

3i Infotech BPO Limited

Balance Sheet as at March 31, 2015

(In Rs.)

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share Capital	2	1,000,000	1,000,000
Reserves and Surplus	3	381,212,926	357,589,258
2. Current Liabilities			
Short-Term Borrowings	5	137,166,852	189,693,207
Trade Payables	6	72,186,144	91,835,167
Other Current Liabilities	7	96,529,150	62,850,485
Short-Term Provisions	8	7,865,020	10,072,815
Total		695,960,092	713,040,932
II. ASSETS			
1. Non-Current Assets			
Fixed Assets - Tangible	9	10,034,735	15,844,662
Long-Term Loans and Advances	10	266,500,118	448,271,466
Deferred Tax Asset (Net)	4	5,230,000	3,106,000
2. Current Assets			
Trade Receivables	11	34,939,375	36,215,358
Cash and Bank Balances	12	2,766,060	8,140,961
Short-Term Loans and Advances	13	263,738,020	110,767,858
Other Current Assets	14	112,751,784	90,694,627
Total		695,960,092	713,040,932

Significant accounting policies and accompanying notes to the financial statements

1 to 32

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

For and on behalf of the Board

A. M. Hariharan
Partner

Padmanabhan Iyer
Managing Director
DIN: 05282942

Ashish Kakkar
Director
DIN: 06370551

Place: Mumbai
Date: May 28, 2015

3i Infotech BPO Limited

Statement of Profit & Loss for the year ended March 31, 2015

(In Rs.)

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
Income			
Revenue from Operations	15	560,117,266	639,246,611
Other Income	16	44,886,100	29,738,776
Total		605,003,366	668,985,387
Expenses			
Cost of Revenue & Employee Benefit Expenses	17	461,442,571	538,380,860
Finance Costs	18	42,799,020	24,098,099
Depreciation and Amortization Expense	9	5,900,610	16,883,053
Other Expenses	19	48,204,970	74,028,786
Total		558,347,171	653,390,798
Profit Before Tax and Exceptional Items		46,656,195	15,594,589
Exceptional Item	20	686,725	-
Profit After Exceptional Items but Before Tax		47,342,920	15,594,589
Tax expense			
Current Tax		16,070,000	8,500,000
Deferred Tax		(2,124,000)	(3,922,000)
Income Tax for Earlier Years		4,981,557	254,008
		18,927,557	4,832,008
Profit for the year carried over to Balance Sheet		28,415,363	10,762,581
Basic & Diluted Earning Per Share		284.15	107.63
Equity shares, face value of Rs. 10 each (Refer note no. 24)			

Significant accounting policies and accompanying notes to the financial statements

1 to 32

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
For and on behalf of the Board
A. M. Hariharan
Partner
Padmanabhan Iyer
Managing Director
DIN: 05282942
Ashish Kakkar
Director
DIN: 06370551
Place: Mumbai
Date: May 28, 2015

