

Intellect/SEC/2020-21

February 02, 2021

**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

**BSE Ltd.**

1st Floor, New Trade Ring, Rotunda Building, PJ Towers,  
Dalal Street, Fort,  
Mumbai – 400 001.

**Scrip Code :**

538835

Dear Sir,

**Sub: Outcome of Board Meeting held on February 02, 2021**

We wish to inform that pursuant to Regulation 30 (read with Schedule III-Part A) , Regulation 33 and other applicable regulations of SEBI(Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board of Directors of the company in its meeting held on February 02, 2021 have considered and approved the following:

1. Unaudited Financial Results (Standalone and Consolidated) of the Company as set out in compliance with Indian Accounting Standards (IND AS) for the quarter ended December 31, 2020 together with Limited Review Report of the Auditors' thereon.
2. Media Release announcing the Financial Results of the company for the quarter ended December 31, 2020 (Copy enclosed).
3. Based on the recommendation of the Nomination, Remuneration and Compensation Committee , the Board has approved the terms and conditions of reappointment of Mr. Anil Kumar Verma (DIN-01957168), Whole Time Director for a term of 5 years, with effective from February 01, 2021.

We confirm that the above said Director is not debarred from holding of office as a director by virtue of any SEBI order or any other authority in force.

The disclosure of aforesaid re-appointment of Director is in accordance with Regulation 30 of SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 and read with Circular no.CIR/CFD/CMD/4/2015 is enclosed.

Kindly note that Board meeting commenced at 12 Noon and concluded at 1.40 P.M.

**Intellect Design Arena Limited**

Registered Office: 244 Anna Salai, Chennai - 600 006, India | Ph: +91-44-6615 5100 | Fax: +91-44-6615 5123  
Corporate Headquarters: SIPCOT IT Park Siruseri, Chennai - 600 130, India | Ph: +91-44-6700 8000 | Fax: +91-44-6700 8874  
E-mail: contact@intellectdesign.com | www.intellectdesign.com



We request you to take the above information on record and confirm compliance.

The above information is available on the website of the Company viz., [www.intellectdesign.com](http://www.intellectdesign.com)

Thanking you,  
For Intellect Design Arena Limited,



**V V Naresh**  
Company Secretary and Compliance Officer



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E-mail: [contact@intellectdesign.com](mailto:contact@intellectdesign.com) | [www.intellectdesign.com](http://www.intellectdesign.com)

Annexure

Sl No.	Particulars	Disclosure
1	Reason for change	Recommending the terms and conditions of re-appointment of Mr. Anil Kumar Verma(DIN-01957168) for a third term of 5 years, with effective from February 01, 2021.
2	Date of re-appointment and terms of re-appointment	The Board at its meeting held on February 02, 2021 approved the re-appointment based on the recommendation of Nomination, remuneration and compensation Committee, subject to the approval of shareholders at the ensuing Annual General Meeting.
3	Brief Profile of Mr. Anil Kumar Verma	<p>A Bachelor of Electrical Engineering from IIT ,Delhi and Post-Graduate in Instructional Design from the University of Wollongong in Australia, Mr. Anil has rich and global professional experience of over 35 years in the industry.</p> <p>He is a key contributor to the strategic vision of the organization. He has established and nurtured deep relationships for strengthening the Polaris brand in Australia. He was part of the core group that conceptualized and created FINDIT (Forum of Indian IT companies) that later became NASSCOM Australia, an influential industry body that he led as Founder President for four years. Living the spirit of deeper connect with the local community, Mr. Anil established long term relationship with the University of Western Sydney in Australia, where he has been instrumental in creating graduate and post graduate course on Software Testing. He has contributed significantly in promoting collaboration between India and Australia in the field of ICT.</p>
4	Disclosure of relationships between directors.	Mr. Anil verma is the brother-in-law of Mr. Arun Jain, Chairman and Managing Director.

