or courier or through e-mail and has been approved by a majority of such of them as are entitled to vote on the resolution.

q) **Validity of Directors Acts**

All acts done by any meeting of the Board or by a Committee or by a sub-committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors, or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such persons had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

r) **General Powers of the Board of Directors**

The business of the Company shall be managed by the Board of Directors, who may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in general meeting, subject nevertheless to the regulations of these Articles to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board of Directors shall not except with the consent of the members at General Meeting by a Special Resolution:

(i) sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, of any such undertaking;

Explanation:
"undertaking" shall mean an undertaking in which the investment of the company exceeds twenty per cent. of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty per cent. of the total income of the company during the previous financial year.

(ii) remit or give time for the repayment of, any debt due from a Director;

(iii) invest, otherwise than in trust Securities, the amount of compensation received by the company as a result of any merger or amagamation;

(iv) borrow moneys, where the moneys to be borrowed together with the moneys already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the company and its free reserves.

s) **Contribution to charitable funds**

contribute to charitable and other funds not directly relating to the business of the company or the welfare of its employees any amounts with a prior approval of members in general meeting, the aggregate of which will in any financial year exceeding five percent of its average net profits for the three financial years immediately preceding.

t) **Certain powers to be exercised by the board only at meetings**

The Board of Directors of the Company shall exercise the following powers on behalf of the company and it shall do so only by means of resolutions passed at meetings of the Board:

(i) The power to make calls on share holders in respect of money unpaid on their shares;

(ii) The power to authorise buy-back of securities under section 68 read with Article 44;

(iii) The power to issue Securities, including Debentures, in or outside India;

(iv) The power to borrow money;

(v) The power to invest the funds of the Company;

(vi) The power to grant loans or give guarantee or provide security in respect of loans;

(vii) The power to approve Financial Statement and the Board's report;

(viii) The power to diversify the business of the Company;

(ix) The power to approve amalgamation, merger or reconstruction;

(x) The power to takeover a Company or acquire a controlling or substantial stake in another Company

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (iv), (v) and (vi) of this Article to the extent specified in subsections (iii), (iv) and (v) respectively of Section 179 of the Act, on such condition as the Board may prescribe. In respect of dealings between the Company and its bankers the exercise by the company of the powers specified in sub¬-clause (iv) above shall means the arrangement made by the Company with its bankers for the borrowing of money by way of overdraft of cash credit or otherwise and not the actual day to day operation on overdraft, cash credit or other accounts by means of which the arrangement so made is actually availed of.

u) **Certain powers of the Board**

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Articles, it is hereby declared that the Directors shall have the following powers, that is to say, power:

(i) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

(ii) Subject to Sections 179 and 188 of the Act and applicable Rules made thereunder to purchase or otherwise acquire for the Company any property, rights, privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they think fit, and in any such purchases or other acquisition to accept such tide as the Directors may believe or may be advised to be reasonably satisfactory.

(iii) At their discretion and subject to the provisions of the Act, to pay for any property, rights, or privileges acquired or services rendered in the Company either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities or the such amount credited as paid up thereon as may be agreed upon and any such bonds; debentures, mortgages or other securities may be either, specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

(iv) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.

(v) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.

(vi) To appoint any person to accept and to hold in trust for the Company any property belonging to the company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

(vii) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the company or its officers or otherwise payment or satisfaction of any debts due, and of any claims or demands by or against the Company, and to refer any differences to arbitration, and observe and perform any awards made thereon.

(viii) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

(ix) To make and give receipts, releases and other discharges for moneys payable to the Company, and for the claims and demands of the Company

(x) Subject to the provisions of Sections 179, 180(1)(b), 185, and 186 of the Act, to invest, deposit and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realize such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.

(xi) execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety; for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale, and such other power, provisions, covenants and agreements as shall be agreed upon.

(xii) to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give necessary authority for such purpose.

(xiii) to distribute by way of bonus amongst the staff of the Company a share in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.