3i Infotech BPO Limited

Cash Flow Statement for the year ended March 31, 2015

(In Rs.)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
A) Cash Flow From Operating Activities		
Profit Before Tax and Exceptional Items	46,656,195	15,594,589
Adjustment for:		
Depreciation and amortisation	5,900,610	16,883,053
Net loss on foreign currency transactions	1,102,808	621,134
Interest expense	42,464,387	22,833,440
Interest income	(42,973,670)	(28,858,194)
Provision for doubtful debts provided for / written off / (written back)	708,516	(613,951)
(Gain) / Loss on sale / disposal of Fixed Assets	(31,040)	18,638
Sundry balances written off / (written back)	(232,621)	(26,843)
Operating Profit Before Working Capital Changes	53,595,185	26,451,866
Adjustment for:		
Decrease / (Increase) in Trade Receivables	(535,342)	123,987,183
Decrease / (Increase) in Other Receivables and Loans & Advances	172,577,711	(328,969,382)
Increase / (Decrease) in Trade Payable, Other Current liabilities and Provisions	12,508,574	28,239,573
	184,550,943	(176,742,625)
Cash Generated from Operation	238,146,128	(150,290,759)
Income tax (paid) / refund received	(24,303,958)	(30,266,056)
Net Cash from / (used in) Operating Activities - (A)	213,842,170	(180,556,815)
B) Cash Flow From Investing Activities		
Purchase of Fixed Assets	(6,745,423)	(4,501,170)
Proceeds from sale / disposal of Fixed Assets	1,894,082	871,540
Interest income	42,973,670	28,858,194
Net Cash from / (used in) Investing Activities - (B)	38,122,329	25,228,564
C) Cash Flow From Financing Activities		
Interest expense	(42,464,387)	(22,833,440)
Proceeds / (Repayment) from / to borrowings (net)	(214,949,776)	152,485,561
Net Cash from / (used in) Financing Activities - (C)	(257,414,163)	129,652,121
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(5,449,664)	(25,676,130)
Cash and Cash Equivalents at the beginning of the year	6,530,240	32,206,370
Net Cash and Cash Equivalents at the end of the year	1,080,576	6,530,240

Notes:

- 1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on "Cash Flow Statement" prescribed by the Companies (Accounting Standards) Rules, 2006.
- 2 Previous year's figures have been regrouped / rearranged wherever necessary to confirm to the current year's presentation.

As per our attached report of even date

For and on behalf of the Board

For Lodha & Co.
 Chartered Accountants

A. M. Hariharan
 Partner

 Place: Mumbai
 Date: May 28, 2015

Padmanabhan Iyer
 Managing Director
 DIN: 05282942

Ashish Kakkar
 Director
 DIN: 06370551

3i Infotech BPO Limited
Notes forming part of Financial Statements as at and for the year ended March 31, 2015
2 Share Capital
(In Rs.)

Particulars	As at March 31, 2015	As at March 31, 2014
Authorised 100,000 (as at March, 2014 100,000) Equity shares of Rs. 10 each	1,000,000	1,000,000
	1,000,000	1,000,000
Issued, Subscribed & Paid-up 100,000 (as at March, 2014 100,000) Equity shares of Rs. 10 each fully paid up (all the above equity shares are held by the holding company and its nominees)	1,000,000	1,000,000
Total	1,000,000	1,000,000

2.1 Details of member holding more than 5 percent shares

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of shares	%	No. of shares	%
3i Infotech Limited (the Holding Company) and by its nominees	100,000	100	100,000	100

2.2 The Company has issued one class of equity shares having a face value of Rs. 10 per share. Each shareholder has right to vote in respect of such share, on every resolution placed before the Company and his voting right on a poll shall be in proportion to his share of the paid-up equity capital of the Company. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

2.3 The Company has neither bought back, issued shares for consideration other than cash nor allotted any bonus shares in the last five years.

3 Reserves and Surplus
(In Rs.)

Particulars	As at March 31, 2015	As at March 31, 2014
Securities Premium Account Balance as per last Balance Sheet	507,475,152	507,475,152
Closing Balance	507,475,152	507,475,152
Surplus / (Deficit) in Statement of Profit and Loss Balance as per last Balance Sheet	(149,885,894)	(160,648,475)
Less: Additional depreciation (refer note no. 30)	(3,162,695)	-
Less: Deferred tax asset on above mentioned additional depreciation	(1,629,000)	-
Add: Profit for the year from Statement of Profit and Loss	28,415,363	10,762,581
Closing Balance	(126,262,226)	(149,885,894)
Total	381,212,926	357,589,258

3i Infotech BPO Limited
Notes forming part of Financial Statements as at and for the year ended March 31, 2015

4 Deferred Tax Asset / (Liability) - Net

Particulars	(In Rs.)	
	As at March 31, 2015	As at March 31, 2014
Deferred Tax Assets		
Expenses allowable on payment and others	5,230,000	3,450,000
Deferred Tax Liability		
Fixed Assets (Depreciation / Amortization)	-	344,000
Deferred Tax Asset / (Liability)	5,230,000	3,106,000