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**Independent Auditor’s Review Report on the Quarterly and Year to Date Unaudited Standalone and Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****Review Report to  
The Board of Directors  
Intellect Design Arena Limited**

1. We have reviewed the accompanying Statement of Unaudited standalone and consolidated Financial Results of Intellect Design Arena Limited (the ‘Company’) comprising its subsidiaries (together referred to as “the Group”) its associates and joint venture for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 (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, as amended (the “Listing Regulations”).
2. This Statement, which is the responsibility of the Company’s Management and approved by the Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.



## 4. The Statement includes the results of the following entities:

Company	Relationship	Company	Relationship
1. Intellect Design Arena Pte Ltd, Singapore	Subsidiary	12. Sonali Polaris FT Limited, Bangladesh	Subsidiary
2. Intellect Design Arena Limited, United Kingdom	Subsidiary	13. Intellect Design Arena, PT Indonesia	Subsidiary
3. Intellect Design Arena SA, Switzerland	Subsidiary	14. Intellect Design Arena Inc, Canada	Subsidiary
4. Intellect Design Arena FZ-LLC, Dubai	Subsidiary	15. Intellect Design Arena Limited, Thailand	Subsidiary
5. Intellect Commerce Limited, India	Subsidiary	16. Intellect Design Arena, SDN BHD, Malaysia	Subsidiary
6. Intellect Design Chile Limitada , Chile	Subsidiary	17. Intellect Design Arena Pty Ltd, Australia	Subsidiary
7. Intellect Design Arena Inc, USA	Subsidiary	18. Intellect Payments Limited, India	Subsidiary
8. SEEC Technologies Asia Private Limited, India	Subsidiary	19. Intellect India Limited, India	Subsidiary
9. Intellect Design Arena Co. Ltd, Vietnam	Subsidiary	20. Intellect Polaris Design LLC, USA (Joint Venture until June 30, 2020)	Subsidiary
10. Intellect Design Arena Limited, Kenya	Subsidiary	21. Intellect Design Arena Ltd, Germany	Subsidiary Associate
11. Intellect Design Arena Philippines Inc, Philippines	Subsidiary	22. NMS Works Software Private Limited, India	Associate
		23. Adrenalin eSystems Limited, India	Associate

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on consideration of review reports on the unaudited separate quarterly financial results and on the other financial information of the subsidiaries, associates and joint venture as detailed in Paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone and consolidated financial results prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 3 of the statement of unaudited quarterly and year to date standalone and consolidated financial results which describes the impact of Covid-19 pandemic, and its possible consequential implications on the Company's operations and financial metrics. Our conclusion is not modified in respect of this matter.
7. In respect of consolidated financial results of the Group included in the Statement, we did not review the financial results and other financial information in respect of 20 subsidiaries, whose unaudited Ind AS financial results includes total revenues of Rs. 1,821.85 million and 4,593.77 million, total net profit after tax of Rs. 51.55 million and Rs. 222.40 million and total comprehensive income of Rs. 32.83 million and Rs. 186.84 million for the quarter ended December 31, 2020 and for the period from April 1, 2020 to December 31, 2020, respectively, as considered in the Statement, which have been reviewed by independent auditors. These Ind AS financial results and other financial information have been reviewed by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial results also



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

include the Group's share of net profit of Rs. 62.42 million and total comprehensive income of Rs. 62.42 million for the quarter ended December 31, 2020 in respect of two associates and Group's share of net profit of Rs. 1.94 million and total comprehensive loss of Rs. 14.10 million for the period from April 1, 2020 to December 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of two associates and a joint venture, whose financial statements and other financial information have been reviewed by other auditors and whose reports have been furnished to us by the management. Our conclusion, in so far as it relates to the affairs of such subsidiaries, associates and joint venture is based solely on the report of other auditors. Our conclusion is not modified in respect of this matter.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

