

**INTELLECT/SEC/2017-18**

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

Dear Sirs,

**Sub :- Intimation under Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 30(6) and other relevant clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the presentation being made on financial results to analysts and institutional investors on May 03<sup>rd</sup>, 2017.

Kindly take the above information on record.

Thanking You,  
for **Intellect Design Arena Limited**



**V V Naresh**  
**Company Secretary and Compliance Officer**  
Encl : As Above



# Intellect Design Arena Limited

**Earnings Announcement**  
**Q4 and Annual Results FY17 ending 31st March 2017**

May 3 , 2017



# Disclaimer

Intellect Design Arena Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an rights issue of its equity shares and has filed a Draft Letter of Offer (DLOF) with the Securities and Exchange Board of India. The Draft Letter of Offer is available on the website of the SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) as well as on the website of the Lead Manager at [www.sparkcapital.in](http://www.sparkcapital.in). Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section entitled 'Risk Factors' of the LOF, when available. Potential investors should not rely on the DLOF for any investment decision.



# Agenda



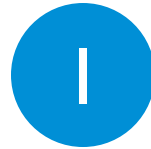
Brand



End Customer



Leadership



Intellectual  
Product



Execution



Finance



# Brand



Brand

Acclaimed by  
Experts

IBS Annual  
Sales League  
Table 2017 – the  
acknowledged  
barometer of  
global banking  
system ratings.



## Leadership Position

**#1** Retail Banking Systems  
Intellect Digital Core

**#1** Payment Systems  
Intellect Payments

**#2** Digital Banking & Channels  
Intellect Digital Banking Exchange



IBSintelligence



# Finance



## Q4 Financial Highlights

Q4 FY17

**₹ 250 Cr**

Revenues for Q4 FY 17  
INR terms

**11% ↑**

QoQ revenue  
growth

**16% ↑**

YoY revenue  
growth (same qtr last year)

**\$ 37.37 mn**

Revenues for Q4 FY 17 \$  
terms

**\$ 38.49 mn**

Constant currency  
(@ Q4 FY 16 rates)

**126 Cr**

Gross margin

**50%**

Gross margin %

All financial information used in this presentation pertaining to Q4 FY 17 has been extracted from Audited Consolidated Financial results for the quarter ended 31<sup>st</sup> March 2017

Average USD – INR Conversion rate for the quarter (1<sup>st</sup> Jan 2017 – 31<sup>st</sup> Mar 2017) stands at Rs. 67

