



Independent Auditor's Report

To The Members of Intellect Commerce Limited

Report on the Financial Statements:

We have audited the accompanying Ind AS financial statements of **Intellect Commerce Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and including the statement of Other Comprehensive income, the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the Act), with respect to the preparation of these Ind AS financial statements that gives a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting standards (Ind AS) specified under section 133 of the Act., read Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimate that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made there under.

We conducted our audit of Ind AS financial statements in accordance with the Standards on Auditing as issued by the Institute of Chartered accountants of India, as specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the stand alone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the afore said Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the State of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books:
 - c) The Balance sheet, Statement of Profit and Loss including the statement of other comprehensive income, the Cash Flow Statement and statement of changes dealt with by this report are in agreement with the books of account:
 - d) In our opinion, the aforesaid standalone Ind AS Statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules 2015, as amended:



- e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act:
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20 to the financial statements
- (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

Place: Chennai

Date: 04/05/18



For Sivasubramanian & Rao
Chartered Accountants
FRN: 003904S


S. Viswanathan
Partner
M. No: 20572

Annexure A to Independent Auditor Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2018, we report that:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) Based on our audit procedures and according to the information and explanations given to us, the Company does not hold any immovable properties, the requirements under paragraph 1(c) of the Order about title deeds of immovable properties are not applicable to the Company.
- ii. The company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, goods and service tax, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable.



(b) According to the records of the company, there are no material dues of sales-tax, wealth tax, service tax, customs duty, value added tax, cess are outstanding on account of any disputes. However, according to the information and explanations given to us the following dues of income tax have not been deposited by the Company on account of disputes

Name of the statute	Nature of dues	Amount (Rs in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Value added tax	VAT	7.10	FY 2004-05	STAT (Appeals)
Value added tax	VAT	7.27	FY 2005-06	STAT (Appeals)
Value added tax	VAT	12.13	FY 2006-07	STAT (Appeals)
Value added tax	VAT	4.30	FY 2007-08	STAT (Appeals)
Value added tax	VAT	0.82	FY 2008-09	STAT (Appeals)
Value added tax	VAT	11.51	FY 2009-10	STAT (Appeals)
Finance Act	Service Tax	46.90	May 2008 to Jan 2010	CCE(Appeals)
Finance Act	Service Tax	12.71	Feb 2010 to Sept. 2010	CCE(Appeals)
Finance Act	Service Tax	4.67	Oct 2010 to March 2011	CCE(Appeals)
Finance Act	Service Tax	2.70	April 2011 to May 2012	CCE(Appeals)

Note : * Tax paid under protest Rs.39,51,181/-

- viii. The Company do not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (Including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration.



Hence provisions of section 197 read with Schedule V to the Act, paragraph 3 (xi) of the Order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not

a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.


(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Chennai

Date : 04/05/18



For Sivasubramanian & Rao
Chartered Accountants
FRN: 003904S


S. Viswanathan
Partner
M. No: 20572

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Intellect Commerce Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal



financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai

Date : 04/05/18



For Sivasubramanian & Rao
Chartered Accountants
FRN: 003904S

S. Viswanathan
S. Viswanathan
Partner
M. No: 20572

Intellect Commerce Limited

Balance Sheet as at 31st March 2018

(All amounts in INR, unless otherwise stated)

Particulars	Note	March 31, 2018	March 31, 2017
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	-	40,780
Financial assets			
- Loans and deposits	4 (a)	3,951,179	3,448,748
Income tax assets (net)	4 (b)	17,556,291	18,592,226
Deferred tax assets (net)	5	18,714,234	18,714,234
Total non-current assets		40,221,704	40,795,988
CURRENT ASSETS			
- Loans and deposits	6	16,675,955	14,208,535
- Trade receivables	7	29,520,595	37,333,794
- Cash and Cash equivalents	8	4,569,610	12,632,004
Other current assets	9	6,764,610	5,040,839
Total current assets		57,530,770	69,215,172
TOTAL		97,752,474	110,011,160
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
(a) Equity share capital	10	90,000,000	90,000,000
(b) Other equity	11	(45,981,038)	(50,492,262)
		44,018,962	39,507,738
LIABILITIES			
CURRENT LIABILITIES			
Financial liabilities			
- Trade payables	12	14,737,347	13,401,015
- Other financial liabilities	13	35,560,389	53,364,845
Short-term provisions	14	3,435,776	3,737,562
Total liabilities		53,733,512	70,503,422
TOTAL		97,752,474	110,011,160

