



**SIVASUBRAMANIAN & RAO**  
Chartered Accountants

Flat D-2, 3rd Floor, B-Block,  
Parsn Paradise, No.46,  
G.N. Chetty Rd, T.Nagar, Chennai-17.  
Phone : 044-4260 5611 / 4260 5612  
E-mail : auditcas@bsnl.in  
Sandy @ Sandr's.co.in.

## Independent Auditor's Report

**To The Members of Indigo Tx Software Private Limited**

### Report on the Financial Statements:

We have audited the accompanying financial statements of Indigo Tx Software Private Limited, which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year 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 with respect to the Preparation of these financial statements that gives a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including accounting standards specified under section 133 of Act, read with Rule 7 of Companies (Accounts) Rules, 2014. 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 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 in accordance with the Standards on Auditing 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 financial statements. 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. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal control systems over financial reporting and the operating effectiveness of such controls. 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.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date;
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section 11 of section 143 of the Companies Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

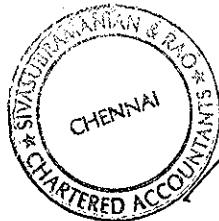
2. As required by section 143(3) of the Act, we report that:

- (a) We have 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 appears from our examination of those books.
- (c) The Balance sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report is in agreement with the books of account.
- (d) In our opinion, the balance sheet, statement of profit and loss, and Cash Flow Statement comply with the accounting standards specified under section 133 of the Act, read with Rule of the Companies (Accounts) Rules, 2014

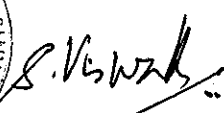


- (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section 2 of section 164 of Companies Act, 2013.
- (f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 litigation on its financial position in its financial statements- Refer Note.7
- (ii) In our opinion and as per the information and explanations provides to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
- (iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

Place: Chennai  
Date: 24<sup>th</sup> April 2015



For Sivasubramanian & Rao  
Chartered Accountants  
FRN: 003904S

  
S.VISWANATHAN  
Partner  
M. No: 20572

1/2/15

### Annexure to Independent Auditor Report

Annexure referred to in Paragraph 1 of the Auditors' Report to the member Indigo Tx Software Private Limited for the year ending March 31, 2015.

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- ii. As the company has no inventory, the question of physical verification does not arise;
- iii. 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 paragraph 3(iii) of the order is not applicable.
- iv. In our opinion and according to the explanations given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business, with regard to purchases of inventory, fixed assets and for the sale of goods and services. There is no continuing failure to correct major weaknesses in internal control system.
- v. According to the information and explanation given to us, the Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed maintenance of Cost Records under Section 148(1) of Companies Act, 2013.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of books of account. The company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income -tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, Cess and all other statutory dues with the appropriate authorities.
- (b) According to the information and explanation provided to us, the company had disputed the following assessment of the Service tax department.

Name of the Status	Nature of dues	Amount (In Lacs)	Period to which the amount relates	Forum where dispute is pending
Service Tax	Service Tax Demand	10.27	FY 2008-09	Addl. Commissioner of Service Tax-Chennai-II-Commissionerate
	Service Tax Demand	3.55		
	Service Tax-penalty	10.27		

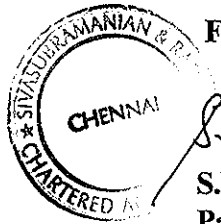


Index

(c) No amount is required to be transferred to Investor Education and Protection Fund in accordance with Section 125 of the Companies Act, 2013.

- viii. The company's accumulated losses are more than 50% of its Net worth. The Company has not incurred cash loss during the current financial year but incurred cash loss during the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks or financial institutions.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other from banks or financial institutions.
- xi. The Company has not raised any term loan during the financial year.
- xii. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For Sivasubramanian & Rao**  
**Chartered Accountants**  
**FRN: 003904S**