**ICAI Firm registration number: 101049W/E300004**

**BHARATH  
SRIDHARAN  
NALLAPPA**

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**per Bharath N S**

Partner

Membership No.: 210934

UDIN: 21210934AAAAAI5655

Place: Chennai

Date: February 02, 2021

# INTELLECT DESIGN ARENA LIMITED

CIN : L72900TN2011PLC080183

Regd Office : Carex Centre, 244 (Old no. 713) Anna Salai, Chennai 600 006, Ph:+91-44-6615 5100, Fax:+91-44-6615 5123

## UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS OF INTELLECT DESIGN ARENA LIMITED FOR THE QUARTER AND PERIOD ENDED DECEMBER 31, 2020

(Rs. In Million)

PARTICULARS	Standalone						Consolidated					
	Quarter ended December 31, 2020	Quarter ended September 30, 2020	Quarter ended December 31, 2019	Nine months ended December 31, 2020	Nine months ended December 31, 2019	Year ended March 31, 2020	Quarter ended December 31, 2020	Quarter ended September 30, 2020	Quarter ended December 31, 2019	Nine months ended December 31, 2020	Nine months ended December 31, 2019	Year ended March 31, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Income</b>												
Revenue from Operations	2,713.62	2,387.57	1,817.55	7,229.24	5,376.64	7,413.30	3,821.91	3,718.06	3,194.91	10,998.90	9,888.59	13,468.8
Other income	63.73	27.27	118.47	173.18	288.84	229.88	42.40	21.40	84.26	113.91	297.04	264.6
<b>Total Income</b>	<b>2,777.35</b>	<b>2,414.84</b>	<b>1,936.02</b>	<b>7,402.42</b>	<b>5,665.48</b>	<b>7,643.18</b>	<b>3,864.31</b>	<b>3,739.46</b>	<b>3,279.17</b>	<b>11,112.81</b>	<b>10,185.63</b>	<b>13,733.5</b>
<b>Expenditure</b>												
Employee benefit expenses	1,250.28	1,221.04	1,212.98	3,703.70	3,662.98	4,616.63	1,916.61	2,057.49	2,100.61	6,130.44	6,378.67	8,120.8
Depreciation/Amortisation	122.44	129.08	119.74	375.09	359.41	485.65	189.20	193.95	170.79	571.60	498.35	689.5
Finance Cost	9.55	19.92	41.96	64.29	115.32	158.03	13.49	25.48	48.25	78.42	135.43	173.6
Other expenses	695.40	534.32	925.00	1,626.84	2,080.26	2,630.93	942.80	796.39	1,066.93	2,334.96	3,424.64	4,639.6
<b>Total Expenses</b>	<b>2,077.67</b>	<b>1,904.36</b>	<b>2,299.68</b>	<b>5,769.92</b>	<b>6,217.97</b>	<b>7,891.24</b>	<b>3,062.10</b>	<b>3,073.31</b>	<b>3,386.58</b>	<b>9,115.42</b>	<b>10,437.09</b>	<b>13,623.7</b>
<b>Profit / (Loss) before share of profit / (loss) of associates, joint venture, exceptional item and tax</b>	<b>699.68</b>	<b>510.48</b>	<b>(363.66)</b>	<b>1,632.50</b>	<b>(552.49)</b>	<b>(248.06)</b>	<b>802.21</b>	<b>666.15</b>	<b>(107.41)</b>	<b>1,997.39</b>	<b>(251.46)</b>	<b>109.8</b>
Exceptional item	-	-	-	-	50.55	50.55	-	-	-	-	55.45	55.4
Share of profit/(loss) of associates and joint venture (net of tax)	-	-	-	-	-	-	62.42	(2.02)	29.03	1.94	(0.12)	62.1
<b>Profit / (Loss) before tax</b>	<b>699.68</b>	<b>510.48</b>	<b>(363.66)</b>	<b>1,632.50</b>	<b>(501.94)</b>	<b>(197.51)</b>	<b>864.63</b>	<b>664.13</b>	<b>(78.38)</b>	<b>1,999.33</b>	<b>(196.13)</b>	<b>227.3</b>
