

# Intellect Design Arena Limited

**Earnings Announcement – Q3 FY 17  
ending 31<sup>st</sup> December 2016**

February 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

A low-angle, upward-looking shot of a modern skyscraper's glass facade. The image features a strong geometric pattern of intersecting lines from the window frames. A color gradient is applied, transitioning from a cool blue on the left to a warm yellow on the right, with the sun's rays visible in the upper right corner. A solid blue rounded rectangle is positioned in the lower right, containing the word "Performance" in white serif font.

Performance

# Business Performance. Financial

## 1. Operating revenue<sup>1</sup>

- Revenues for the quarter ended 31<sup>st</sup> 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 (1<sup>st</sup> Oct 2016 – 31<sup>st</sup> Dec 2016) stands at **Rs. 67.45**)

## 2. Receivables Days (DSO)<sup>2</sup>

- DSO 180 days

**<sup>1</sup>Note:** 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

**<sup>2</sup>Note:** Receivables Days (DSO) has been calculated based on annualising the nine month revenue for the period ending 31<sup>st</sup> Dec 2016 and as per the formula used in the DLOF i.e: (Trade Receivables + Revenue Accrued But not billed) / Total Revenue) \*365, as per the Restated Consolidated Summary Statements



# Business Performance. Order Wins & implementations

- **Market Penetration. Demonstrates Digital competitiveness**

Including the order wins recorded this quarter, Intellect's customer base stands at 208