5 Short-Term Borrowings

Particulars	(In Rs.)	
	As at March 31, 2015	As at March 31, 2014
Secured Loans from Banks		
Cash Credit (Secured by way of first charge on current assets)	24,753,476	36,702,592
Bank Overdraft (Secured by way of pledge of fixed deposit as at March 31, 2015)	913,376	955,809
	25,666,852	37,658,401
Unsecured Loans		
From Banks (Working Capital Loan)		
From an Associate Bank	-	35,534,806
From an other Bank	16,500,000	40,000,000
From a Body Corporate	95,000,000	76,500,000
	111,500,000	152,034,806
Total	137,166,852	189,693,207

6 Trade Payables

Particulars	(In Rs.)	
	As at March 31, 2015	As at March 31, 2014
Due to:		
Holding Company	34,212,314	27,887,040
Fellow Subsidiary Companies	1,749,679	-
Others	36,224,151	63,948,127
(also refer note no. 24 regarding dues to Micro, Small and Medium Enterprises)		
Total	72,186,144	91,835,167

7 Other Current Liabilities

Particulars	(In Rs.)	
	As at March 31, 2015	As at March 31, 2014
Advance from Customers:		
From an Associate	60,770,862	-
From Fellow Subsidiary	1,887,872	-
From Others	292,188	1,077,398
Statutory dues payable	29,001,771	61,655,717
Interest accrued but not due	3,279,452	117,370
Interest accrued and due	1,297,005	-
Total	96,529,150	62,850,485

8 Short-Term Provisions

Particulars	(In Rs.)	
	As at March 31, 2015	As at March 31, 2014
Provisions for Employee benefits		
- Provision for Gratuity (refer note no. 29)	6,277,543	5,759,940
- Provision for Leave Entitlement	1,587,477	4,312,875
Total	7,865,020	10,072,815

10 Long-Term Loans and Advances

Particulars	(In Rs.)	
	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
Security Deposits	4,355,001	2,325,012
Advance income tax and tax deducted at source	117,500,654	84,889,983
Less: Provision for taxes	(45,945,505)	(25,815,505)
	71,555,149	59,074,478
Advances recoverable from holding company	190,589,968	386,871,976
Total	266,500,118	448,271,466

11 Trade Receivables

Particulars	(In Rs.)	
	As at March 31, 2015	As at March 31, 2014
Debts outstanding for a period exceeding six months from the due date of payment		
Unsecured		
Considered good		
- from a Fellow Subsidiary	4,009,822	-
- from an Associate	-	152,719
- from Others	79,530	-
Considered doubtful		
- from an Associate	-	4,672
- from Others	277,597	501,354
Less: provision for bad and doubtful debts	(277,597)	(506,026)
	4,089,352	152,719
Other Debts		
Unsecured		
Considered good		
- from Fellow Subsidiaries	12,558,960	3,293,907
- from an Associate	-	11,875,053
- from Others	18,291,063	20,893,679
	30,850,023	36,062,639
Total	34,939,375	36,215,358

12 Cash and Bank Balances

Particulars	(In Rs.)	
	As at March 31, 2015	As at March 31, 2014
Cash and Cash Equivalents		
Balances with banks in current accounts	1,080,576	6,530,240
Other Bank Balances		
In deposit accounts	1,685,484	1,610,721
(pledged with the bank against overdraft facility)		
Total	2,766,060	8,140,961

13 Short-Term Loans and Advances

Particulars	(In Rs.)	
	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
Security deposits	307,010	531,999
Advance tax and tax deducted at source	-	15,237,357
Less: Provision for taxes	-	6,009,087
	307,010	9,760,269
Loan to Holding Company	115,000,000	96,500,000
Other advances recoverable in cash or in kind or for value to be received		
- from Holding company	121,777,058	
- from a Fellow Subsidiary	25,812,891	3,807,278
- from Others	841,061	700,311
Total	263,738,020	110,767,858