<b>Tax expenses:</b>												
Current Tax	190.48	111.35	-	396.73	-	-	204.89	130.84	28.39	442.69	38.00	48.4
Deferred Tax	(156.71)	(60.84)	-	(279.46)	-	115.25	(144.89)	(60.84)	-	(267.64)	-	2.4
<b>Profit / (Loss) after tax</b>	<b>665.91</b>	<b>459.97</b>	<b>(363.66)</b>	<b>1,515.23</b>	<b>(501.94)</b>	<b>(312.76)</b>	<b>804.63</b>	<b>594.13</b>	<b>(106.77)</b>	<b>1,824.28</b>	<b>(234.13)</b>	<b>176.4</b>
<b>Profit / (Loss) for the year / period attributable to</b>												
Owners of the Company	665.91	459.97	(363.66)	1,515.23	(501.94)	(312.76)	803.67	591.80	(113.82)	1,821.58	(249.99)	159.9
Non controlling interest	-	-	-	-	-	-	0.96	2.33	7.05	2.70	15.86	16.5
<b>Other Comprehensive Income (net of tax)</b>												
<b>Items that will be reclassified subsequently to profit or loss</b>												
Net movement on cash flow hedges	115.44	230.89	25.47	498.30	6.87	(287.06)	115.44	230.89	25.47	498.30	6.87	(287.06)
Exchange differences on translation of foreign operations (including share of associates and joint venture)	-	-	-	-	-	-	51.76	(37.05)	98.00	20.58	64.60	151.5
<b>Items that will not be reclassified subsequently to profit or loss</b>												
Re-measurement gains/ (losses) on defined benefit plans	(9.77)	(15.46)	8.51	(33.36)	(16.56)	(26.09)	(9.77)	(15.45)	8.67	(33.49)	(16.71)	(26.23)
<b>Other Comprehensive Income for the year / period (net of tax)</b>	<b>105.67</b>	<b>215.43</b>	<b>33.98</b>	<b>464.94</b>	<b>(9.69)</b>	<b>(313.15)</b>	<b>157.43</b>	<b>178.39</b>	<b>132.14</b>	<b>485.39</b>	<b>54.76</b>	<b>(161.75)</b>
<b>Total Comprehensive Income for the year / period</b>	<b>771.58</b>	<b>675.40</b>	<b>(329.68)</b>	<b>1,980.17</b>	<b>(511.63)</b>	<b>(625.91)</b>	<b>962.06</b>	<b>772.52</b>	<b>25.37</b>	<b>2,309.67</b>	<b>(179.37)</b>	<b>14.7</b>
<b>Total Comprehensive Income for the year / period attributable to</b>												
Owners of the Company	771.58	675.40	(329.68)	1,980.17	(511.63)	(625.91)	962.22	771.69	16.04	2,309.64	(200.88)	(12.87)
Non controlling interest	-	-	-	-	-	-	(0.16)	0.83	9.33	0.03	21.51	27.5
<b>Paid-up Equity share Capital</b>												
Equity shares of Rs 5 each	663.32	662.67	661.32	663.32	661.32	661.69	663.32	662.67	661.32	663.32	661.32	661.6
Other Equity	-	-	-	-	-	8,269.11	-	-	-	-	-	9,788.4
<b>Earning Per Share (EPS) of Rs.5 each</b>												
Basic	5.02	3.47	(2.75)	11.44	(3.80)	(2.37)	6.07	4.47	(0.81)	13.77	(1.77)	1.2
Diluted	4.76	3.42	(2.75)	11.09	(3.80)	(2.37)	5.75	4.40	(0.81)	13.36	(1.77)	1.1

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# INTELLECT DESIGN ARENA LIMITED

CIN : L72900TN2011PLC080183

Regd Office : Carex Centre, 244 (Old no. 713) Anna Salai, Chennai 600 006, Ph: +91-44-6615 5100, Fax: +91-44-6615 5123

## UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS OF INTELLECT DESIGN ARENA LIMITED FOR THE QUARTER AND PERIOD ENDED DECEMBER 31, 2020

### NOTES:

1. The standalone and consolidated financial results for the quarter and period ended December 31, 2020 were approved by the Board of Directors at its meeting held on February 02, 2021. The statutory auditors have conducted a limited review of the above standalone and consolidated financial results. These financial results are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
2. Based on the "Management Approach" as defined under Ind AS 108 Operating Segments, the Company's performance is evaluated and resources are allocated based on an analysis of various performance indicators by a single business segment i.e. 'Software Production License & related services'.
3. The outbreak of Coronavirus (COVID-19) pandemic globally is causing a slowdown of economic activity. The Company has considered the possible effects that may result from COVID 19 on its operations including but not limited to its assessment on the carrying amount of trade receivables, revenue accrued not billed, goodwill on consolidation, intangible assets and intangible assets under development. In developing the assumption relating to the possible future uncertainties in the global conditions because of the pandemic, the Company as on date of approval of these financial results has used various information, as available. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone and consolidated financial results and the Company will continue to closely monitor any material changes to future economic conditions.
4. On July 1, 2020, the Company has increased its ownership interest in Intellect Polaris Design LLC ("IPDLLC") from 50% to 100% resulting in IPDLLC being a wholly owned subsidiary. The Company has consolidated IPDLLC from last quarter.
5. The Indian Parliament has approved the Code of Social Security, 2020 ('Code') which relates to the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the relevant rules are yet to be framed. In view of this, impact if any, of the changes will be assessed and accounted in period of notification of the Code.
6. Figures of the earlier period, wherever necessary, have been regrouped to conform with those of the current periods.

For Intellect Design Arena Limited

**ARUN JAIN**

Arun Jain

Chairman and Managing Director

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**Saranu  
Venkateswarlu**

Venkateswarlu Saranu

Chief Financial Officer

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Place : Chennai

Date : February 02, 2021

## Intellect continues its monetisation journey with a steady 19% Y-o-Y revenue growth and PAT of INR 804 Mn

### Breakthrough in Germany with OTTO GmbH and entry into North America for Intellect Digital Core

- Healthy growth of 85% in License revenues; AMC revenues up by 18% YoY
- License-linked revenue (License + SaaS/Subscription + AMC) is at 53% of total revenues as against 45% of total revenues in Q3 FY20.
- Sustained growth in profitability with PAT at INR 804 Mn as against a loss of INR (114) Mn in Q3 FY20
- Expansion of EBITDA margins at 26% of revenues in Q3 FY21 vs 1% in Q3 FY20
- Novarica rates Intellect SEEC's IDX as an Intelligent Text Ingestion solution for Advanced Underwriting with AI & ML playing a larger role.

**Chennai (India), 2<sup>nd</sup> February 2021:** Intellect Design Arena Ltd, a cloud-native, future-ready, multi-product FinTech company for the world's leading financial and insurance clients, announced its third-quarter results for FY 2020-21 today.

#### I. Calibrated Growth Yielding Predictability

### Q3 FY21 - Financial Highlights

#### Revenue:

- Total revenue is INR 3823 Mn registering 19% YoY growth
- In \$ terms, total revenue is \$ 51.81 Mn registering 15% YoY growth

#### License, AMC and SaaS Revenue:

- License Revenue is INR 910 Mn, registering 85% YoY growth
- AMC Revenue is INR 745 Mn, registering 18 % YoY growth
- Cloud/SaaS revenue is INR 418 Mn, registering 28% YoY growth

#### Digital-led wins and go-lives

- 10 Digital-led wins including 6 large Digital Transformation deal wins
- 9 Go-lives in financial institutions across the world during this quarter