Summary of significant accounting policies

1 and 2

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For Sivasubramanian & Rao

Firm Registration No. 0039045

Chartered Accountants

S Viswanathan

Partner

Membership No. 20572

Place: Chennai

Date : 04-05-2018



For and on behalf of the Board

R.C.Bhargava
Director

Abhay Kumar Agarwal
Director

V.V.Naresh
Company Secretary

Intellect Commerce Limited

Statement of Profit and Loss for the Quarter ended 31st March 2018

(All amounts in INR, unless otherwise stated)

Particulars	Note	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenues			
Revenue from Operations	15	71,678,917	67,636,157
Other Income	16	582,935	10,522,989
Total Income		72,261,852	78,159,146
Expenses			
Employee Benefit Expenses	17	59,443,931	51,201,229
Depreciation and amortization expenses	3	40,780	198,524
Other Expenses	18	7,256,315	16,759,457
Total Expenses		66,741,026	68,159,210
Profit before tax		5,520,826	9,999,936
Income taxes - Current tax		(1,800,000)	-
- Adjustment of tax relating to earlier periods		-	(3,945,000)
- Deferred tax		-	-
		(1,800,000)	(3,945,000)
Profit/(Loss) for the year		3,720,826	6,054,936
Other comprehensive income		790,399	96,626
Total comprehensive income for the year attributable to Equity share holders		4,511,225	6,151,562
Earnings per share (equity shares par value Rs 10 each)			
Basic		0.50	0.68
Diluted		0.50	0.68
Number of shares used in computing earnings per share			
Basic		9,000,000	9,000,000
Diluted		9,000,000	9,000,000

For Sivasubramanian & Rao
Firm Registration No. 003904S
Chartered Accountants


S Viswanathan
Partner
Membership No. 20572




Place: Chennai
Date : 04-05-2018

For and on behalf of the Board


R.C. Bhargava
Director


Abhay Kumar Agarwal
Director


V.V. Naresh
Company Secretary

Intellect Commerce Limited**Statement of cash flows for the Year ended Mar 31, 2018****(All amounts in INR, unless otherwise stated)**

Particulars	March 31, 2018	March 31, 2017
Cash flows from operating activities		
Profit before taxation	5,520,826	10,096,562
Other Comprehensive income	790,399	
Adjustments for:		
Depreciation and amortisation	40,780	198,524
Provision for Doubtful Debts / (Advance Tax paid)	1,035,934	-
Baddebts Written off		9,903,490
Finance cost		
Share of loss/(profit) on associate companies		
Changes in assets and liabilities		
Decrease / (Increase) in Trade receivable	7,813,199	(23,907,701)
Decrease / (Increase) in loans and advances and other assets	(4,693,623)	(4,657,945)
Increase / (Decrease) in liabilities and provisions	(16,769,910)	11,680,053
Net cash from operating activities	(6,262,395)	3,312,984
Cash flows from Investing activities		
Purchase of fixed assets, changes in capital work in progress and Capital advance	-	-
Net cash used in investing activities	-	-
Exchange differences on translation of foreign currency cash and cash equivalents	-	-
Net increase / (decrease) in cash and equivalents during the year	(6,262,395)	3,312,984
Cash and cash equivalents at the beginning of the year	12,632,004	9,319,020
Cash and cash equivalents at the end of the year	6,369,609	12,632,004
Components of Cash and cash equivalents		
(b) Balance with banks		
- On current account	4,440,915	12,505,368
- On deposit account	128,695	126,636
	4,569,610	12,632,004

As per our attached report of even date

For Sivasubramanian & Rao

Firm Registration No. 0039045

Chartered Accountants

S Viswanathan

Partner

Membership No. 20572



For and on behalf of the Board

R.C.Bhargava
DirectorAbhay Kumar Agarwal
DirectorV.V.Naresh
Company Secretary

Place: Chennai

Date : 04-05-2018

Notes Financial Statements for the year ended March 31, 2018
(All amounts in INR, unless otherwise stated)

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INTELLECT COMMERCE LIMITED
Financial Statements for the year ended March 31, 2018
(All amounts are in Rs., unless otherwise stated)

Statement of Changes in Equity for the year ended 31 March 2018

a. Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid

As at 1 April 2017

At 31 March 2018

Issue of share capital

At 31 March 2018

No. of shares	Amount (INR)
9,000,000	90,000,000
9,000,000	90,000,000
-	-
9,000,000	90,000,000

b. Other equity

For the year ended 31 March 2018

Particulars	Reserves & Surplus				Items of OCI		Total Equity
	Securities premium	Share based payment reserves	General reserve	Retained earnings	Cash flow hedge reserve	Other items of other comprehensive income	
As at 1st April 2017	-	-	-	(50,492,263)	-	-	(50,492,263)
Exercise of share options	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-
Profit/(Loss) for the year	-	-	-	3,720,826	-	-	3,720,826
Re-measurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	790,399	790,399
Total Comprehensive Income	-	-	-	-	-	-	-
As at 31st March 2018	-	-	-	(46,771,437)	-	790,399	(45,981,038)