(xiv) to provide for the welfare of Directors or Ex-Directors or employees or ex-employees of the company and their wives, widows and families or the dependants or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of moneys, pensions, gratuities, allowances, bonus or other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions of funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical an other attendance and other assistance as the Board shall think fit, and subject to the provisions of Section 181 of the Act. To subscribe or contribute or otherwise to assist or to guarantee money to any charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support of aid by the Company either by reason of locality of operation, or of public and general utility or otherwise.

(xv) to appoint, and at their discretion remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries, or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in Indian or elsewhere in such manner as they think fit.

(xvi) to comply with requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

(xvii) from time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local boards and to fix their remuneration.

(xviii) subject to Section 179 of the Act, from time to time and at any time to delegate to any persons so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make call or to make loans or borrow moneys and to authorize the members for the time being of any such local Board, or any of them, to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms, and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed and may annul any such delegation.

(xix) at any time and from time to time by power of attorney under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in the limits authorized by the Board, the power to make loans and borrows moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may; (if the Board thinks fit) be made in favour of the members of any local board, establish as aforesaid or in favour of any company or the shareholders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly, or indirectly by the Board and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and directions for the time being vested in them.

(xx) subject to Section 188 of the Act for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient.

(xxi) from time to time make, vary or repeal policies for the regulation of the business of the Company, its officers and servants.

(xxii) The Directors may formulate, create, institute or set up such schemes, trusts, plans or proposals as they may deem fit for the purpose of providing incentive to the officers, employees and workers of the Company, including without limiting the generality of the foregoing, formulation of schemes for the subscription by the officers, employees and workers to shares in, or debentures of, the company.

v) **Indemnity may be given**

If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

35. COMMITTEES OF THE BOARD

a) **Directors may appoint committees**

The Board may delegate any of its powers to committees of the Board consisting of such members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part, and either as to persons or purposes, save as those committees that are required under the provisions of the Act, but every committee of the Board so formed shall in the exercise of the powers so delegated, confirm to any regulations that may from time to time be imposed on it by the Board or under the Act and/or Rules. All acts done by any such committee of the Board in conformity with the Act, Rules or such regulations and in fulfilment of the purpose of their appointment but not otherwise shall have the like force and effect as if done by the Board.

b) **Meetings of committee how to be governed**

Unless otherwise stipulated, the meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article. The provisions of Article 33 (c) shall mutatis mutandis apply to the meetings of such committee.

36. APPOINTMENT OF KEY MANAGERIAL PERSONNEL

a) Subject to the provisions of the Act,

(i) A Key Managerial Personnel may be appointed by the Board for such term at such remuneration and upon such conditions as it may think fit and the Key Managerial Personnel so appointed may be removed by means of a resolution in the Board Meeting.

(ii) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

37. MEMBERS' MEETING

a) **Annual General Meeting**

Annual General Meeting of the Company may be convened subject to Section 96 and Section 129 of the Act by giving not less than 21 clear days notice in writing. Subject to the provisions of Section 101 of the Act, a meeting may be convened after giving a shorter notice.

b) Extra Ordinary General Meeting

The Board may, whenever it thinks fit call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member in the manner required under the provisions of section 100 of the Act.

c) To whom notice to be given

Notice of every general meeting shall be given -

(i) to every member of the Company, legal representative of any deceased Member or the assignee of an insolvent Member;

(ii) to the auditor or auditors of the Company; and

(iii) to every Director of the Company.