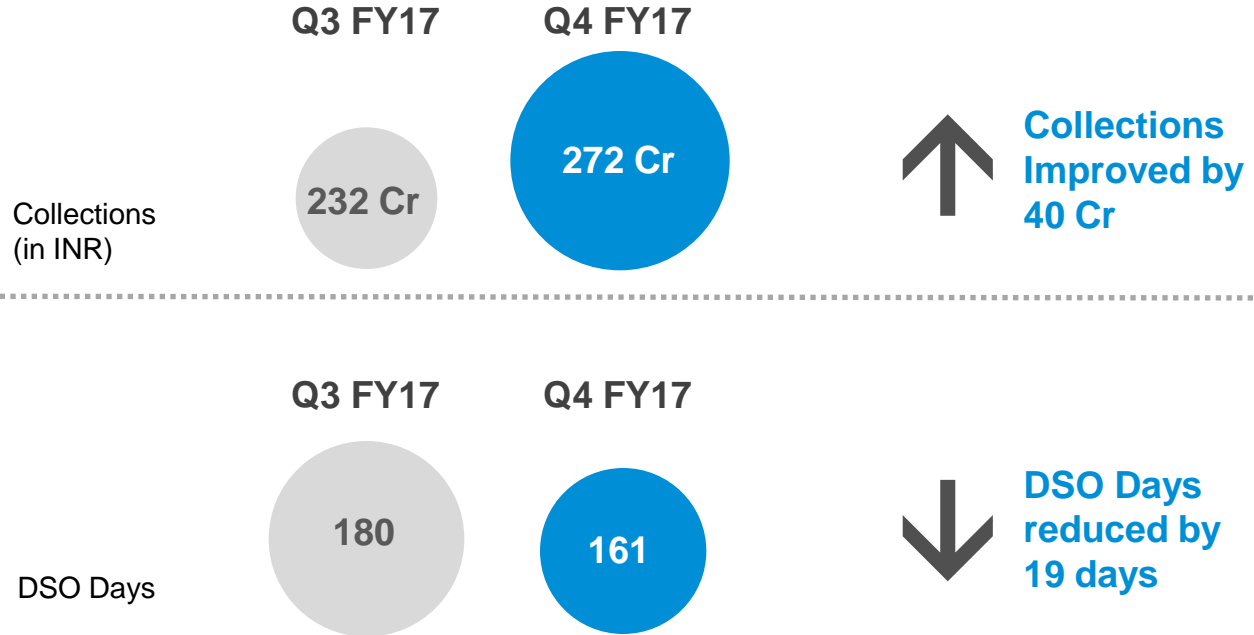




# Collections

Reduction of  
DSOs

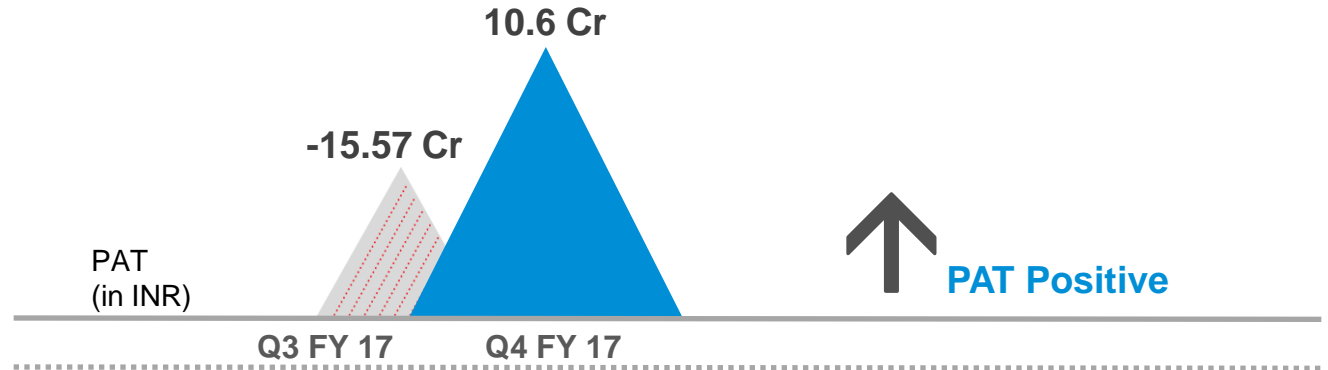
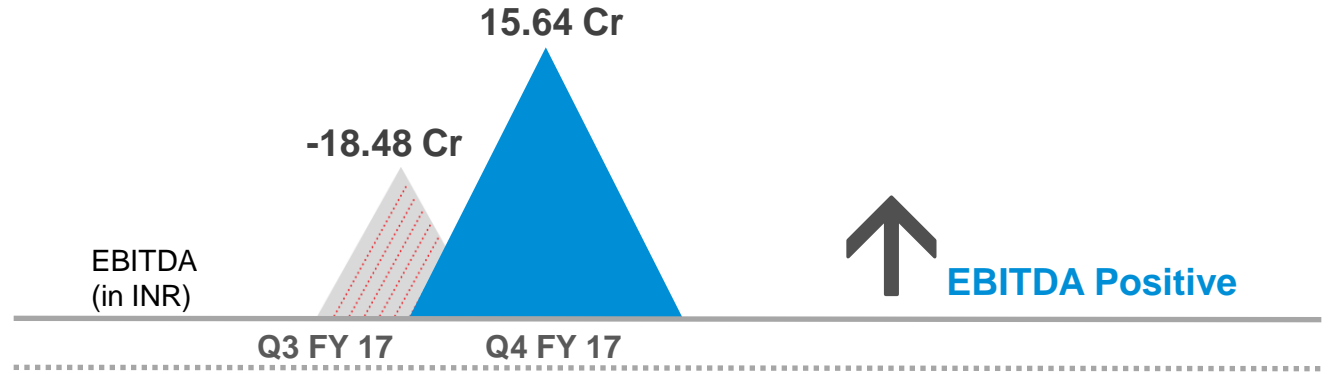
Collections up by  
17% QoQ to 272 Cr  
(More than Q4 FY 17  
Revenue of Rs. 250 Cr)



