

INTELLECT/SEC/2016-17

February 03, 2017

1. The National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Scrip Code :
INTELLECT

2. The Bombay Stock Exchange Ltd.,
1st Floor, New Trade Ring, Rotunda Building, PJ Towers,
Dalal Street, Fort, Mumbai – 400 001.

Scrip Code :
538835

Dear Sirs,

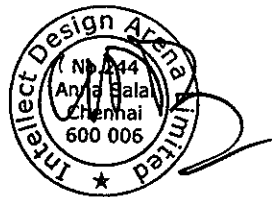
Sub: Outcome of the Board Meeting held on February 03, 2017

We wish to inform you that the Board of Directors of the Company at its meeting held on 03rd February, 2017 considered and approved the following :-

1. Unaudited Financial results as set out in compliance with Indian Accounting Standards (IND AS) for the quarter ended 31st December, 2016 together with Limited Review Report.
2. Media Release announcing the financial results of the Company for the quarter ended 31st December, 2016 (Copy Enclosed).
3. Dr. Ashok Jhunjhunwala, Chairman of Audit Committee and Independent Director on the Board is likely to take up certain assignments with Government of India in the near future and consequently resigned from the Board with immediate effect. The Board thanked Dr. Jhunjhunwala for his invaluable advice and contribution since the listing of the company in December 2014.
4. Reconstitution of Audit Committee due to resignation of Dr. Ashok Jhunjhunwala

The Revised members of the Audit Committee are :-

S.No	Name of Audit Committee Member
1	Mr. Arun Shekhar Aran - Chairman
2	Mr. V. Balaraman
3	Mr. Anil Kumar Verma
4	Ms. Aruna Krishnamurthy Rao



Intellect Design Arena Limited

Registered Office: 244 Anna Sala, Chennai - 600 006, India | Ph: +91-44-2852 3280, 2852 4154
Corporate Headquarters: SIPCOT IT Park Siruseri, Chennai - 600 130, India. | Ph: +91-44-3341 8000
www.intellectdesign.com

The Board have also taken on record the following update :-

The divestment of SFL Properties Private Limited will take some more time and the transaction is expected to be completed over a period of next twelve months in view of prevailing market conditions (Kindly refer to our communication dated 28th July, 2015 and 25th January, 2016).

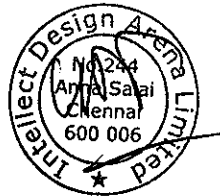
Kindly note that the meeting commenced at 12:15 p.m. and concluded at 02:00 p.m.

Kindly take the above information on record and confirm compliance.

Thanking You,

Yours truly,
for Intellect Design Arena Limited


V V Naresh
Company Secretary and Compliance Officer



Limited Review Report**Review Report to
The Board of Directors
Intellect Design Arena Limited**

We have reviewed the accompanying statement of unaudited financial results of Intellect Design Arena Limited ('the Company') for the quarter ended December 31, 2016 and year to date from April 1, 2016 to December 31, 2016 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, except for the additional information provided under Note g of the Statement which has been presented based on financial information compiled by the management and have not been reviewed by us.

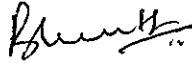
This Statement is the responsibility of the Company's management and has been approved by the Board of Directors/ committee of Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We draw attention to Note (e) of the Statement, whereby the Board of Directors of the Company at their meeting held on May 3, 2016 have approved a Scheme of Arrangement for merger of certain wholly owned subsidiaries into the Company with effect from the date of approval of such scheme. The Scheme of Arrangement is subject to various regulatory approvals as specified in the said note, before it is given effect to. Our report is not qualified in respect of this matter.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants


per Bharath N S
Partner
Membership No.: 210934



Place: Chennai
Date : February 3, 2017

PARTICULARS	Rs. In Lakhs					
	QUARTER ENDED (UNAUDITED)			NINE MONTHS ENDED (UNAUDITED)		PREVIOUS YEAR ENDED (UNAUDITED)
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015	March 31, 2016
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Income						
Income from Operations	124,89.06	125,86.29	136,17.63	380,98.06	399,70.88	546,10.54
Total Income from Operations	124,89.06	125,86.29	136,17.63	380,98.06	399,70.88	546,10.54
Expenditure						
Employee cost including outsourcing charges	115,56.51	104,44.93	111,07.12	320,28.17	319,44.54	423,92.35
Depreciation/Amortisation	5,66.43	5,68.23	4,86.14	16,87.18	13,85.77	19,04.52
Other Expenditure	27,62.13	33,44.08	24,24.34	91,66.41	75,98.67	108,63.30
Total Expenses	148,85.07	143,57.24	140,17.60	428,81.76	409,28.98	551,60.17
Profit / (Loss) from Operations before Other Income and Finance cost	(23,96.01)	(17,70.95)	(3,99.97)	(47,83.70)	(9,58.10)	(5,49.63)
Other Income	5,48.93	6,53.09	4,35.33	23,27.73	14,26.66	18,12.82
Profit / (Loss) before Finance Cost	(18,47.08)	(11,17.86)	35.36	(24,55.97)	4,68.56	12,63.19
Finance cost	3,11.93	2,17.71	-	6,66.38	-	9.86
Profit / (Loss) before Tax Expense	(21,59.01)	(13,35.57)	35.36	(31,22.35)	4,68.56	12,53.33
Tax expenses	-	-	-	-	42.61	(10,75.10)
Net Profit / (Loss) for the period	(21,59.01)	(13,35.57)	35.36	(31,22.35)	4,25.95	23,28.43
Other Comprehensive Income (net of tax)	43.72	1,02.41	52.86	2,22.62	2,07.21	2,90.89
Total Other Comprehensive Income	(21,15.29)	(12,33.16)	88.22	(28,99.73)	6,33.16	26,19.32
Paid-up Equity share Capital						
Equity shares of Rs 5 each	50,55.84	50,54.92	50,30.93	50,55.84	50,30.93	50,38.93
Earning Per Share (EPS) of Rs.5 each						
Basic	(2.09)	(1.22)	0.09	(2.87)	0.62	2.60
Diluted	(2.09)	(1.22)	0.08	(2.87)	0.59	2.48

- NOTES:**
- The above Standalone results were reviewed by the Audit committee and approved by the Board of Directors at its meeting held on February 3, 2017. The Statutory auditors of the Company have conducted a "limited Review" on such stand-alone financial results.
 - In compliance with the Ministry of Corporate Affairs (MCA) Notifications dated 16th February, 2016, announcing the Companies (Indian Accounting Standards) Rules 2015 ("Ind AS"), the Company has prepared its standalone results adopting Ind AS with effect from 1st April 2016 (with transition date of 1st April, 2015). The impact of transition has been accounted for in opening reserves and the comparative period results for quarter and nine months ended December 31, 2015 and year ended March 31, 2016 have been restated accordingly. The opening balance sheet as at April 01, 2015 and the results for the subsequent periods would get finalised along with the annual financial statements for the year ended March 31, 2017.
 - Reconciliation of Net profit as previously reported on account of transition from the previous Indian GAAP to IND AS for the quarter and nine months ended December 31, 2016 and year ended March 31, 2016

Particulars	Rs. in Lakhs		
	Quarter ended December 31, 2015 (Unaudited) (Refer Note b)	Nine months ended December 31, 2015 (Unaudited) (Refer Note b)	Year ended March 31, 2016 (Unaudited) (Refer Note b)
Net profit for the quarter under the previous Indian GAAP	2,24.89	10,67.84	32,69.22
i) Fair valuation of Financial Instruments	(53.62)	(71.82)	(2,01.78)
ii) Fair valuation of ESOP	(83.05)	(3,62.86)	(4,48.12)
iii) Adjustment for Actuarial losses	(52.86)	(2,07.21)	(2,90.89)
Net profit for the period under IND AS	35.36	4,25.95	23,28.43
iv) Other comprehensive income (net of tax)	52.86	2,07.21	2,90.89
Total Comprehensive Income for the Period	88.22	6,33.16	26,19.32