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

**Place: Chennai**  
**Date : 24<sup>th</sup> April 2015**

**INDIGO TX SOFTWARE PRIVATE LIMITED**

Balance Sheet as at				
Amount in Rs.				
	Particulars	Notes	31st Mar 2015	31st March 2014
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>SHAREHOLDERS' FUNDS</b>			
	(a) Share Capital	3	3,970,400	3,970,400
	(b) Reserves and Surplus	4	32,414,765	30,608,250
			<b>36,385,165</b>	<b>34,578,650</b>
<b>2</b>	<b>NON-CURRENT LIABILITIES</b>			
	Long - term provisions	5	3,854,831	2,855,792
<b>3</b>	<b>CURRENT LIABILITIES</b>			
	(a) Trade payables	6	4,245,144	3,037,104
	(b) Other current liabilities	7	7,667,629	2,478,267
	(c) Short-term provisions	8	709,791	339,906
			<b>12,622,564</b>	<b>5,855,278</b>
	<b>TOTAL</b>		<b>52,862,560</b>	<b>43,289,720</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>NON-CURRENT ASSETS</b>			
	(a) Fixed assets	9		
	- (i) Tangible assets		0	24,613
	- (ii) Intangible assets		-	8,423
			0	33,036
	(b) Deferred tax assets (net)	10	17,697,439	17,697,439
	(c) Long-term loans and advances	11	11,920,175	10,097,393
			<b>29,617,614</b>	<b>27,827,869</b>
<b>2</b>	<b>CURRENT ASSETS</b>			
	(a) Trade receivables	12	2,522,130	2,903,640
	(b) Cash and bank balance	13	1,779,423	9,548,620
	(c) Short-term loans and advances	14	1,072,643	1,360,591
	(d) Other current assets	15	17,870,750	1,649,000
			<b>23,244,946</b>	<b>15,461,851</b>
	<b>TOTAL</b>		<b>52,862,560</b>	<b>43,289,720</b>

Summary of Significant accounting policies & Notes 1 & 2

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For Sivasubramanian & Rao

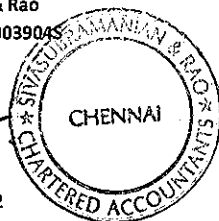
Firm Registration No. 003904S

Chartered Accountants

S Viswanathan

Partner

Membership No. 20572



For and on behalf of the Board

Director

Director

Place: Chennai

Dated: 24.04.2015

Place: Chennai

Dated: 24.04.2015

**INDIGO TX SOFTWARE PRIVATE LIMITED**  
Statement of Profit and Loss Account for year ended

Amount in Rs.

	Particulars	Note	31-Mar-15	31-Mar-14
I.	Revenue from Operations	16	38,122,978	23,188,496
II.	Other Income	17	49,760	41,355
III.	<b>Total Revenue (I + II)</b>		<b>38,172,738</b>	<b>23,229,851</b>
IV.	<b>Expenses</b>			
	Employee Benefit Expenses	18	35,839,565	34,169,345
	Other Expenses	19	493,622	548,684
	Depreciation and amortization expenses	9	33,036	67,872
	<b>Total Expenses</b>		<b>36,366,223</b>	<b>34,785,901</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>1,806,515</b>	<b>(11,556,049)</b>
VI.	Exceptional Items		-	-
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>1,806,515</b>	<b>(11,556,049)</b>
VIII.	Extraordinary Items		-	-
IX.	<b>Profit/(Loss) before tax (VII - VIII)</b>		<b>1,806,515</b>	<b>(11,556,049)</b>
X.	<b>TAX EXPENSES</b>			
	Income taxes - Current tax		-	-
	- Deferred tax		-	(2,737,572)
	- MAT credit entitlement		-	-
			-	(2,737,572)
XI.	<b>Profit/(Loss) for the period from Continuing Operations (IX - X)</b>		<b>1,806,515</b>	<b>(8,818,477)</b>
XII.	<b>Profit/(Loss) for the year</b>		<b>1,806,515</b>	<b>(8,818,477)</b>

Summary of Significant accounting policies & Notes 1 & 2

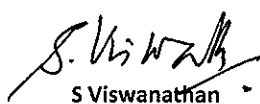
The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For Sivasubramanian & Rao