For the year ended 31 March 2017

Particulars	Reserves & Surplus				Items of OCI		Total Equity
	Securities premium	Share Based Payment Reserves	General Reserve	Retained earnings	Cash flow hedge reserve	Other items of other comprehensive income	
As at 1st April 2016	-	-	-	(56,643,825)	-	-	(56,643,825)
Exercise of share options	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-
Profit/(Loss) for the year	-	-	-	6,151,562	-	-	6,151,562
Re-measurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-
Movement in cash flow hedge	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	-	-
As at 31st March 2017	-	-	-	(50,492,263)	-	-	(50,492,263)

As per our attached report of even date

For Sivasubramanian & Rao

Firm Registration No. 003904S

Chartered Accountants

S Viswanathan
S Viswanathan
Partner
Membership No. 20572



For and on behalf of the Board

R.C. Bhargava
R.C. Bhargava
Director

Abhay Kumar Agarwal
Abhay Kumar Agarwal
Director

V.V. Naresh
V.V. Naresh
Company Secretary

Place: Chennai

Date : 04-05-2018

INTELLECT COMMERCE LIMITED

Notes to the financial statements As on March 31, 2018

(All amounts are in Rs., unless otherwise stated)

1 Corporate Information

Intellect Commerce Limited was incorporated on November 23, 1998 in Chennai, India with the objective of developing and distributing computer software and providing services relating to development and maintenance of computer software.

Intellect Commerce Limited was a subsidiary of Polaris Financial Technology Limited (now Polaris Consulting & Services Limited). Subsequently, pursuant to the Scheme of Arrangement-cum-Demerger approved by the honourable High Court of Judicature, Madras dt.15/09/2014 between Polaris Consulting & Services Limited and Intellect Design Arena Limited (formerly known as Fin Tech Grid Limited) for the demerger of Products Business Undertaking, Intellect Commerce Limited became 100% subsidiary of Intellect Design Arena Limited effective 1st April 2014.

2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

3 Significant Accounting Policies

a) Use of estimates

The preparation of the financial statements in conformity with IndAS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

b) Revenue recognition

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

Software development and support services

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

Revenue accrued and not billed represents earnings on ongoing fixed price and time and material \contracts over amounts invoiced to customers. Revenue in excess of billing represents earnings on ongoing fixed price & time and material contracts over amounts invoiced to customers.

Billings in excess of revenue represent amounts billed in case of ongoing fixed price and time and material contracts wherein amounts have been billed in accordance with the billing cycle and efforts would be incurred subsequent to the balance sheet date.

Other Income

Interest is recognized using the time-proportion method.

c) Fixed assets

Fixed assets are stated at the cost of acquisition or construction, less depreciation.

d) Depreciation on tangible fixed assets

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

Asset category	Estimated Useful Life (years)
Tangible assets:	
Buildings	29
Leasehold improvements	Over the primary lease period or 10 years whichever is lower
Plant and machinery	15
Computer equipment and Software	3
Servers and computer accessories	6
Office Equipment	5
Electrical fittings, office equipment, furniture and fixtures	10
Vehicles	4-8

e) Foreign currency translations

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate as on the Balance Sheet date. The exchange differences arising on such conversions are recognized as income or expense in the Profit & Loss account.

f) Earnings Per Share

The basic earnings per share are computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e.) the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increase loss per share are included.

g) Deferred Taxation

The Current charge for deferred tax is calculated in accordance with the relevant tax regulations applicable to the company. Deferred tax assets and liabilities are recognized for the future consequences attributable to timing difference between the taxable income and accounting income. Deferred tax assets and liabilities are measured using the tax rates and tax laws that been enacted or substantively enacted by the balance sheet date. The effect on deferred Tax assets and liabilities of a change in the tax rate is recognized in the period that includes the enactment date.

Deferred tax assets in respect of losses carried forward and unabsorbed depreciation and others are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be availed against which such deferred tax assets can be recognized.

h) 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. 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 income Tax approved fund. 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.