- Tax expenses include current tax, deferred tax and MAT (Net of Credits), wherever applicable. Deferred Tax Asset has been recognised on accumulated tax losses to the extent of deferred tax liability.
- The Board of Directors of the Company at its meeting held on 21st May, 2015 have approved a Scheme of Arrangement ("the Scheme") enabling the merger of two of its wholly owned subsidiaries, namely Indigo TX Software Private Limited ("ITSPL") and Laser Soft Infosystems Limited ("LSIL") with the Company, with effect from 1st April 2015 ("Appointed Date"). Subsequently the Board of directors in its meeting held on May 3, 2016 had revised the appointed date of merger to April 1, 2016. The Scheme of Arrangement is yet to be approved by the respective shareholders of all three companies, the creditors of the subsidiaries, the High Court of Madras or the National Company law tribunal (as the case may be) and such other statutory / regulatory authorities, as may be applicable before it is given effect to. The following is a summary of the unaudited profit and loss account of ITSPL and LSIL for the nine months ended December 31, 2016

Particulars	Rs. in Lakhs	
	IndigoTX Software P Ltd	Lasersoft Infosystems Ltd
PROFIT & LOSS ACCOUNT		
Revenue from operations	1,44.33	15,96.05
Other income	1.25	55.11
Total Income	1,45.58	16,51.16
Total Expenses	2,13.03	15,38.57
Profit/(Loss) before tax	(67.45)	1,12.59
Tax Expenses	-	20.00
Profit/(Loss) after tax for the period	(67.45)	92.59

- The business of the Company falls under a single primary segment i.e. "Software Product License & related services" for the purpose of Ind AS 108.
- Additional Information on function wise classification of statement of Profit and Loss of the Group (Unaudited / Not Reviewed)

PARTICULARS	Rs. in Lakhs					
	QUARTER ENDED			NINE MONTHS ENDED		
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015	
INCOME						
Income from software product license and related services	226,45.69	230,96.42	193,74.82	663,22.36	594,00.37	
EXPENDITURE						
Software development expenses	121,98.70	115,39.28	94,36.46	338,60.62	285,47.22	
Selling and marketing and General and administrative expenses	103,18.57	105,58.68	80,31.56	310,04.45	241,97.84	
Total Expenditure	225,17.27	220,97.96	174,68.02	648,65.07	527,45.06	
Profit / (Loss) before interest, depreciation and amortisation	1,28.42	9,98.46	19,06.80	14,57.29	66,55.31	
Research and Engineering expenses	19,75.99	19,87.05	33,59.37	55,18.39	97,02.23	
Depreciation/Amortisation	6,12.04	6,10.24	5,20.37	18,13.41	15,12.23	
Finance Charges	3,25.96	2,40.67	26.73	7,27.75	78.45	
Profit / (Loss) after interest, depreciation and amortization	(27,85.57)	(18,39.50)	(19,99.67)	(66,02.26)	(46,37.60)	
Other Income including exceptional items	14,56.56	3,68.36	6,40.89	34,74.39	13,71.20	
Minority Interest / Share of profit/(loss) of Associate Companies	1,41.77	3,57.20	2,27.54	6,24.25	2,93.35	
Profit / (Loss) before tax	(11,87.24)	(11,13.94)	(11,31.24)	(25,03.62)	(29,73.05)	
Provision for taxation	3,69.50	2,70.00	60.00	9,89.50	1,24.28	
Profit / (Loss) after tax	(15,56.74)	(13,83.94)	(11,91.24)	(34,93.12)	(30,97.33)	

- The Board of Directors of the Company approved filing of a Draft Letter of Offer (DLOF) in connection with a proposed offering of equity shares of phase value of Rs 5/- to the existing shareholders of the Company on rights basis, for an aggregate amount upto Rs.200.00 Lakhs. The DLOF has been filed with SEBI/Stock exchanges on January 27, 2017 and LOF will be filed upon receipt of regulatory approvals.
- Figures of the earlier period, wherever necessary, have been regrouped to conform with those of the current periods.

Place : Chennai
Date : February 03, 2017

For Intellect Design Arena Limited
Arun Jain
Chairman & Managing Director
S Swaminathan
Chief Financial Officer



Intellect registers 17% YoY revenue growth

Chennai (India), February 3, 2017: Intellect Design Arena Ltd, a digital technology product solutions provider across banking, financial services and insurance industry, announced its third quarter results for FY 2016-17 today.