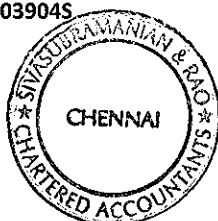
Firm Registration No. 003904S

Chartered Accountants

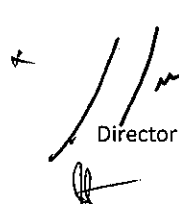
  
S Viswanathan

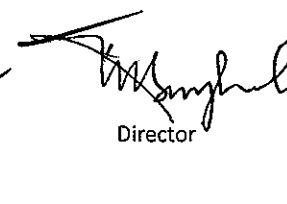
Partner

Membership No. 20572



For and on behalf of the Board

 Director

 Director

Place: Chennai

Dated: 24.04.2015

Place: Chennai

Dated: 24.04.2015

**INDIGO TX SOFTWARE PRIVATE LIMITED**

Statement of cash flows for the year ended

*Amt in Rupees*

Particulars	31-Mar-15	31-Mar-14
<b>Cash flows from operating activities</b>		
Profit before taxation	1,806,515	(11,556,049)
Adjustments for:		
Depreciation and amortisation	33,036	67,872
Interest income	(49,760)	(41,355)
( Profit) / Loss on sale of fixed assets	-	-
Finance cost	-	-
<b>Changes in assets and liabilities</b>		
Decrease / (Increase) in Trade receivable	381,510	6,557,555
Decrease / (Increase) in loans and advances and other assets	(15,933,802)	(2,509,269)
Increase / (Decrease) in liabilities and provisions	7,766,326	(2,427,932)
Net Taxes (paid) / Refund received	(1,822,781)	4,747,746
<b>Net cash from operating activities</b>	<b>(7,818,957)</b>	<b>(5,161,432)</b>
<b>Cash flows from Investing activities</b>		
Purchase of fixed assets, changes in capital work in progress and Capital advance	-	-
Proceeds from sale of fixed assets	-	-
Interest received	49,760	41,355
<b>Net cash used in investing activities</b>	<b>49,760</b>	<b>41,355</b>
<b>Cash flows from financing activities</b>		
Proceeds / (Repayment) of Loans	-	-
Finance cost paid	-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>
Exchange differences on translation of foreign currency cash and cash equivalents	-	-
<b>Net increase / (decrease) in cash and equivalents during the year</b>	<b>(7,769,197)</b>	<b>(5,120,077)</b>
Cash and cash equivalents at the beginning of the year	9,548,620	14,668,697
<b>Cash and cash equivalents at the end of the year</b>	<b>1,779,422</b>	<b>9,548,620</b>
<b>Components of Cash and cash equivalents</b>		
(a) Balance with banks		
- On current account	1,779,423	9,548,620
	<b>1,779,423</b>	<b>9,548,620</b>

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

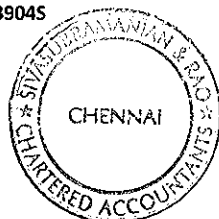
Chartered Accountants

*S Viswanathan*

S Viswanathan

Partner

Membership No. 20572



Place: Chennai

Dated: 24.04.2015

For and on behalf of the Board

*[Signature]*  
Director

*[Signature]*  
Director

Place: Chennai

Dated: 24.04.2015



**INDIGO TX SOFTWARE PRIVATE LIMITED**  
Notes to the Balance Sheet as at

		Amount in Rs.	
Note No.	Particulars	31st Mar 2015	31st March 2014
	<b>I. EQUITY AND LIABILITIES</b>		
	<b>(1) SHAREHOLDERS' FUNDS</b>		
3	<b>(a) Share Capital</b>		
	<b>(a) Authorised</b>		
	20,00,000 Equity Shares of Rs.2/- Each, (March 31, 2014: 20,00,000 equity shares of Rs 2 each)	4,000,000	4,000,000
		<b>4,000,000</b>	<b>4,000,000</b>
	<b>(b) Issued, Subscribed and Paid up</b>		
	19,85,200 equity shares of Rs 2 each	3,970,400	3,970,400
	<b>Total issued, subscribed and fully paid-up share capital</b>	<b>3,970,400</b>	<b>3,970,400</b>
	<b>(c) The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share.</b>		
	<b>(d) Reconciliation of the number of shares( In Qty) Outstanding at the beginning and at the end of the reporting period</b>		
	a. Number of share at the beginning	1,985,200	1,985,200
	b. Add:Shares issued on current year	-	-
	c. No. of shares at the End	1,985,200	1,985,200
	<b>(e) Reconciliation of the number of shares(in Rs.) Outstanding at the beginning and at the end of the reporting period</b>		
	a. Number of share at the beginning	3,970,400	3,970,400
	b. Add:Shares issued on current year	-	-
	c. No. of share at the End (In Rupees)	3,970,400	3,970,400
	<b>(f) Details Of Shareholdings: More than 5% of share holdings in Qty:</b>		
	Intellect Design Arena Limited ( Holding Company)	1,985,194	1,985,194

**INDIGO TX SOFTWARE PRIVATE LIMITED**  
Notes to the Balance Sheet as at

Amount in Rs.