4 Non-Current Financial Assets-Loans

Particulars	31-Mar-18	31-Mar-17
4.a. Loans and deposits: Security Deposits		
Unsecured, considered good	3,951,179	3,448,748
Sub Total 4.a	3,951,179	3,448,748
4.b. Income Tax Assets		
Advance income tax	12,980,157	14,016,092
MAT credit entitlement	4,576,134	4,576,134
Sub Total 4.b	17,556,291	18,592,226
TOTAL	21,507,470	22,040,974

5 Deferred Tax Assets

Particulars	31-Mar-18	31-Mar-17
Fixed assets	18,714,234	18,714,234
TOTAL	18,714,234	18,714,234

6 Current Financial Assets Loans & Deposits

Particulars	31-Mar-18	31-Mar-17
Advances recoverable in cash or in kind or for value to be received	10,223,298	7,068,521
Loans to Employees	48,335	210,877
Salary advance	60,004	65,874
Input tax credit receivable	6,344,318	6,863,263
TOTAL	16,675,955	14,208,535

7 Trade Receivables

Particulars	31-Mar-18	31-Mar-17
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured considered good	17,732,971	13,262,315
- Doubtful	27,578,970	27,578,970
Less: Allowance for bad and doubtful debts	(27,578,970)	(27,578,970)
Other debts		
- Unsecured considered good	11,787,624	24,071,479
TOTAL	29,520,595	37,333,794

8 Cash and cash equivalent

Particulars	31-Mar-18	31-Mar-17
Cash and cash equivalent		
Balance with banks		
- On current account	4,440,915	12,505,368
- On deposit account	128,695	126,636
TOTAL	4,569,610	12,632,003

9 Other current assets

Particulars	31-Mar-18	31-Mar-17
Revenues accrued and not billed	6,737,148	5,038,780
Others	27,462	2,059
TOTAL	6,764,610	5,040,839

10 Equity Share Capital

Particulars	31-Mar-18	31-Mar-17
(a) Authorised		
100,00,000 equity shares of Rs. 10 each (99.99% of the shares are held by Intellect Design Arena Limited)	100,00,000	100,00,000
(a) Issued, Subscribed and Paid up		
90,00,000 equity shares of Rs.10 each fully paid up (March 31, 2016: 90,00,000 equity shares of Rs.10 each)	90,00,000	90,00,000
Total issued, subscribed and fully paid-up share capital	90,00,000	90,00,000

Of the total authorized capital of the company referred above, the company has issued only one class of equity shares having a face value of Rs.10 per share. Each holder of such equity share is entitled to one vote per share.

a) Shares held by Holding Company

Particulars	31-Mar-18	31-Mar-17
89,99,994 Shares (March 31, 2016: 89,99,994 Shares) held by Intellect Design Arena Limited, the Holding Company	89,999,940	89,999,940
TOTAL	89,999,940	89,999,940

b) Details of shareholders holding more than 5% shares in the Company

Particulars	31-Mar-18	31-Mar-17
Intellect Design Arena Limited, the Holding Company (Percentage Holding in the class)	8,999,994 99.99%	8,999,994 99.99%
TOTAL	8,999,994	8,999,994

11 Others Equity

Particulars	31-Mar-18	31-Mar-17
Profit and Loss Account balance	-	-
Opening balance	(50,492,263)	(56,643,825)
Net Profit/(Net Loss) For the current Period	4,511,225	6,151,563
Amount available for appropriation	(45,981,038)	(50,492,262)
TOTAL	(45,981,038)	(50,492,262)

12 Trade payables

Particulars	31-Mar-18	31-Mar-17
Creditors	14,737,347	13,401,015
TOTAL	14,737,347	13,401,015

13 Other current Financial liabilities

Particulars	31-Mar-18	31-Mar-17
Superannuation payable	123,923	577,167
Customer advance received	29,000	-
Billings in excess of revenues	26,263,087	37,513,445
Payable to Related parties	9,339,665	16,092,226
Statutory payable	(195,285)	(817,994)
TOTAL	35,560,390	53,364,845

14 Current Liabilities- Short Term Provisions

Particulars	31-Mar-18	31-Mar-17
Provision for employee benefits		
- Provision for gratuity	2,270,274	2,316,835
- Provision for leave benefits	1,165,502	1,420,727
TOTAL	3,435,776	3,737,562

15 Revenue from Operations

Particulars	31-Mar-18	31-Mar-17
Sale of services	71,678,917	67,636,157
TOTAL	71,678,917	67,636,157

16 Other Income

Particulars	31-Mar-18	31-Mar-17
Provision for Bad and Doubtful debts No Longer Required	-	9,903,490
Interest received on deposits with banks	27,464	31,307
Interest on others	10,566	17,605
Profit / (loss) on sale of assets, net	7,332	-
Net Gain on foreign currency transaction and translation (other than considered as finance cost)	537,573	570,587
TOTAL	582,935	10,522,989