Receivables Days (DSO) has been calculated based on annualising the revenue for the period ending 31<sup>st</sup> Mar 2017 and as per the formula used in the DLOF i.e:  $(\text{Trade Receivables} + \text{Revenue Accrued But not billed}) / \text{Total Revenue} * 365$ , as per the Restated Consolidated Summary Statements



# Significant Milestones





# Annual Financial Highlights

FY17

**₹ 914 Cr**

Revenues for FY 17  
INR

**13%**

YoY revenue growth  
INR

**\$136.13 mn**

Revenues for FY 17  
USD

**10%**

YoY revenue growth  
USD

**450.32 Cr**

Gross Margin

**49.3%**

Gross margin %

All financial information used in this presentation pertaining to FY 17 has been extracted from Audited Consolidated Financial results for the year ended 31<sup>st</sup> March 2017

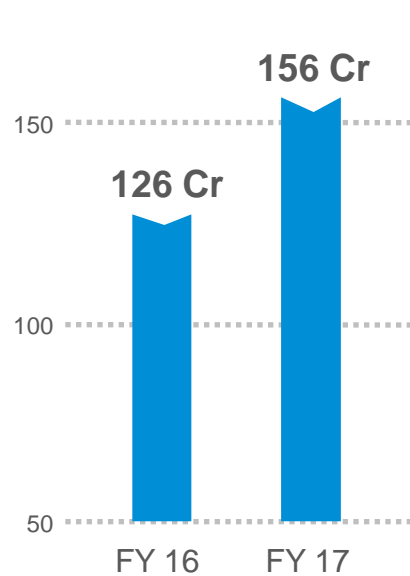
Average USD – INR Conversion rate for the year (1<sup>st</sup> Apr 2016 – 31<sup>st</sup> Mar 2017) stands at Rs. 67.09



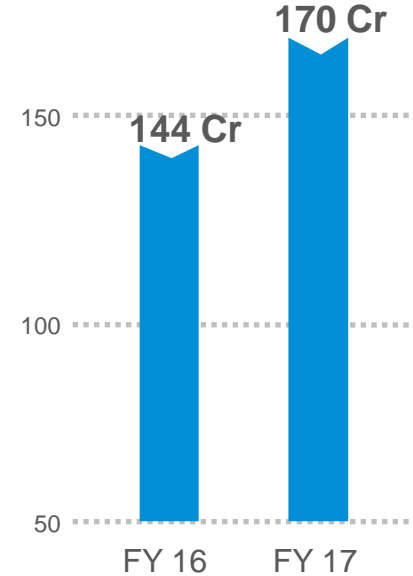
License and  
AMC revenue  
for FY17 grew  
by 21% over  
FY16

License and AMC  
revenue  
contributes 36% to  
the Total revenue  
in FY 17  
(34% in FY 16 and 33%  
in FY 15)