(iv) to every trustee for the debenture holder of any debentures issued by the Company.

d) **Quorum**

The quorum for the meeting of the members of the Company or any class thereof, shall be the presence of such number of members as specified in the Act, based on the total number of members in the Company.

e) **Body corporate personally present**

A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

f) **If quorum not present meeting to be dissolved or adjourned**

If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting if convened by or upon the requisition of Members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a National Holiday until the next succeeding day which is not a National Holiday at the same time and place or to such other day at such other time and place within the city or town in which the Registered Office of the Company is situate as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the Members present shall be a quorum, and may transact the business for which the meeting was called.

g) The Chairman (if any) of the Directors shall be entitle to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Directors, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting then the members present shall elect another Director as Chairman and if no Director be present or if all Directors present decline to take the Chair, then the members present shall elect one of their members to be the Chairman.

h) **Business confined to election of chairman whilst chair vacant**

No business shall be discussed at any General Meeting except the election of a Chairman, whilst the chair is vacant.

i) **Chairman with consent may adjourn meeting**

The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place within the city or town in which the Registered Office of the Company is situated for the time being but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

j) **Chairman's casting vote**

In the case of any equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the votes to which he may be entitle as a Member.

k) **Member in arrears not to vote**

No member shall be entitle to vote either personally or by proxy at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has, and has exercised, any right of lien.

l) **Number of votes to which member entitled**

Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every member, not disqualified by the last preceding Article shall be entitle to be present and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the Voting Rights of every member whether present in person or by proxy, shall be in proportion to his share of the paid-up equity capital of the Company.

m) **Casting of votes by a member entitled to more than one vote**

On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy, or other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

n) **Votes of members of unsound mind and minors**

A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hand or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy. If any member be a minor, the votes in respect of his share of shares shall be by his guardian or any of his guardians, if more than one, to be elected in case of dispute by the Chairman of the meeting.

o) **Votes of joint members**

If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a Member or not) as his proxy in respect of such shares as if he were solely entitle therein but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, then one of the said person so present whose name stands higher on the Register-shall alone be entitle to speak and to vote in respect of such shares, but the other or others of the, joint-holders shall be entitle to be present at the meeting. Several executors or administrators of a deceased member in whose names share stand shall for the purpose of these Articles be deemed joint holders thereof.

p) **Voting in person or by proxy**

Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorized in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.

q) **Votes in respect of shares of deceased or insolvent members**

Any person entitle under Article 38 (e) (v) to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that 48 hours, at least, before the time of holding the meeting or adjourned meeting as the case may be at which he proposed to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

r) Validity of votes given by proxy notwithstanding death of member

A vote given in accordance with the norms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Registered Office before the meeting.

s) **Chairman of any meeting to be the judge of validity of vote**

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered in respect of matters transacted at a meeting.

t) **Inspection of Minute Books of General Meeting**

The books containing the minutes of the proceedings of General Meetings of the Company shall –

(i) be kept at the registered office of the Company; and

(ii) be open during business hours to the inspection of any member without charge subject to such reasonable restrictions as the Company may impose so however that not less than two hours in each day are allowed for inspection.

Any member shall be entitled to be furnished within seven working days after he has made request in that behalf to the Company with a copy of any Minutes referred to in sub-clause (1) on payment of Rs.10/- for every page or part thereof required to be photocopied and that the Company shall comply with provisions of Section 119 of the Act.

u) **Other registers**

The provisions contained in Article 37 (t) shall mutatis mutandis apply to other registers maintained under the provisions of the said Act, that can be inspected by an eligible person.

38. TRANSFER AND TRANSMISSION OF SHARES

a) **Register of transfers**

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share, whether or not held in material form.

b) **Instrument of transfer**

(i) Shares in the Company shall be transferred by an instrument of transfer in writing in such form as prescribed under Section 56 of the Act, or under Rules made thereunder from time to time.

(ii) Nothing contained in the forgoing Article shall apply to transfer of Security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a

Depository.

c) **To be executed by Transferor and Transferee**

(i) The instrument of transfer duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of the transferor and his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by an order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the shares must be delivered to the Company.