17 Employee Benefit Expenses

Particulars	31-Mar-18	31-Mar-17
Salaries and incentive		
Salaries and bonus	56,450,382	48,694,997
Contribution to		
Provident fund	1,636,956	1,322,556
Superannuation scheme	(358,372)	569,386
Social security and other benefit plans for overseas employees	117,038	
Gratuity contribution scheme	1,324,609	564,891
Staff welfare expenses	273,318	49,399
TOTAL	59,443,931	51,201,229

18 Other Expenses

Particulars	31-Mar-18	31-Mar-17
Audit Fees	125,000	125,000
Cost of software packages, consumable and maintenance	15,361	-
Travelling expenses	4,112,603	1,444,284
Communication expenses	68,482	92,697
Professional and Legal charges	369,424	1,127,860
Office maintenance	14,670	
Rent	217,140	327,942
Repairs - Plant and machinery	75,470	1,694,709
Business promotion	1,511,851	774,264
Bad debts written off	-	9,903,490
Printing and stationery	154,311	145,938
Rates and taxes excluding Taxes on Income	453,637	726,579
Bank charges & commission	128,371	124,225
Miscellaneous expenses	9,995	272,469
TOTAL	7,256,315	16,759,457

19 Related Party Transactions

List of related parties:

A) Name of the related parties where control exists irrespective of whether transactions have occurred or not:

Intellect Design Arena Limited

B) The closing balance of related party transactions in the ordinary course of business are stated below:

Particulars	31-Mar-18	31-Mar-17
Transactions during the Year		
Intellect Design Arena Ltd		
Reimbursement of Expenses to the Company	14,969,631	639,229
Reimbursement of Expenses by the Company	17,617,070	24,081,838
Funds received	10,700,000	11,230,000
Repayment done	20,100,000	42,467,424
Laser soft Infosystems Limited		
Reimbursement of Expenses by the Company	-	16,041
Funds received	-	2,000,000
Repayment done	-	2,081,576
Balance due to / from related parties		
Intellect Design Arena Ltd., India		
Payables	9,339,665	16,092,226
Laser soft Infosystems Limited		
Payables	-	-

20 Contingent Liabilities

i) Disputed Central Sales Tax Demands:

Forum where the dispute is pending	Period to which the amount relates	Amount(Rs in Lakhs)
Sales tax Appellate Tribunal	Financial year 2004 05	7.10
Sales tax Appellate Tribunal	Financial year 2005 06	7.27
Sales tax Appellate Tribunal	Financial year 2006 07	12.1
Sales tax Appellate Tribunal	Financial year 2007 08	4.30
Sales tax Appellate Tribunal	Financial year 2008 09	0.82
Sales tax Appellate Tribunal	Financial year 2009 10	11.51
Customs and Excise Appeals	May 2008 to Jan 2010	46.90
Customs and Excise Appeals	Feb 2010 to Sep 2010	12.71
Customs and Excise Appeals	Oct 2010 to March 2011	4.67
Customs and Excise Appeals	April 2011 to May 2012	2.70
Total		110.11

Note : * Tax paid under protest Rs.39,51,181/-

21 Earnings per share

Particulars	31-Mar-18	31-Mar-17
Numerator:		
Net Profit/(Loss) as disclosed in Statement of Profit & Loss which is attributable to the Equity Shareholders.	4,511,223	6,151,563
Denominator:		
Weighted Average Equity Shares	9,000,000	9,000,000
Basic and Diluted Earnings Per Share (Face Value of Rs. 10 each)	0.50	0.68


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

As at March 31, 2018, the Company had no outstanding dues to Micro and Small enterprises (for March 31, 2017: Rs Nil). The list of Micro and Small enterprises was determined by the Company on the basis of information available with the Company. The Company also had no outstanding dues that require to be furnished under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

23 Previous year's figures have been regrouped wherever necessary to confirm to this year's Classification.

As per our report even date

For Sivasubramanian & Rao
Chartered Accountants
Firm Regn No.0039045



S VISWANATHAN
PARTNER
Membership no : 20572

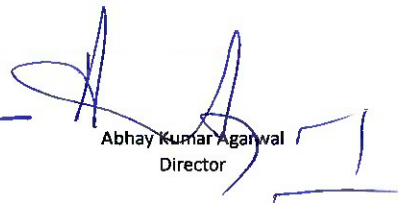


For and on behalf of the Board



R.C. Bhargava
Director


V.V. Naresh
Company Secretary



Abhay Kumar Agarwal
Director

Place: Chennai
Date : 04-05-2018