I. Executive Summary

- Revenues for the quarter ended 31st December 2016 stood at Rs. 226.46 Cr as against Rs. 193.75 Cr in the same period last year representing 17% YoY growth in INR terms
- In dollar terms, revenue stood at \$ 33.57 Mn as against \$ 29.39 Mn in the same period last year representing 14% YoY Growth. Average USD – INR Conversion rate for the quarter (1st Oct 2016 – 31st Dec 2016) stands at Rs. 67.45
- Including the order wins recorded this quarter, Intellect's customer base stands at 208

The above financial data is additional information on function wise classification of statement of Profit and Loss of the Group on a consolidated basis and is unaudited and has not been subjected to review

II. Outcome of Board Meeting

Dr. Ashok Jhunjhunwala, Chairman of Audit Committee and Independent Director on the Board is likely to take up certain assignments with Government of India in the near future and consequently resigned from the Board with immediate effect. The Board thanked Dr. Jhunjhunwala for his invaluable advice and contribution since the listing of the company in December 2014.

III. Rely on Intellect

Intellect went live in several financial institutions across the world. The significant implementations include:

- Halk Bank, Turkey has gone live with Intellect Debt Management. Intellect's Debt Management System will enable the Bank to manage its collections and recoveries more effectively and efficiently.
- Intellect Digital Core went live in 3 financial institutions which includes one of the new small finance bank in India, a state-owned bank in Vietnam, and a bank in Cambodia.
- A Central Bank in Africa has gone live with Intellect Lending platform. It has also implemented Intellect OneTREASURY
- Intellect's iGTB Digital Transaction Banking went live in 2 financial institutions in the Middle East.
- A UK based bank has gone live with Intellect SEEC's Risk Analyst platform. Intellect Risk Analyst is an AI based risk discovery and assessment software for commercial insurance industry.

Financial Results for the Third Quarter Ended December 31, 2016

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

Rs. In Lakhs

Particulars	QUARTER ENDED		
	December 31, 2016	September 30, 2016	December 31, 2015
INCOME			
Income from software product license and related services	226,45.69	230,96.42	193,74.82
EXPENDITURE			
Software development expenses	121,98.70	115,39.28	94,36.46
Selling & marketing and General & Administrative expenses	103,18.57	105,58.68	80,31.56
Total Expenditure	225,17.27	220,97.96	174,68.02
Profit / (Loss) before interest, depreciation & amortization	1,28.42	9,98.46	19,06.80
Research & Engineering expenses	19,75.99	19,87.05	33,59.37
Depreciation/Amortisation	6,12.04	6,10.24	5,20.37
Finance Charges	3,25.96	2,40.67	26.73
Profit / (Loss) after interest, depreciation & amortization	(27,85.57)	(18,39.50)	(19,99.67)
Other Income including exceptional items	14,56.56	3,68.36	6,40.89
Minority Interest/ Share of profit/(loss) of Associate Companies	1,41.77	3,57.20	2,27.54
Profit / (Loss) before tax	(11,87.24)	(11,13.94)	(11,31.24)
Provision for taxation	3,69.50	2,70.00	60.00
Profit / (Loss) after tax	(15,56.74)	(13,83.94)	(11,91.24)

About Intellect Design Arena Limited

Intellect Design Arena Ltd, a digital technology product solutions provider to the Banking and Insurance industry, across Global Consumer Banking (iGCB), Central Banking, Global Transaction Banking (iGTB), Risk, Treasury & Markets (iRTM) and Insurance (Intellect SEEC). Intellect has created digital products & solutions for Banking and Insurance. FinTech 8012, a design centre for financial technology, reflects Intellect's commitment to continuous and impactful innovation, addressing the growing need for digital transformation. With over 200 implementations, the company's performance is driven by over 4,000 Intellect solution architects, functional and technology experts, with a presence in global financial hubs around the world and supported by design centres in multiple geographies. Please visit <http://www.intellectdesign.com/>

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 as well as on the website of the Lead Manager at 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.'

<p>For Media related info, please contact: Nachu Nagappan Intellect Design Arena Ltd Mob: +91 89396 19676 Email: nachu.nagappan@intellectdesign.com</p>	<p>For Investor related info, please contact: Praveen Malik Intellect Design Arena Limited Mob: +91 89397 82837 Email: Praveen.malik@intellectdesign.com</p>
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