



SIVASUBRAMANIAN & RAO
Chartered Accountants

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Independent Auditor's Report

To The Members of Intellect Payments Limited.

Report on the Financial Statements:

We have audited the accompanying financial statements of Intellect Payments Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2017 and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the Act), with respect to the preparation of these 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 relevant Rules issued there under.

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 as specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the afore said 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, 2017;
- (b) 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

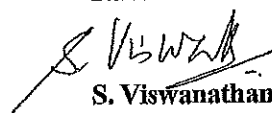
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section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

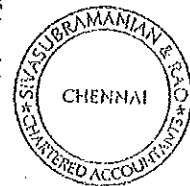


- e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act:
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has no pending litigations which impacts its financial position in its financial statements
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.
 - (iv) the Company has no dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

Place: Chennai
Date : 28/04/2017

For Sivasubramanian & Rao
Chartered Accountants
FRN: 003904S


S. Viswanathan
Partner
M. No: 20572



Annexure A to Independent Auditor Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

(i) (a) The Company has no fixed assets

(b) The Company has no fixed assets. Hence physical verification of fixed does not arise.

(c) The company do not have immovable properties during the year,

(ii) The Company do not have any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted loans to corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The Company has not accepted any deposits from the public.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, There is no statutory dues as on date. Thus, paragraph 3(vii) (a) (b) (c) of the Order is not applicable to the Company during the year.

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Hence provisions of section 197 read with Schedule V to the Act, paragraph 3 (xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

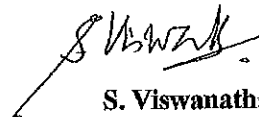
(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial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

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

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

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

For Sivasubramanian & Rao
Chartered Accountants
FRN: 003904S



S. Viswanathan
Partner
M. No: 20572



Place: Chennai
Date : 28/04/2017

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Intellect Payments Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the



maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

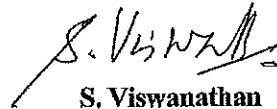
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

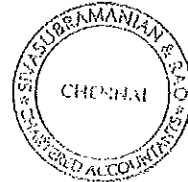
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sivasubramanian & Rao
Chartered Accountants
FRN: 003904S



S. Viswanathan
Partner
M. No: 20572



Place: Chennai
Date : 28/04/2017

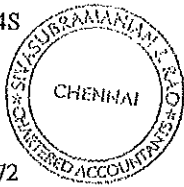
Intellect Payments Limited
Balance Sheet as at March 31, 2017
(All amounts in INR, unless otherwise stated)

Particulars	Note	Mar 31, 2017	Mar 31, 2016
ASSETS			
CURRENT ASSETS			
Financial asset			
- Cash and Cash equivalents	3	838,744	499,885
- Other financial assets	4	52,145,720	-
Other current assets	5	5,225,898	1,277,360
TOTAL		58,210,362	1,777,245
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Equity Share Capital	6	25,500,000	500,000
		25,500,000	500,000
CURRENT LIABILITIES			
Financial Liabilities			
- Trade payables	7	61,592	11,450
- Other financial liabilities	8	32,648,770	1,265,795
TOTAL		58,210,362	1,777,245

Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements

As per our report of even date
For Sivasubramanian & Rao
Chartered Accountants
Firm Regn No.003904S

S. Viswanathan
S VISWANATHAN
PARTNER
Membership no : 20572



For and on behalf of the Board

Haranga
Director

D. Srinivasan
Director

Place :chennai
Date : April 28, 2017

U. B. Srinivasan
Company Secretary

Inrellect Payments Limited
Financial Statements for the year ended March 31, 2017
(All amounts are in Rs., unless otherwise stated)

Statement of Changes in Equity for the year ended 31 March 2017

a. Equity Share Capital:

Equity shares of INR. 5 each issued, subscribed and fully paid

As at 1 April 2015
 At 31 March 2016
 Issue of share capital
 At 31 March 2017

No. of shares	Amount (INR)
100,000	500,000
100,000	500,000
5,000,000	25,000,000
5,100,000	25,500,000

b. Other equity

As per our attached report of even date
 For Sivasubramanian & Rao
 Firm Registration No. 003904S
 Chartered Accountants

For and on behalf of the Board



S. Visvanathan
 Partner

S Visvanathan
 Partner
 Membership No. 20572...