## License and AMC Revenue



Software License



AMC



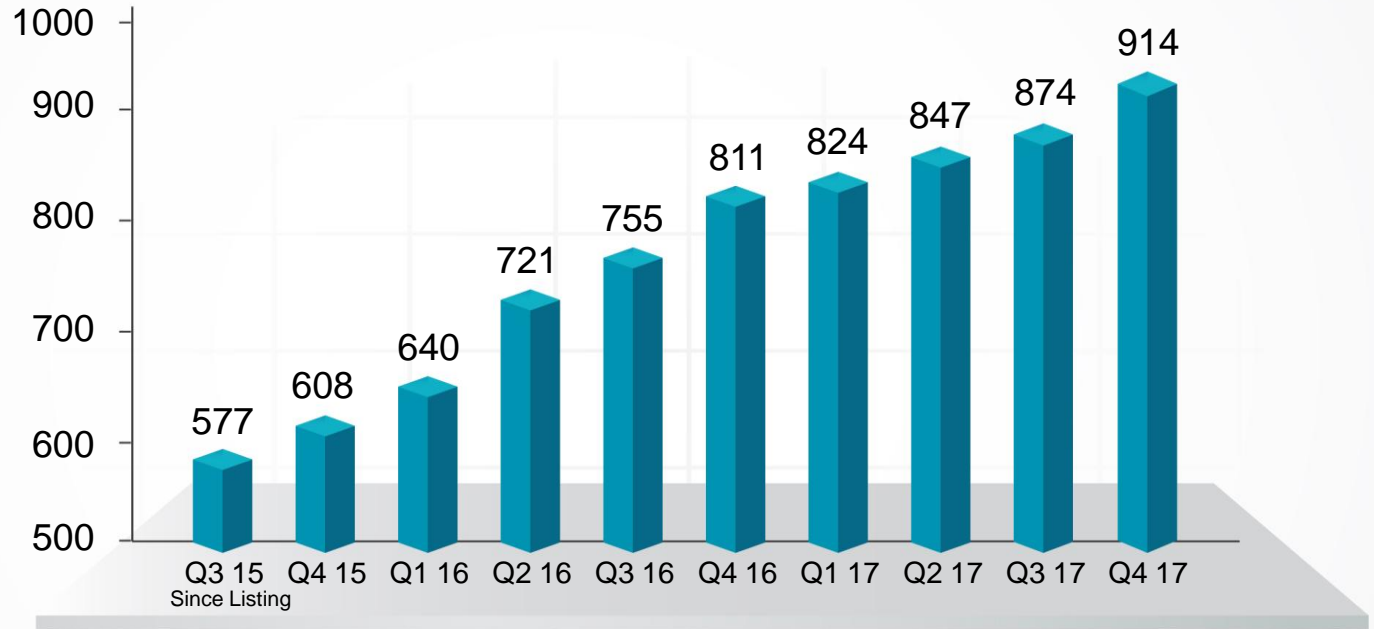
Positive Trending  
Performance over  
12 quarters

LTM = Revenue of current  
quarter + last three quarters

The financial data is additional  
information on function wise  
classification of statement of  
Profit and Loss of the Group  
on a consolidated basis