(ii) Notwithstanding anything contained in the Articles of Association, in the case of transfer of Securities, where the Company has not issued any certificates and where such Securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.

d) **Directors may refuse to Register Transfers**

Subject to the provisions of Section 59 of the Act, the Board, may as its own absolute and uncontrolled discretion, and without assigning any reason, decline to register or acknowledge any transfer of shares whether fully paid or not, (notwithstanding that the proposed transferee be already a member), but in such cases it shall, within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and the transferor notice of refusal to register such transfer. Provided that registration of a transfer shall not be refused on the ground that the transferor being either alone or jointly with any other person or persons indebted to the company on whatsoever except on shares.

e) **Refusal to Register Transfer**

In particular and without prejudice to the generality of the above, powers, the Board may subject to the provisions of section 58 of the Companies Act, 1956 decline to register in exceptional circumstances when it is felt that the transferee is not a desirable person from the larger point of view of the interest of the Company as a whole.

(i) **Sub – Division / Consolidation in Marketable Lots Only**

Transfer of shares whatever lot should not be refused, though there would be no objection to the company refusing to split a share certificate into several scrips of any small denominations or to consider a proposal for transfer of shares comprised in a share certificate to several parties, involving such splitting, it on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company shall not, refuse transfer of shares in violation of the Stock Exchange listing requirements.

(ii) **Death of one or more Joint Holders of Shares**

Subject to the provisions of Act relating to nomination of shares, in case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognized by the Company, as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate or a deceased joint holder for any liability on shares held by him jointly with any other person.

(iii) **Title to Shares of Deceased Member**

Subject to the provisions of Act relating to nomination of shares, the executors or administrators or holders of a succession certificate or the legal representatives of a deceased member (not being one of two or more joint-holders) shall be the only person recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or letter of administration or succession certificate, as the case may be, from a duly constituted court in the Union of India. Provided that in case where the Board in its absolute discretion think fit, the Board may dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 38 (e) (ii) register the name of any person who claims to be absolutely entitled to shares standing in the name of a deceased member, as a member.

(iv) **No Transfer to Insolvent, Etc.**

No share shall in any circumstances, be transferred to any insolvent or person or unsound mind.

(v) **Registration of Person entitled to Shares otherwise than by Transfer**

Subject to the provisions of the Act and Articles 38 (e) (ii) and (iii) any person becoming entitled to shares in consequences of death, lunacy, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these Articles may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some persons nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the shares.

f) **Persons entitled may receive Dividends without being registered as members**

A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided be entitle to receive, and may give a discharge for any dividends or other moneys payable in respect of the shares.

g) **Fee on Transfer or Transmission**

No fee shall be charged for transfer and transmission of shares, debentures and bonds or for registration of any of power of attorney, probate, letter of administration or other similar documents and for the sub-division of renounceable letters of right.

h) **The Company not liable for disregard of a notice prohibiting registration of a Transfer**

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of a person or persons having or claiming any equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the company, and the company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the company, but the company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

39. SECRECY OF WORKS AND INFORMATION

No member or other person (not being a director) shall be entitle to visit or inspect any works of the Company without the permission of the directors or to require discovery of any information concerning the business, trading or customers of the Company, or any matter which is or may be in nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be in expedient in the interest of the Company to disclose.

40. SECRETARY

The Directors shall from time to time appoint a Secretary (and at their discretion remove any such Secretary) to perform any functions, which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Director may also at any time appoint any person or persons (who need not be the Secretary) to keep the registers required to be kept by the Company.

41. SEAL

a) **The Seal, Its Custody and Use**

(i) The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board or a committee of the Board previously given.

(ii) The Company shall also be at liberty to have an official seal in accordance with Section 22 of the Act, for use in any territory, district or place outside India.

b) **Deed How Executed**

Every Deed or other instrument, to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney be signed by one Director or some other person appointed by the Board for the purpose provided that in respect of the Share Certificate the Seal be affixed in accordance with Rule 5 of the Companies (Share Capital and Debentures) Rules, 2014.