Sareng
 Director

Director

Company Secretary
 Company Secretary

Place: Chennai
 Date: 28-April-2017

Intellect Payments Limited

Cash Flow Statement as at Mar 31, 2017

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

Particulars	Mar 31, 2017	Mar 31, 2016
Cash flows from operating activities		
Profit / (Loss) before taxation	-	-
Other comprehensive income	-	-
Changes in Assets and Liabilities		
Decrease / (Increase) in trade receivables		
Decrease/(Increase) in loans and advances and other assets	(56,094,259)	(1,277,360)
Increase/(Decrease) in liabilities and provisions	31,433,117	1,277,245
Taxes paid	-	-
Net cash from operating activities	(24,661,142)	(115)
Cash flows from investing activities		
Purchase of fixed assets and changes in capital work in progress	-	-
Proceeds from sale of fixed assets	-	-
(Acquisition)/ Disposal of subsidiary	-	-
Interest received	-	-
Dividend received	-	-
Net cash used in investing activities	-	-
Cash flows from financing activities		
Proceeds from share capital issued on exercise of stock options	25,000,000	500,000
Proceeds from securities premium on exercise of stock options	-	-
Share application money pending allotment	-	-
Finance charges	-	-
Net cash used in financing activities	25,000,000	500,000
Exchange differences on translation of foreign currency cash and cash equivalents		
Net increase / (decrease) in cash and cash equivalents during the year	338,858	499,885
Cash and cash equivalents at the beginning of the year	499,885	-
Cash and cash equivalents at the beginning of the year		
Cash and cash equivalents acquired on Demerger pursuant to Scheme of arrangement	-	-
Cash and cash equivalents at the end of the year/period	838,744	499,885

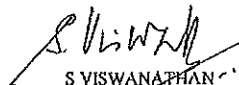
As per our report of even date

For Sivasubramanian & Rao

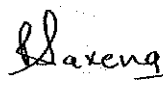
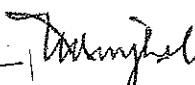
Chartered Accountants

Firm Regn No.003904S

For and on behalf of the Board


S VISWANATHAN
PARTNER
Membership no : 20572



 
Director Director

Place : Chennai

Date : April 28, 2017


Company Secretary

Intellect Payments Limited
Notes to the financial statements As on March 31, 2017
(All amounts are in Rs., unless otherwise stated)

1 Corporate Information

Intellect Payments Limited is a company domiciled in India and incorporated under the provisions of the Companies Act on 17th October 2015. The company has not started its commercial operations. Intellect Payments Limited is a subsidiary of Intellect Design Arena Limited.

2 Basis of preparation of financial statements

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

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

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

3 Current financial Assets: Cash and Cash Equivalents

Particulars	31-Mar-17	31-Mar-16
Balance with banks		
- On current account	838,744	499,885
TOTAL	838,744	499,885

4 Current Other Financial Assets

Particulars	31-Mar-17	31-Mar-16
Advances recoverable in cash or in kind or for value to be received	52,145,720	-
TOTAL	52,145,720	

5 Other current assets

Particulars	31-Mar-17	31-Mar-16
Preliminary Expenses	5,225,898	1,277,360
TOTAL	5,225,898	1,277,360

6 Share Capital

Particulars	31-Mar-17	31-Mar-16
(a) Authorised		
3,00,00,000 equity shares of Rs 5 each	150,000,000	150,000,000
Total Authorised Share capital	150,000,000	150,000,000
(a) Issued, Subscribed and Paid up		
51,00,000 equity shares of Rs 5 each	25,500,000	500,000
Total issued, subscribed and fully paid-up share capital	25,500,000	500,000

Of the total authorized capital of the company referred above, the company has issued only one class of equity shares having a face value of Rs.5 per share. Each holder of such equity share is entitled to one vote per share.

a) Shares held by Holding Company

5,099,994 Shares held by Intellect Design Arena Limited

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

5,099,994 Shares held by Intellect Design Arena Limited - 99.99%

7 Current Financial liabilities-Trade payables

Particulars	31-Mar-17	31-Mar-16
Creditors	61,592	11,450
TOTAL	61,592	11,450

8 Other current Financial liabilities

Particulars	31-Mar-17	31-Mar-16
Payable to Related parties	32,089,877	1,265,795
Statutory payable	558,893	
TOTAL	32,648,770	1,265,795

9 Preliminary Expenses to the extent not written off

Particulars	31-Mar-17	31-Mar-16
Opening Balance	1,277,360	-
Professional Charges	28,089	5,000
ROC Fee for Authorized Share Capital	-	1,258,400
Stamp Duty	-	520
Company Seal	-	1,875
Audit Fees	25,000	11,450
Bank Charges	503	115
Rent	63,225	-
Print & Stationary	54,370	-
Software License cost	464,466	-
S/W Dev Chgs	3,321,500	-
Interest On Fd From Banks	(8,615)	-
TOTAL	5,225,898	1,277,360

10 Related Party Transactions

List of related parties:

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

Intellect Design Arena Limited

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

Particulars	31-Mar-17	31-Mar-16
Balance due to / from related parties		
Intellect Design Arena Ltd., India		
Payables	32,089,877	1,265,795
TOTAL	32,089,877	1,265,795

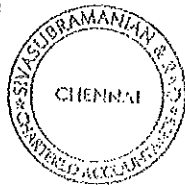
11 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

As at March 31, 2017, the Company had no outstanding dues to Micro and Small enterprises (for March 31, 2016: Rs Nil). The list of Micro and Small enterprises was determined by the Company on the basis of information available with the Company. The Company also had no outstanding dues that require to be furnished under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

12 Previous year's figures have been regrouped wherever necessary to conform to this year's Classification.

As per our report even date

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



S. Viswanathan
S VISWANATHAN

PARTNER
Membership no : 20572

Place: Chennai
Date : April 28, 2017

For and on behalf of the Board

Shaveng Director
M. Srinivasan Director

Company Secretary
Company Secretary