#### Gross Margin, EBITDA and Net Profit

- Gross Margin is INR 2141 Mn, grew from 47% in Q3 FY20 to 56% in Q3 FY21
- EBITDA is INR 975 Mn at 26% of revenues in Q3 FY21 as against INR 36 Mn and 1% of revenues in Q3 FY20
- Net Profit is INR 804 Mn (21% of revenues in Q3 FY21) as against a loss of INR (114) Mn in Q3 FY20

#### Collections and Net DSO

- Collections for Q3 FY21 is INR 3483 Mn; up by INR 138 Mn as against INR 3345 Mn in Q3 FY20
- The Net Days of Sales Outstanding (DSO) is 124 days in Q3 FY21 as against 132 days in Q3 FY20
- Investment in Product Development (Capitalised) is INR 283 Mn, against INR 287 Mn in Q3 FY20

### Cash and Debt position

- Cash and Cash Equivalent is INR 1837 Mn Vs INR 1212 Mn in Q3 FY 20.
- Effective Operating Cash Flow is INR 335 Mn
- Net cash as of Q3 FY21 is at INR 1242 Mn as against negative INR 1015 Mn in Q3 FY20

## YTD FY21 - Financial Highlights

### Revenue:

- Total YTD revenue is INR 11046 Mn registering 11% YoY growth
- In \$ terms, total YTD revenue is \$ 147.99 Mn registering 5% YoY growth

### License, AMC and SaaS Revenue:

- YTD License Revenue is INR 2501 Mn, registering 70% YoY growth
- YTD AMC Revenue is INR 2234 Mn, registering 20 % YoY growth
- YTD Cloud/SaaS revenue is INR 1152 Mn, registering 38% YoY growth

### Digital-led wins and go-lives

- 20 Digital-led wins including 11 large Digital Transformation deal wins
- 40 Go-lives in financial institutions across the world during this quarter

### Gross Margin, EBITDA and Net Profit

- Gross Margin is at INR 6116 Mn in YTD FY21 as against INR 4595 Mn in YTD FY20
- EBITDA is at INR 2592 Mn in YTD FY21 as against INR 109 Mn in YTD FY20
- Net Profit is INR 1822 Mn in YTD FY 21 as against a loss of INR (250) Mn in YTD FY20

### Collections and Net DSO

- Collections for YTD FY21 is INR 11190 Mn; up by INR 1343 Mn as against INR 9847 Mn in YTD FY20
- Net Days of Sales Outstanding (DSO) for YTD FY21 is 124 days as against 132 days in YTD FY20
- Investment in Product Development (Capitalised) for YTD FY21 is INR 836 Mn as against INR 865 Mn in YTD FY20

### Cash and Debt position

- Cash and Cash Equivalent for YTD FY21 is INR 1837 Mn Vs INR 1212 Mn in YTD FY 20.
- Effective Operating Cash Flow for YTD FY21 is INR 898 Mn

## II. Management Overview



Commenting on the results, **Arun Jain**, *Chairman and Managing Director, Intellect Design Arena Ltd.* said, "Intellect in the last 3 years has emerged as a strong Global Fintech player with full Cloud native, Microservices architecture based Products. Winning of Core banking deals in highly competitive and technologically mature markets of Germany and Canada is the outcome of Intellect's Superior Technology and Functional design tailored for the digital age. I am proud of our Engineering teams supported by globally competitive product management. This gives us confidence to drive profitable and repeatable growth on a

sustained basis."



**Venkateswarlu Saranu**, Chief Financial Officer, Intellect Design Arena Ltd., said, "I am very excited to say that our EBITDA margins are growing consistently for the last 4 quarters to 26% this quarter from 18% during Jan-Mar 2020. This quarter achieved the highest Profit after tax of INR 804 Mn up from INR 592 Mn last quarter. Intellect's Cash position is very healthy with net cash of INR 1242 Mn at the end of Dec 2020. The annualised EPS based on Q3 results now stands at INR 24.23."

### III. Digital Deals

In Q3 FY21, Intellect has addressed all aspects of our customers' digital requirements leading to 10 digital-led wins, of which 6 were large transformation deal wins.