42. DIVISION OF PROFITS

a) The Profits of the Company, subject to the provisions of any law for the time being in force and any special right relating thereto created or authorized to be created by these Articles, shall be divisible among the 'Members in proportion to the amount of capital paid-up of credited as paid-up and to the period during the year for which the capital is paid-up on the shares held by them respectively.

b) The Company in General Meeting may declare Dividends Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare dividends, to be paid to its Members according to their respective rights but not dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

c) **Interim Dividend**

The Board may, from time to time, pay to the members such interim dividend as in their judgment the position of the company justifies.

d) **Capital paid-up in advance carrying interest not to earn Dividend**

Where capital is paid in advance of calls, such capital may carry interest but shall not be in respect thereof confer a right to dividend or participate in profits.

e) **Dividend to be paid pro-rata**

(i) Subject to the provisions of any law for the time being in force and subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof dividend is paid but if and so long as nothing is paid upon any shares in the Company, dividends may be declared and paid according to the amount of the shares.

(ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.

(iii) Subject to the provisions of any law for the time being in force all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any shares is issued on terms providing that it shall rank for dividend as from a particular date such shares shall range for dividend accordingly.

f) **Retention of dividends until completion of transfer under Article 38 (e) (v)**

The Board may retain the dividends payable upon shares in respect of which any person is, under Article 38 (e) (v) entitled to become a member, which any person under that Article is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

g) **Dividend, etc. to joint-holders**

Any one of the several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payment on account of dividends or bonus or other moneys payable in respect of such shares.

h) No member to receive dividend whilst indebted to the Company and Company's right to reimbursement thereof. No member shall be entitle to receive payment of any interest or dividend in respect of his shares of shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

i) **Transfer of Shares to be registered**

A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

j) **Manner of Payment of Dividend**

Unless otherwise directed, any dividend may be paid by cheque or warrant or any electronic mode force of a cheque or warrant sent through the post to the registered address of member or person entitle or in case of joint holder to that one of them first named in the register in respect of the joint holder. Every such cheque warrant shall be made payable to the order of the person to whom it sent. The Company shall not be responsible for any cheque or warrant or any electronic mode or receipt lost in transmission or for any dividend lost to the member or person entitle thereto by the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

k) **Interest on Dividends**

No unpaid dividend shall bear interest as against the Company. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of Section 123 of the Act in respect of unpaid or unclaimed dividend.

l) **Dividend and Call Together**

Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the Members, be set off against the call.

43. CAPITALISATION OF PROFITS

a) The Company in General Meeting may, upon the recommendation of the Board resolve:

(i) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in Clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Clause (c), either in or towards:

(i) paying up any amounts for the time being unpaid on any shares held by such member respectively;

(ii) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportions aforesaid; or

(iii) partly In the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);

(iv) A Securities premium account and a capital redemption reserve account may, for the purpose of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(v) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

c) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriation and application of the undivided profits resolved to the capitalized thereby, and all allotments and issues of fully paid shares, if any; and

(ii) generally do all acts and things required to give effect thereto.

d) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise, as it thinks fit, for the case of Securities becoming distributable in fractions; and

(ii) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitle upon such capitalisation or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportion of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.

e) Any agreement made under such authority shall be effective and binding on all such members.

f) The Board shall have the right to fix a date for the purpose of determining the Members who are entitled to the payment of the dividend, or shares pursuant to the capitalisation of reserves, and for any other action of the Company that requires determination of the details of Members.

44. BUY BACK OF SECURITIES

The Company shall have power, to the extent permitted by the Act and other applicable enactments, and subject to such conditions, approvals or consents as may be laid down for the purpose, to buy-back its own shares, whether or not there is any consequent reduction of Capital. If and to the extent permitted by the applicable statutes, the Company shall also have the power to re-issue the shares so bought back.

45. SIGNING OF CHEQUES

All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts, for moneys paid by the Company, shall be signed, drawn, accepted or otherwise executed as the case may be, in such manner as the directors shall from time to time by resolution determine.