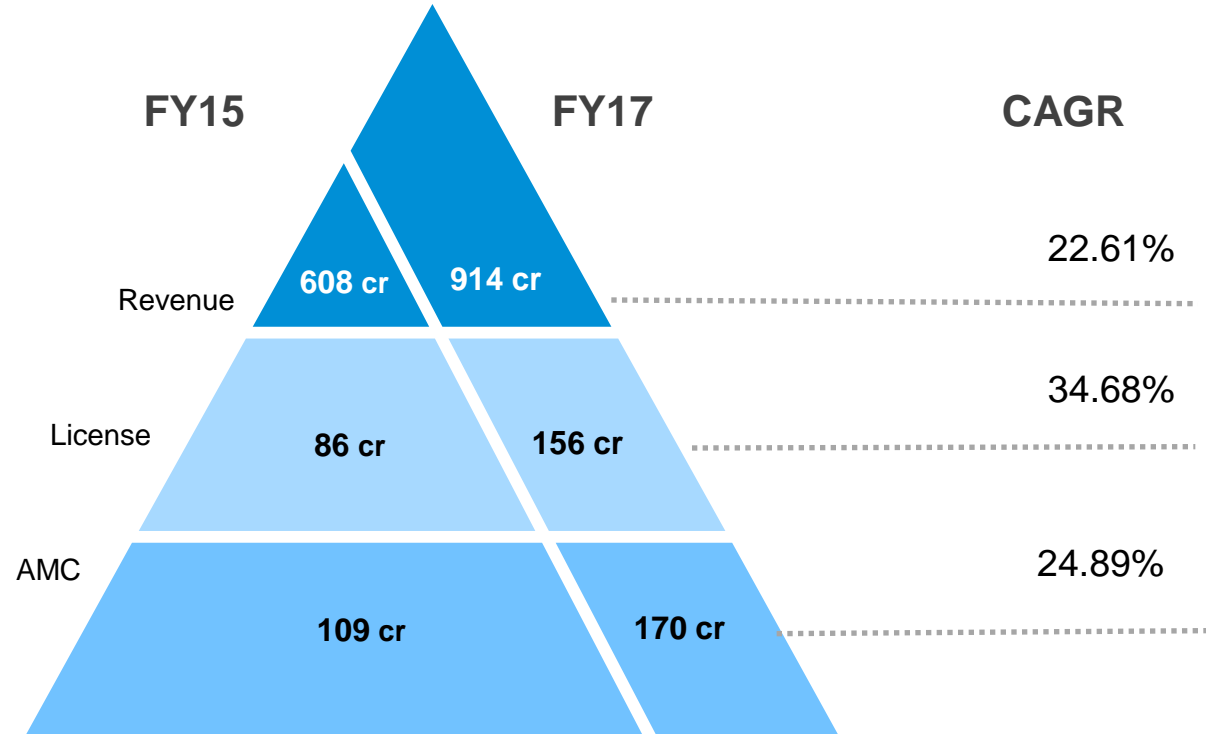
# Financial Growth

Operating revenue trend on LTM basis (INR Crs)





# Consistent Growth





## Revenue contribution

**Rs. 437.40 Cr revenue from Advanced Markets**

**Rs. 476.18 Cr revenue from Emerging Markets**



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



# Financial Results for the Fourth Quarter Ended March 31, 2017

Rs. In Lakhs

Particulars	QUARTER ENDED		YEAR ENDED	
	March 31, 2017	December 31, 2016	March 31, 2017	March 31, 2016
<b>INCOME</b>				
Income from software product license and related services	250,35.15	226,45.69	913,57.50	810,65.55
<b>EXPENDITURE</b>				
Software development expenses	124,65.39	121,98.69	463,26.00	395,00.01
Selling & marketing and General & Administrative expenses	85,59.52	101,09.54	391,02.94	330,50.24
Research & Engineering expenses	16,73.69	19,75.99	71,92.08	106,29.77
Provision for Debts and Write offs	7,72.14	2,09.02	12,33.16	9,79.62
<b>Total Expenditure</b>	<b>234,70.74</b>	<b>244,93.24</b>	<b>938,54.18</b>	<b>841,59.64</b>
<b>EBITDA</b>	<b>15,64.41</b>	<b>(18,47.55)</b>	<b>(24,96.68)</b>	<b>(30,94.09)</b>
Depreciation/Amortisation	6,00.58	6,12.04	24,13.99	20,77.11
Finance Charges	4,02.50	3,25.96	11,30.24	1,19.22
<b>Profits / (Loss) before other income / minority interest</b>	<b>5,61.33</b>	<b>(27,85.55)</b>	<b>(60,40.91)</b>	<b>(52,90.42)</b>
Other Income including exceptional items	(2,38.81)	14,56.56	32,35.56	18,69.71
Minority Interest/ Share of profit/(loss) of Associate Companies	31.98	1,41.77	6,56.24	93.93
<b>Profit / (Loss) before tax</b>	<b>3,54.50</b>	<b>(11,87.22)</b>	<b>(21,49.11)</b>	<b>(33,26.78)</b>
Provision for taxation	7,05.87	(3,69.50)	(2,83.63)	9,06.32
<b>Profit / (Loss) after tax</b>	<b>10,60.37</b>	<b>(15,56.72)</b>	<b>(24,32.74)</b>	<b>(24,20.46)</b>