Note No.	Particulars	31st Mar 2015	31st March 2014
4	<b>Reserves &amp; Surplus</b>		
	(a) Securities premium account		
	Opening balance	89,876,600	89,876,600
	Closing balance	89,876,600	89,876,600
	(b) Surplus/(deficit)		
	Profit and Loss Account balance		
	Opening balance	(59,268,350)	(50,449,873)
	Net Profit/(Net Loss) for the year	1,806,515	(8,818,477)
	Amount available for appropriation	(57,461,835)	(59,268,350)
	Total reserve and surplus	<b>32,414,765</b>	<b>30,608,250</b>
	<b>(2) NON-CURRENT LIABILITIES</b>		
5	<b>Long - term provisions</b>		
	Provision for employee benefits		
	- Provision for gratuity	2,546,015	1,617,612
	- Provision for leave benefits	1,308,816	1,238,180
		<b>3,854,831</b>	<b>2,855,792</b>
	<b>(3) CURRENT LIABILITIES</b>		
6	<b>Trade payables</b>		
	Sundry creditors	4,245,144	3,037,104
		<b>4,245,144</b>	<b>3,037,104</b>
7	<b>Other current liabilities</b>		
	Customer advance received	-	145,527
	Billings in excess of revenues	51,531	-
	Reimbursement of Exp to related party	6,977,025	1,863,993
	Statutory payable	639,073	468,747
		<b>7,667,629</b>	<b>2,478,267</b>
8	<b>Short-term provisions</b>		
	Provision for employee benefits		
	- Provision for gratuity	538,270	187,013
	- Provision for leave benefits	171,521	152,893
		<b>709,791</b>	<b>339,906</b>

**INDIGO TX SOFTWARE PRIVATE LIMITED**

Notes to the financial statements

**9 FIXED ASSETS**

Rs.

Sl. No	Description	Cost			Depreciation and Amortisation			Net Book Value	
		As on 1.4.2014	Additions	Deletions	As on 31.3.2015	For the year	Deletions	As on 31.3.2015	As on 1.4.2014
<b>A</b>	<b>TANGIBLE ASSETS</b>								
1	Plant & Machinery (including Computer Equipment and accessories)	2,654,793	-	-	2,654,793	24,613	-	2,654,793	24,613
2	Electrical fittings	-	-	-	-	-	-	-	-
3	Furniture and fixtures	-	-	-	-	-	-	-	-
4	Office Equipments	-	-	-	-	-	-	-	-
5	Vehicles	517,350	-	-	517,350	-	-	517,350	-
	<b>Subtotal - A</b>	<b>3,172,143</b>	<b>-</b>	<b>-</b>	<b>3,172,143</b>	<b>24,613</b>	<b>-</b>	<b>3,172,143</b>	<b>24,613</b>
<b>B</b>	<b>INTANGIBLE ASSETS/INTANGIBLE ASSETS</b>								
1	Computer Software	671,364	-	-	671,364	8,423	-	671,364	8,423
2	Intellectual property rights	-	-	-	-	-	-	-	-
	Go Tx Trading Platform	39,184,874	-	-	39,184,874	-	-	39,184,874	-
	IFANEXT IPR	21,120,000	-	-	21,120,000	-	-	21,120,000	-
	<b>Subtotal - B</b>	<b>60,976,238</b>	<b>-</b>	<b>-</b>	<b>60,976,238</b>	<b>8,423</b>	<b>-</b>	<b>60,976,238</b>	<b>8,423</b>
	<b>Total (A + B)</b>	<b>64,148,381</b>	<b>-</b>	<b>-</b>	<b>64,148,381</b>	<b>33,036</b>	<b>-</b>	<b>64,148,381</b>	<b>33,036</b>

**INDIGO TX SOFTWARE PRIVATE LIMITED**

**Notes to the Balance Sheet as at**

Amount in Rs.

Note No.	Particulars	31st Mar 2015	31st March 2014
	<b>II. ASSETS</b>		
	<b>(1) NON-CURRENT ASSETS</b>		
9	<b>Fixed assets</b>		
10	<b>Deferred tax assets (net)</b>		
	Deferred Tax Asset	17,697,439	17,697,439
		<b>17,697,439</b>	<b>17,697,439</b>
11	<b>Long-term loans and advances</b>		
	Unsecured, considered good- Rent deposit	34,501	34,501
	Advance income tax ( Net of provision for tax )	11,885,674	10,062,892
		<b>11,920,175</b>	<b>10,097,393</b>
	<b>CURRENT ASSETS</b>		
12	<b>Trade receivables-Unsecured considered good</b>		
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment	69,450	2,903,640
	Trade receivables outstanding for a period less than six months from the date they are due for payment	2,452,680	-
		<b>2,522,130</b>	<b>2,903,640</b>
13	<b>Cash and bank balance</b>		
	Balance with banks		
	- On current account	1,779,423	9,548,620
		<b>1,779,423</b>	<b>9,548,620</b>
14	<b>Short-term loans and advances</b>		
	Unsecured, considered good		
	Advances recoverable in cash or in kind or for value to be received		
		134,621	186,336
	Loans to Employees	695,818	934,584
	Input tax credit receivable	242,204	239,671
		<b>1,072,643</b>	<b>1,360,591</b>
15	<b>Other current assets</b>		
	Unbilled Revenue	17,870,750	1,649,000
		<b>17,870,750</b>	<b>1,649,000</b>