## Implementations. Steady performance

**Intellect went live in 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 Updates

# 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)

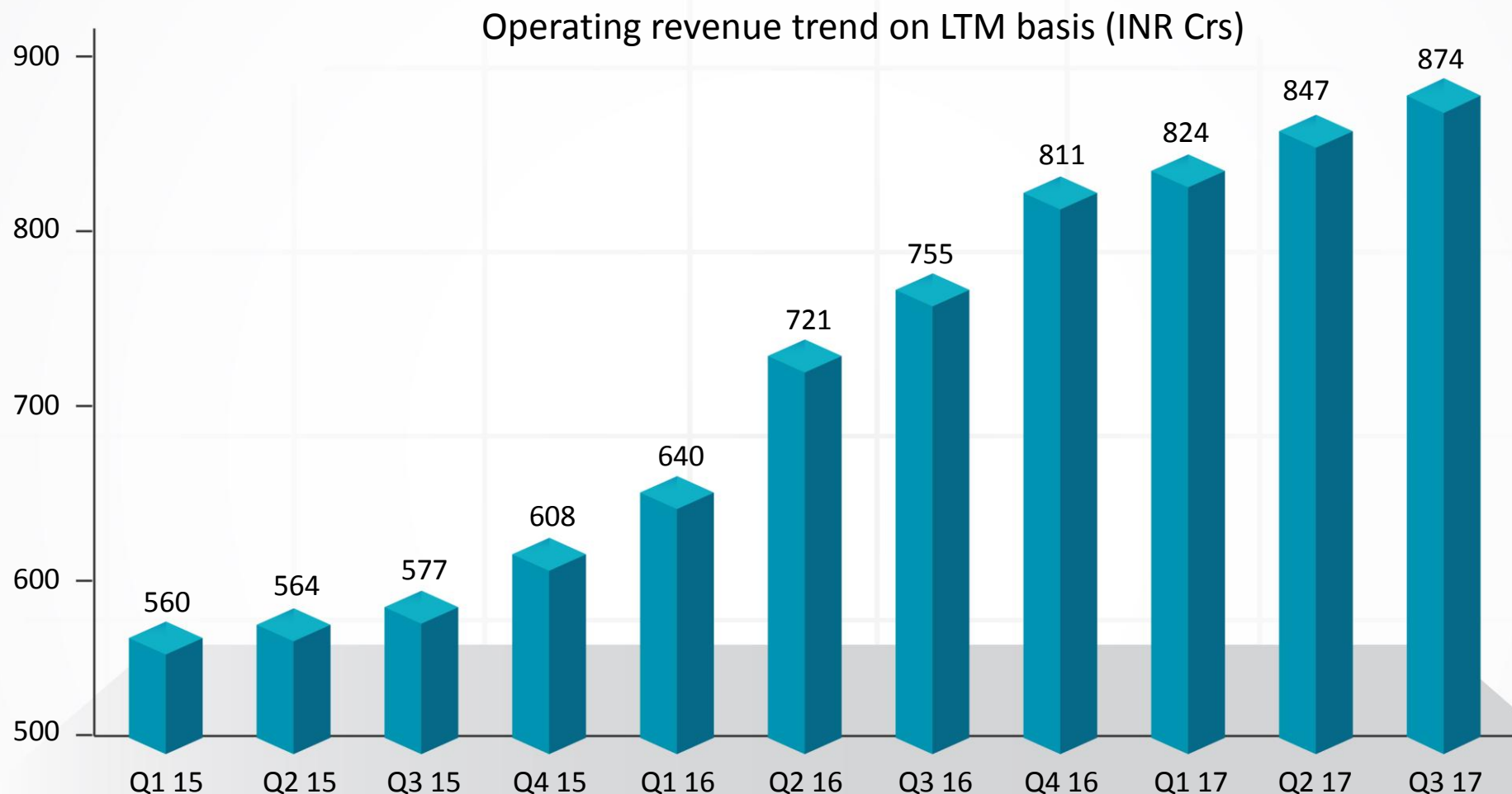
Rs. Lakhs

Particulars	QUARTER ENDED		
	December 31, 2016	September 30, 2016	December 31, 2015
<b>INCOME</b>			
Income from software product license and related services	226,45.69	230,96.42	193,74.82
<b>EXPENDITURE</b>			
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
<b>Total Expenditure</b>	<b>225,17.27</b>	<b>220,97.96</b>	<b>174,68.02</b>
<b>Profit / (Loss) before interest, depreciation &amp; amortization</b>	<b>1,28.42</b>	<b>9,98.46</b>	<b>19,06.80</b>
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
<b>Profit / (Loss) after interest, depreciation &amp; amortization</b>	<b>(27,85.57)</b>	<b>(18,39.50)</b>	<b>(19,99.67)</b>
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
<b>Profit / (Loss) before tax</b>	<b>(11,87.24)</b>	<b>(11,13.94)</b>	<b>(11,31.24)</b>
Provision for taxation	3,69.50	2,70.00	60.00
<b>Profit / (Loss) after tax</b>	<b>(15,56.74)</b>	<b>(13,83.94)</b>	<b>(11,91.24)</b>



# Financial Growth

Positive Trending Performance over 11 quarters

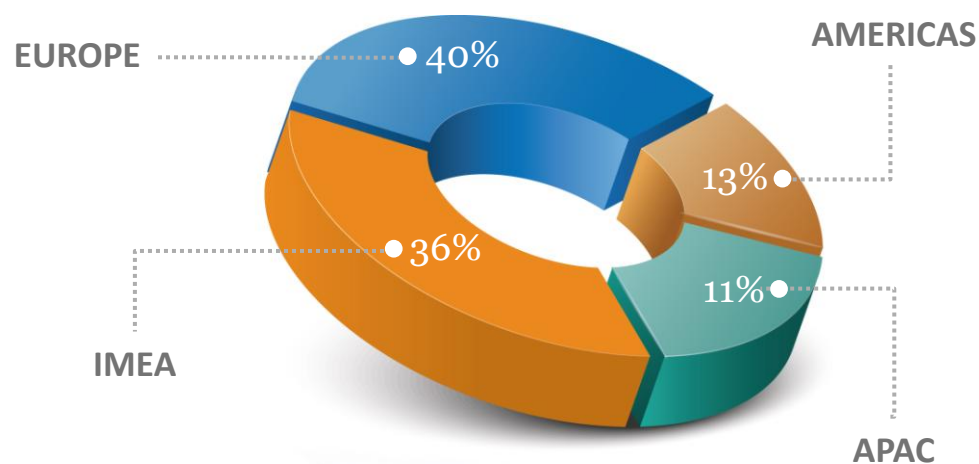


LTM = Revenue of current quarter + last three quarters

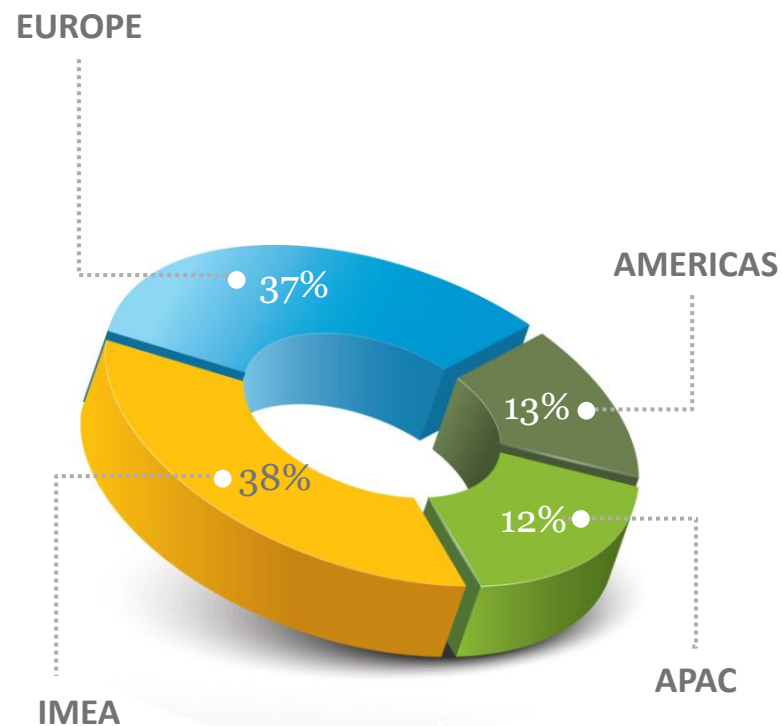
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# Revenue Distribution: By Markets