#### Large Digital Transformation deal wins

- **Breakthrough in Germany with OTTO GmbH destiny deal win:** Intellect Digital Core (IDC) chosen by one of Europe's leading e-commerce entity's credit business -OTTO GmbH for the digital transformation of their Payments and Financing platform.
- **iGCB enters North America by winning its first IDC cloud subscription deal for a mid-tier bank.** Deal won against strong international and local competitors.
- **First Fabric Data Platform deal in Australia to power Blue Zebra's Broker Platform**
- **iGTB chosen for the Trade SWIFT upgrade by a large Trade Bank in CEE region**
- **iGTB Digital Transaction Banking (DTB) chosen by a large financial institution in Jordan** for its digital transformation program.
- **Intellect Wealth wins a large deal in Indonesia.** iWealth has been selected as a technology vendor by one of Indonesia's largest bank competing against the leading market players.

### IV. Reliable Implementations

Intellect went live in 9 financial institutions across the world during this quarter. Significant implementations in this quarter are:

- iGTB Liquidity Management went live within 8 months in one of the Top 10 US bank
- Intellect Digital Lending went live with a large bank in Kuwait
- iGTB DTB implemented in the 6th country roll-out for a large commercial bank in the African continent
- Intellect Digital Core/Lending Solution went live in Middle East's second-Largest bank
- Intellect's CBX-R platform went live in a Leading bank in the IMEA region
- Intellect SME/Corporate Loan Process System and DTB went live in a leading bank in India
- iGTB Virtual Accounts went live in a Top 3 Australian bank to extend its Cash Management leadership in the market

## V. Intellect Product Endorsements by Global Analysts



### Intellect and its clients bagged four awards at IBS Intelligence Global FinTech Innovation Awards 2020

- Best Project Implementation in the Treasury and Trade Finance category for implementation at Westpac
- Most Innovative Project in the API/Open Banking category for implementation at APIX by Monetary Authority of Singapore
- Most Impactful Project in the Digital Lending category for implementation at Shinhan Vietnam Finance Company

- Novarica rates Intellect SEEC's IDX as an Intelligent Text Ingestion solution for Advanced Underwriting with AI & ML playing a larger role.
- Gartner recognises Intellect as Wealth Management Systems provider
- Aite lists Intellect CBX amongst the "Leading Core providers named by the US Banks who are looking for Digital Banking offerings".
- Omdia ranks Intellect's CBX- R as Challenger in Digital Banking Engagement Platform

**VI. Financial Results for the Third Quarter Ended – December 31, 2020**
**Additional Information on function wise classification of the statement of Profit and Loss of the Group (Consolidated Unaudited/Not Reviewed)**

(INR Mn)