**INDIGO TX SOFTWARE PRIVATE LIMITED**  
**Notes to the statement of Profit and Loss Account for the year ended**

Note No	Particulars	31-Mar-15	31-Mar-14
<b>I</b>	<b>Income</b>		
<b>16</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale of services	38,122,978	23,188,496
		<b>38,122,978</b>	<b>23,188,496</b>
<b>17</b>	<b>OTHER INCOME</b>		
	Interest on others	49,760	41,355
		<b>49,760</b>	<b>41,355</b>
<b>II</b>	<b>Expenses</b>		
<b>18</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	(a) Salaries and incentive		
	Salaries and bonus	33,306,396	32,653,574
	(b) Contribution to		
	(i) Provident fund	1,051,927	1,035,122
	(c) Gratuity contribution scheme	1,376,289	447,053
	(d) Staff welfare expenses	104,953	33,596
		<b>35,839,565</b>	<b>34,169,345</b>
<b>19</b>	<b>OTHER EXPENSES</b>		
	Payment to the auditors		
	- audit	100,000	75,000
	software packages, consumable and maintenance	-	31,376
	Communication expenses	1,391	10,276
	Professional and Legal charges	97,088	128,100
	Printing and stationery	(1,000)	-
	Bank charges & commission	3,037	1,673
	Net Loss on foreign currency transaction and translation (other than considered as finance cost)	293,106	302,259
		<b>493,622</b>	<b>548,684</b>

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS****1. CORPORATE INFORMATION:**

Indigo Tx Software Private Limited is a company domiciled in India and incorporated under the provisions of The Companies Act. The company was acquired by Polaris Financial Technology Limited (now called Polaris Consulting & Services Limited) on 10<sup>th</sup> May 2010.

Subsequently pursuant to the Scheme of Arrangement-cum-Demerger approved by the honorable High Court of Judicature, Madras dt. 15<sup>th</sup> September 2014 between Polaris Consulting & Services Limited (formerly known as Polaris Financial Technology Limited) and Intellect Design Arena Limited (formerly known as Fin Tech Grid Limited) for the demerger of Products Business Undertaking, Indigo TX Software Private Limited became 100% subsidiary of Intellect Design Arena Limited effective 1<sup>st</sup> April 2014.

**2. ACCOUNTING POLICIES****a) BASIS OF ACCOUNTING:**

The financial statements have been prepared on the historical cost basis in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the mandatory accounting standards as specified in The Companies Act 2013. All items of income and expenditure that have a material bearing on the financial statements are recognized on accrual basis. Accounting Policies have been consistently applied except where a new Accounting Standard has been essentially adopted or an existing Accounting Standard requires a change due to revision in the accounting policy hitherto adopted.

**b) EXPENSES**

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities.

**c) DEPRECIATION**

- Depreciation on fixed assets is provided using the straight-line method based (revised India GAAP) on rates specified in Schedule II of the Companies Act, 2013.
- Depreciation is charged on a pro-rata monthly basis on fixed assets purchased during the year.
- Depreciation on temporary structures and constructions on leasehold premises are written off in the year in which they are expended.

**d) REVENUE RECOGNITION**

- Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- Revenue from the sale of user licenses for software applications is recognized on proportionate completion method (Cost incurred to reporting date/Estimated total Cost).
- Product maintenance revenues are recognized over the period of the maintenance contract on pro-rata basis.

**e) FIXED ASSETS**

Fixed Assets are stated at historical cost less Accumulated Depreciation. The cost of the asset comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the development and completion stages.

**f) FOREIGN EXCHANGE TRANSACTIONS AND EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES**

Foreign exchange transactions are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary items are translated into rupees at the exchange rate prevailing on the balance sheet date. The gain or losses resulting from such transactions are recognised in the Profit and Loss Account.