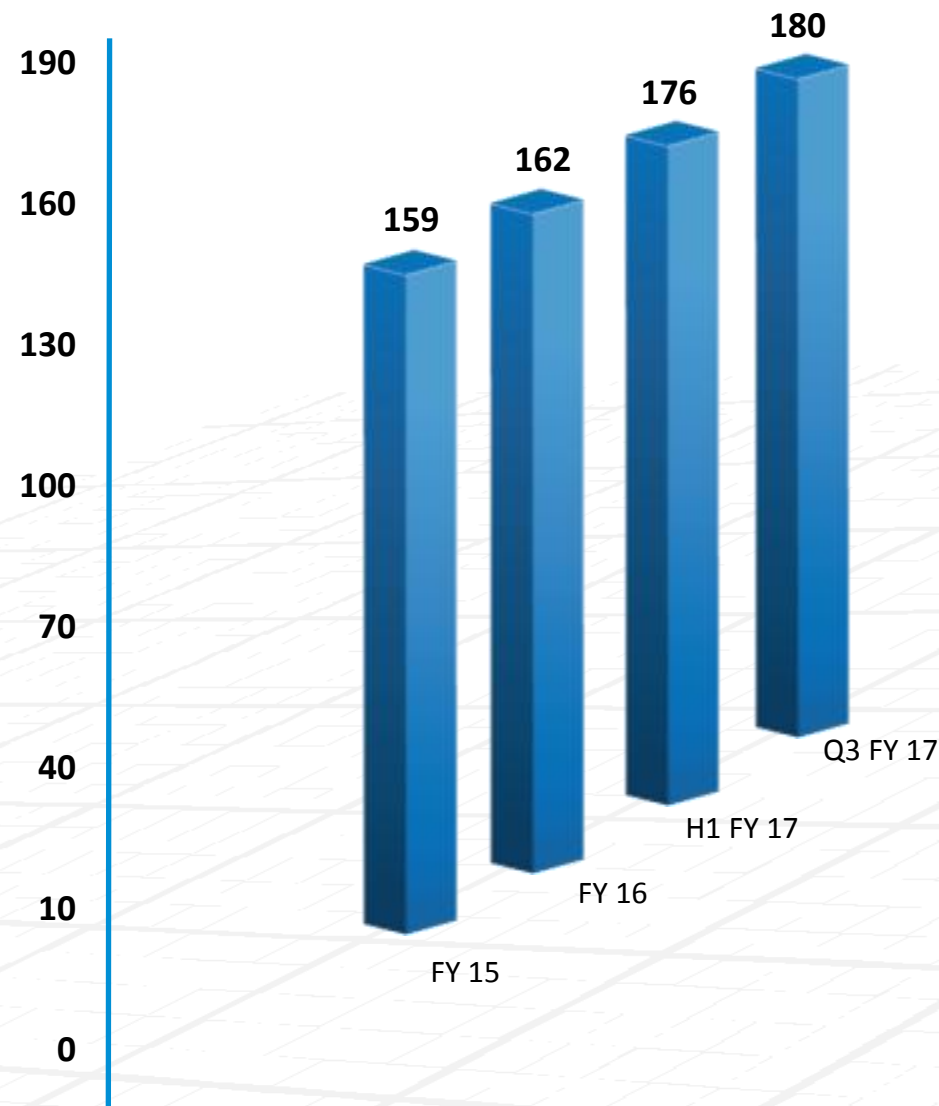
Advanced Markets : 53%



Advanced Markets : 50%

The revenue distribution by markets has been constructed in line with the classification used in data submitted in DLOF

# Receivables Days (DSO)



Receivables Days (DSO) has been calculated based on annualising the nine month revenue for the period ending 31<sup>st</sup> Dec 2016 and as per the formula used in the DLOF i.e: (Trade Receivables + Revenue Accrued But not billed) / Total Revenue) \*365, as per the Restated Consolidated Summary Statements



Others



# 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 right basis. The company has filed the “Draft Letter of offer” for the Rights Issue with the SEBI. The issue is subject to all applicable statutory and regulatory approvals.

The terms and conditions of the Rights Issue including the timing of issue, quantum of offer, issue price, rights entitlement ratio, record date and other matters shall be decided in consultation with the Lead Manager to the Rights Issue after receipt of the SEBI observations on the DLOF



# Outcome of the 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.