# End Customer



End Customer

Over 200  
Customers rely on  
Intellect

# Leaders work with Intellect

## Americas

	FOR WHAT MATTERS.		Bank of Montreal			JPMorganChase	
Canada				US		Chile	

## Europe

Sweden	UK	Spain	Austria

## APAC

Vietnam	Philippine

## IMEA

India		Saudi Arabia		South Africa
		UAE		



End Customer

## Highly Rated by Industry Analysts

### IBS Intelligence

Intellect Digital Face featured amongst Top Digital Banking Enablers in IBS Intelligence report "The Future of Digital Banking"

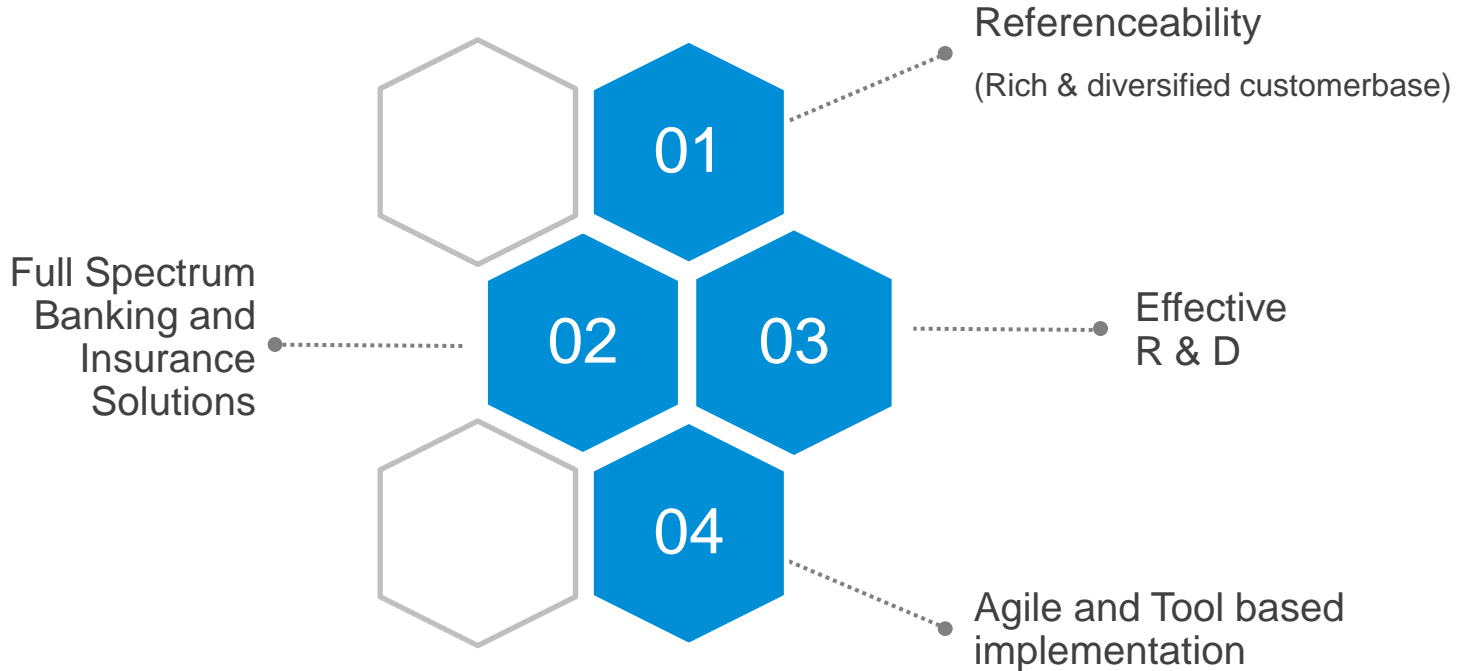
### Celent

Intellect SEEC powered "StarStone" wins Celent's 2017 "Model Insurer" Award for Data Mastery and Analytics

### Aite

Listed as one of the Global vendors offering Operational Risk Management in Aite's report "Global Business-to-Business Payments: Addressing Ecosystem Evolution."