46. DECLARATION OF SECRECY

Every director including Managing Director, Whole Time, Debenture or Special Director, Manager, Secretary, Treasurer, Trustees for the time being of the Company, member or Debenture holder, member of a committee, officer, servant, agent, accountant or any other person employed in or about the Company business shall if so required by the Board of Directors before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and all manufacturing, technical and business information of the company, except when required so to disclose by the Board or by any meeting or by a Court of law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.

47. FOREIGN REGISTER

The Company may exercise the powers conferred upon the Company by Sections 88 of the Act and applicable Rules made thereunder with regard to the keeping of a part of the registers of members or debenture holders or of any other security holders or of beneficial owners residing in that country outside India, and the Directors may (subject to the provisions of the section) make and vary such regulations as they may think fit respecting the keeping of any such register.

48. MISCELLANEOUS

a) **On joint –holders**

A document or notice may be served or given by the Company to the joint holders of share by serving or giving the document or notice on or to the joint holder named first in the register of members in respect of the share.

b) **To whom documents or notices must be served or given**

Documents or notices of every General Meeting shall be served or given in some manner hereinbefore authorized on or to (a) every Member, (b) every person entitle to a share in consequence of the death or insolvency of a member and the Auditor/s for the rime being of the Company.

c) **Members bound by documents or notices served on or given to previous holders**

Every person, who, by operation of law, transfer or other means whatsoever, shall become entitle to any share shall be bound by every document or notice in respect of such share which prior to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such share.

49. WINDING UP

a) Distribution of assets

The Liquidator on any winding up (whether voluntary and supervision or compulsory) may with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories and/or members in specie any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributors, as the liquidator, with the like sanction shall think fit.

b) If thought fit any such division may be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on any contributory who would be prejudiced thereby shall have the right to dissent and shall have ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the said Act.

c) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares, may, within seven days after the passing of the Special Resolution by notice in writing, direct the Liquidator to sell his proportion and pay him the proceeds and the Liquidator shall, if practicable, act accordingly.

d) **Liquidator may sell for shares in another company**

Any such Liquidator may, irrespective of the powers conferred upon him by the said Act and as an additional power conferring a general or special authority, sell the undertaking of the Company or the whole or any part of its assets for shares fully or partly paid-up or the obligations of or other interest in any other company and may by the contract of sale agree for the allotment to the members directly of the proceeds of sale in proportion to their respective interests in the Company and in case the shares of this Company shall be of different classes, may arrange for the allotment in respect of preference shares of the Company, to obligations of the purchasing company or of shares of the purchasing company with preference or priority over or with a larger amount paid up than the shares allotted in respect of ordinary shares of this Company and may further by the contract, limit a time at the expiration of which shares, obligations or other interests not accepted or required to be sold, shall be deemed to have been refused and be at the disposal of the Liquidator.

e) **Sale under Sections 319 of the Act**

Upon any sale under the last preceding Article or under the powers given by Section 319 of the said Act, no member shall be entitled to require the Liquidator either to abstain from carrying into effect the sale or the resolution authorising the same or to purchase such member's interest in this Company, but in case any member shall be unwilling to accept the share, obligations or interests to which under such sale he would be entitled, he may, within seven days of the passing of the resolution authorising the sale, by notice in writing to the Liquidator, require him to sell such shares, obligations or interests and thereupon the same shall be sold in such manner as the Liquidator may think fit and the proceeds shall be paid over to the member requiring such sale.

50. INDEMNITY TO AND PROTECTION OF DIRECTORS AND OFFICERS

a) **Indemnity**

The Board shall be entitled to meet out of the funds of the Company to defend, every officer of the Company as defined by Section 2(59) of the said Act, or any person (whether an officer of the Company or not) employed by the Company, against all claims made on them (including losses and expenses), in or about the discharge of their respective duties.

b) Every Officer of the Company, as defined by Section 2(59) of the said Act, or any person (whether an Officer of the Company or not) employed by the Company, shall be indemnified from all claims, losses and expenses expended by them, respectively in or about the discharge of their respective duties, out of the funds of the Company against all liabilities, including attorney fees, incurred by them in defending any proceedings under the Act, or other laws applicable to the Company, and/or its subsidiaries in any jurisdiction.