Particulars	QUARTER ENDED			YTD		YEAR ENDED
	December 31, 2020 (Q3 FY 21)	September 30, 2020 (Q2 FY 21)	December 31, 2019 (Q3 FY 20)	December 31, 2020 (Q3 FY 21)	December 31, 2019 (Q3 FY 20)	March 31, 2020 (FY20)
<b>INCOME</b>						
Income from software product license and related services	3,823	3,730	3,203	11,046	9,912	13,509
<b>EXPENDITURE</b>						
Software development expenses	1,682	1,635	1,711	4,929	5,318	6,987
<b>Gross Margin</b>	<b>2,141</b>	<b>2,096</b>	<b>1,492</b>	<b>6,116</b>	<b>4,595</b>	<b>6,522</b>
Gross Margin %	56%	56%	47%	55%	46%	48%
Selling and marketing & General and administrative expenses	936	958	1,142	2,830	3,503	4,555
Research & Engineering expenses	230	234	315	694	983	1,219
Total Expenditure	2,848	2,826	3,168	8,454	9,803	12,761
<b>EBITDA</b>	<b>975</b>	<b>904</b>	<b>36</b>	<b>2,592</b>	<b>109</b>	<b>748</b>
<b>EBITDA %</b>	<b>26%</b>	<b>24%</b>	<b>1%</b>	<b>23%</b>	<b>1%</b>	<b>6%</b>
Depreciation	(93)	(98)	(97)	(295)	(289)	(397)
Amortisation	(96)	(96)	(73)	(276)	(209)	(293)
Hedge Impact	(1)	(12)	(8)	(47)	(24)	(40)
Finance Charges	(13)	(25)	(48)	(78)	(135)	(174)
<b>Profits / (Loss) before other income / minority interest</b>	<b>772</b>	<b>672</b>	<b>(192)</b>	<b>1,895</b>	<b>(548)</b>	<b>(155)</b>
Other Income (including Treasury)	8	22	34	59	265	294
Reinstatement of Receivables / Liabilities	22	(28)	50	43	88	26
Minority Interest/ Share of profit/(loss) of Associate Companies	61	(4)	22	(1)	(16)	46
<b>Profit / (Loss) before tax</b>	<b>864</b>	<b>662</b>	<b>(85)</b>	<b>1,997</b>	<b>(212)</b>	<b>211</b>
Provision for taxation	(60)	(70)	(28)	(175)	(38)	(51)
<b>Profit / (Loss) after tax</b>	<b>804</b>	<b>592</b>	<b>(114)</b>	<b>1,822</b>	<b>(250)</b>	<b>160</b>
<b>Annualised EPS</b>	<b>24.23</b>	<b>17.86</b>	<b>(3.44)</b>	<b>18.31</b>	<b>(2.52)</b>	<b>1.21</b>

**Investor Conference Call**

The Board of Directors of Intellect Design Arena Limited met on **2<sup>nd</sup> February 2021**, to take on record the financial results of the company for the Q3 FY21 ended on December 31, 2020.

Intellect Design Arena Ltd. will host an Investors Conference Call on **2<sup>nd</sup> February 2021**. The Senior Management of Intellect will comment on the company’s performance for Q3 FY21 and respond to questions from participants. **The virtual conference call will take place through Zoom at 17:00 hrs IST on Tuesday, 2<sup>nd</sup> February 2021.**

**Conference Name** : Q3 FY21 - Investor earnings call  
**Date** : 2<sup>nd</sup> February, 2021  
**Time** : 05:00 PM to 06:00 PM IST

**Virtual Conference Call Link:**

<https://zoom.us/j/96231983260?pwd=OFNlbnBGlKMzIRtKtE4OFp0ZlVoMEQrUT09>

**Webinar ID:** 962 3198 3260

**Passcode:** 647559

**Please Note:**

- 1) Join the ZOOM Link by 4:55 PM IST on 2nd February, 2021
- 2) Login with your name and company name while joining the call
- 3) Investors can raise their hand during the Q&A Session given at the bottom center of the screen

**About Intellect Design Arena Limited**

Intellect Design Arena Ltd. has the world’s largest cloud-native, API led microservices-based multi-product FinTech platform for the Global leaders in Banking, Insurance and Capital Markets. It offers a full spectrum of banking and insurance technology products through its four lines of businesses - Global Consumer Banking, Global Transaction Banking (iGTB), Risk, Treasury and Markets, and Insurance. With over 25 years of deep domain expertise, Intellect is the brand that progressive financial institutions rely on for their digital transformation initiatives.

Intellect pioneered Design Thinking to create cutting-edge products and solutions for banking and insurance, with design being the company’s key differentiator in enabling digital transformation. FinTech 8012, the world’s first design center for financial technology, reflects Intellect’s commitment to continuous and impactful innovation, addressing the growing need for digital transformation. Intellect serves over 240 customers through offices in 91 countries and with a diverse workforce of solution architects, domain and technology experts in major global financial hubs around the world. For further information on the organisation and its solutions, please visit [www.intellectdesign.com](http://www.intellectdesign.com).

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