# Why Do Customers rely on Intellect





# Execution



# Successful Implementations

16

Q4 FY 17 Successful Go-live

44

FY 17 Successful Go-live



# Intellectual Product



Full Spectrum  
Banking and  
Insurance  
Solutions

# Digital Products



- Delivered Intellect Digital Core Release 17
- Vietnam Bank for Social Policies wins Celent Model Bank Award with Intellect's Digital Core
- Recognized as a Leader for the 6th consecutive year in Gartner's Magic Quadrant for Global Retail Core BankingMobile Apps for Fund Distribution
- Ranked #1 at IDC Financial Insights FinTech Rankings Real Results Awards 2016 for its core banking implementation at Sonali Bank



- Successful integration with Ripple's DLT for cross border funds transfer over blockchain
- Digital Transaction Banking available as SaaS. iGTB's DTB solution launches on the cloud for easy, fast accessibility for any size bank
- Awarded Fintech Finance Digital Transaction Banking Gold award. iGTB scoops top prize for its market-leading Digital Transaction Banking solutions
- Recognized as a Leader for the 6th consecutive year in Gartner's Magic Quadrant for Global Retail Core BankingMobile Apps for Fund Distribution



Intellectual  
Product

Full Spectrum  
Banking and  
Insurance  
Solutions

# Digital Products



- Launched OneMARKETS
- Integration of Brokerage with Equity Research Portal & Custody
- Mobile Apps for Fund Distribution
- MF Utility powered by Intellect, wins the coveted Banking Technology Award 2016 in the Best Industry Infrastructure Initiative category



- Deployed the first AI powered Commercial Underwriting Solution in the US and won a major analyst award (Celent Model Insurer)
- Successfully deployed Digital Distribution Suite at Tier 1 carriers in 3 different continents
- Launched Intellect Lead Closer, an app for advisors, Insurance-specific CRM that enables advisors to quickly advance leads into customers
- Signed a pioneering co development and marketing agreement with Safety Compass to commercially deploy IoT in Insurance







# Leadership



Building Brand Equity

# iGTB Oxford School of Transaction Banking



A two and a half day immersive learning experience

Designed to help transaction banking executives develop winning strategies

Empowering improved decision making and change management

A unique vantage point to spot opportunities and obstacles to operational excellence



# Management Commentary



**Arun Jain**

Chairman & Managing Director

“Intellect brand has established its roots as an independent brand with trusted products, impeccable deliveries and wider reach of sales network. Intellect has been recognized as #1 in Retail banking Systems, #2 in Digital banking exchange, #1 in Payment Systems worldwide by IBS Intelligence, among the crowded competition. This has provided right kind of tail winds for our journey. I would like to thank each Intellect associate who has contributed in this journey of transformation by applying Design Thinking in building Digital products for financial industry worldwide. I also take this opportunity to thank all the shareholders and Analysts who trusted Intellect's Vision.”

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**S Swaminathan**

Chief Financial Officer

“We are happy to observe that the efforts made in the last couple of quarters have resulted in driving revenue growth, accelerating collections and managing cost better. The above has contributed in delivering positive EBITDA as well positive PAT in Q4 FY 17 in addition to reduction in DSO.”



## Fund Raising Plan

The board had already approved the raising of funds through issue of equity shares to the existing shareholders of the Company on a rights basis. The company has filed the “Draft Letter of offer” for the Rights Issue and it has received the final observation letter from SEBI.