**g) EMPLOYEE BENEFIT****Short Term Employee Benefit**

All Employee Benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short-term compensated absence etc are recognized in the period in which the employee renders the related service.

**Defined Contribution Plan**

The company has a defined contribution plan in the form of a Provident Fund Scheme and Pension Scheme under The Employee's Pension Scheme 1995 for all its employees administered by Central Government. The above-mentioned schemes are classified as Defined Contribution Plan as the company has no further obligation beyond making the contributions. The Company's contributions to the Defined Contribution Plans are charged to Profit & Loss Account.

Provision for Gratuity and Leave Encashment has been provided based on the Actuarial Valuation Report provided by the Actuary.

**h) EARNINGS PER SHARE**

Basic earnings per share, is calculated by dividing the net profit/(loss) after tax for the period attributable to the equity shareholders by the weighted average number of shares outstanding during the year.

**i) TAXES ON INCOME**

Tax expenses comprise of current, deferred. Provision for income tax is made on the basis of the estimated taxable income as per the provisions of income tax act, 1961 and the relevant finance act, after taking into consideration judicial pronouncements. Tax payments are setoff against provisions only on receipt of assessment order from the Income Tax Authorities or 4 years from the end of the Assessment Year, whichever is earlier.

Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of change in tax rates is recognized in the period that includes the enactment/substantive enactment date.

**j) USE OF ESTIMATES**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for taxes, depreciation. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**k) IMPAIRMENT OF ASSETS**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors, an impairment loss is recognized, wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**l) PROVISION AND CONTINGENT LIABILITIES**

Provisions are recognized when the company has a present obligation as a result of past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Contingent liabilities are disclosed when the company has a possible obligation and it is probable that a cash outflow will not be required to settle the obligation.



**3.** The Company is a Small and Medium Sized company as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the company has complied with the Accounting Standards as Applicable to Small and Medium Sized Company.

The company has no dues to Micro, Small and Medium Enterprises as at 31st March 2015.

**4.** Estimated Amount of Contracts remaining to be executed on Capital Account and not Provided For: Rs. Nil (Previous Year: Nil)

**5. Earnings per share**

S.NO	Particulars	Amount in Rs	
		FY-2014-15	FY-2013-14
1	Profit available for Equity Share Holders	18,06,515	(8,818,477)
2	No. of Equity Shares	19,85,200	19,85,200
3	Weight given for the above	1.00	1.00
4	Earnings Per Share	0.91	(4.44)

**6. List of Related parties and transactions with them during the FY 2014-15**

S. No.	Name of the party	Nature of relation
1	M/s Intellect Design Arena Limited	Holding Company
1	M/s Polaris Financial Technology Limited	Associate Company
2	M/s Seec Technologies Asia P Limited	Associate Company

Transactions with related parties:

S.no.	Particulars	Poliaris Consulting & Services Ltd.		Intellect Design Arena Ltd		Secc Technologies Asia P Ltd		Mr Saseendaran, Director till Oct 2013	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1	Reimbursement of expenses								
a.	To the Company	(166,130)	(33,730,393)	(1,440,889)	-				
b.	By the Company					72,271	-		
2	Software Dvpt service income			16,080,000	-				
3	Trade payables	(2,653)	-	(7,046,647)	-				
4	Trade receivables			16,080,000	-	72,271	-		
5	Remuneration							-	1,459,169

7. The company has contingent liability towards service tax as on 31-03-2015 as per the order received from the department for an amount of **Rs. 24.09 lacs.**

8. The details of expenditure and earnings in foreign currency:

S.No	Particulars	Amount in Rs	
		FY-2014-15	FY-2013-14
1	Earnings- Sales	57,11,546	58,97,290

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

10. All figures have been rounded off to the nearest Rupee.

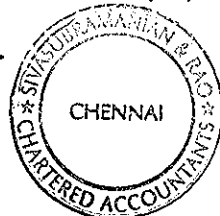
**Signature to Notes 1 to 10**

**As per Our Report of Even Date**

For Sivasubramanian & Rao  
**CHARTERED ACCOUNTANTS**  
 Firm Reg No ~~20572~~ 00 39045

*S. Viswanathan*  
**S Viswanathan**  
 Partner

M.No. 20572



**FOR and on behalf of Board of directors of INDIGO TX SOFTWARE PVT LTD**

*[Signature]*  
 Director

*[Signature]*  
 Director

Place : Chennai  
 Date : 24.4.2015

Place : Chennai  
 Date : 24.4.2015