c) The Company may take and maintain any insurance as the Board may think fit on behalf of its directors (present and former), and the Key Managerial Personnel, for indemnifying any or all of them against any liability for any acts in relation to the Company for which they may be liable.

d) **Directors and Other officers not responsible or acts of others**

No Director of the Company, Manager, Secretary, Trustee, Auditor and other officer or servant of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or servant or for joining in any receipts or other act for the sake of conformity merely or for any loss or expenses happening to the Company through the insufficiency or deficiency in point of titles or value of any property acquired by the order of the Directors for or on behalf of the Company or mortgaged to the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation to or with whom any moneys, securities or effects of the Company shall be entrusted or deposited or for any loss occasioned by any error of judgement, omission default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution or performance of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

e) An Independent Director, and a non-executive director not being a promoter or a Key Managerial Personnel, shall be liable only in respect of acts of omission or commission, by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he has not acted diligently.

SECTION IX - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10:00 a.m. and 5:00 p.m. on all Working Days from the date of this Draft Letter of Offer until the Issue Closing Date.

A. Material Contracts

1. Engagement letter dated November 3, 2016, appointing Spark Capital Advisors (India) Private Limited to act as Lead Manager to the Issue.

2. Issue agreement dated January 19, 2017, between our Company and the Lead Manager to the Issue.

3. Registrar agreement dated January 19, 2017, between our Company and the Registrar to the Issue.

4. Tripartite agreement dated September 11, 2014 between our Company, CDSL and Karvy Computershare Private Limited.

5. Tripartite agreement dated September 23, 2014 between our Company, NSDL and Karvy Computershare Private Limited.

6. Banker to the Issue Agreement dated [●] between our Company, the Lead Manager to the Issue, the Registrar to the Issue and the Banker to the Issue.

B. Documents

1. Memorandum and Articles of Association of our Company.

2. Certificate of incorporation dated April 18, 2011 and subsequent fresh certificate of incorporation dated February 3, 2014.

3. Copy of the resolution of the Board of Directors under Section 62 of the Companies Act passed in its meeting dated November 3, 2016 authorising the Issue.

4. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditors, Lead Manager to the Issue, Legal Advisor to the Issue, Bankers to our Company and Registrar to the Issue to include their names in the Draft Letter of Offer to act in their respective capacities.

5. Statement of Tax Benefits from the Statutory Auditors dated January 13, 2017 as disclosed in this Draft Letter of Offer.

6. Reports of the Statutory Auditors dated January 13, 2017 on the Restated Consolidated Summary Statements and Restated Unconsolidated Summary Statements dated January 13, 2017.

7. Audited reports of our Company for the six (6) months period ended as on September 30, 2016 and the Financial Years 2016, 2015, 2014, 2013, and 2012.

8. Annual reports of our Company for the Financial Years 2016, 2015, 2014, 2013, and 2012.

9. In-principle listing approval dated [●] issued by BSE.

10. Due diligence certificate dated January 27, 2017 from the Lead Manager.

11. Observation letter no. [●] dated [●], issued by SEBI for the Issue.

12. List of Equity Shares allotted pursuant to conversion of employee stock options into Equity Shares under the employee stock option plans of our Company i.e. ASOP 2003, ASOP 2004, ASOP 2011, ISOP 2015 and ISOP 2016.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify and declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act or the rules, guidelines or regulations issued thereunder, as the case may be. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

____

Arun Jain
(Chairman and Managing Director)

____

Anil Kumar Verma
(Whole Time Director)

____

Ashok Jhunjhunwala
(Independent Director)

____

Venkataratnam Balaraman
(Independent Director)

____

Aruna Krishnamurthy Rao
(Independent Director)

____

Arun Shekhar Aran
(Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

____

Subramanium Swaminathan
(Chief Financial Officer)

Date: January 27, 2017
Place: Chennai