14 Other Current Assets

Particulars	(In Rs.)	
	As at March 31, 2015	As at March 31, 2014
Unbilled Revenue		
- from Holding Company	500,000	-
- from a Fellow Subsidiary	5,476,369	3,493,560
- from an Associate	23,035,394	22,092,542
- from Others	14,572,396	26,716,002
Interest accrued but not due on loan to Holding Company	57,314,290	27,221,294
Prepaid expenses	-	364,789
Unamortised borrowing cost	11,853,335	10,806,440
Total	112,751,784	90,694,627

9 Fixed Assets

For the year ended March 31, 2015

(In Rs.)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION					NET BLOCK
	As at April 1, 2014	Additions during the year	Deductions during the year	As at March 31, 2015	As at April 1, 2014	Depreciation for the year	Transfer to Depreciation Reserve	Deductions during the year	As at March 31, 2015	As at March 31, 2015
Furniture & Fixtures	2,822,105	-	2,822,105	-	1,294,449	105,143	35,413	1,435,005	-	-
Office Equipment	5,342,567	370,710	4,157,946	1,555,331	1,979,084	45,380	3,300,655	4,132,152	1,192,967	362,364
Computers	48,508,642	6,374,713	37,403,612	17,479,743	37,555,119	5,750,088	1,455,627	36,953,461	7,807,373	9,672,370
Total	56,673,314	6,745,423	44,383,663	19,035,074	40,828,652	5,900,610	4,791,695	42,520,618	9,000,339	10,034,735

For the year ended March 31, 2014

(In Rs.)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION					NET BLOCK
	As at April 1, 2013	Additions during the year	Deductions during the year	As at March 31, 2014	As at April 1, 2013	Depreciation for the year	Transfer to Depreciation Reserve	Deductions during the year	As at March 31, 2014	As at March 31, 2014
Furniture & Fixtures	6,110,976	214,500	3,503,371	2,822,105	1,920,002	2,877,818	-	3,503,371	1,294,449	1,527,656
Office Equipment	15,103,715	9,200	9,770,348	5,342,567	4,479,420	6,407,761	-	8,908,097	1,979,084	3,363,483
Computers	47,401,090	4,277,470	3,169,918	48,508,642	33,099,636	7,597,474	-	3,141,991	37,555,119	10,953,523
Total	68,615,781	4,501,170	16,443,637	56,673,314	39,499,058	16,883,053	-	15,553,459	40,828,652	15,844,662

3i Infotech BPO Limited
Notes forming part of Financial Statements as at and for the year ended March 31, 2015
15 Revenue from Operations
(In Rs.)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Sale of Services: Transaction Services	560,117,266	639,246,611
Total	560,117,266	639,246,611

16 Other Income
(In Rs.)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest income	42,973,670	28,858,194
Provision for doubtful debts written back (net)	-	615,197
Other Income	1,648,769	238,542
Gain on sale / disposal of Fixed Assets	31,040	-
Sundry balances / provision written back (net)	232,621	26,843
Total	44,886,100	29,738,776

17 Cost of Revenue & Employee Benefit Expenses
(In Rs.)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Cost of outsourced services	132,549,901	140,734,882
Salaries and wages	287,774,320	352,257,165
Contribution to provident funds and other funds	35,677,029	40,725,439
Gratuity expenses	5,155,841	3,193,958
Recruitment and training expenses	85,707	107,835
Staff welfare expenses	199,773	1,361,581
Total	461,442,571	538,380,860

18 Finance Costs
(In Rs.)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Bank charges	334,633	1,264,659
Other borrowing costs	15,999,048	8,159,653
Interest paid to banks & Financial Institutions	23,561,237	10,218,615
Interest on statutory dues	2,904,102	4,455,172
Total	42,799,020	24,098,099

3i Infotech BPO Limited**Notes forming part of Financial Statements as at and for the year ended March 31, 2015****19 Other Expenses****(In Rs.)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Payment to auditors (Refer note no. 23)	1,325,000	1,300,000
Power and fuel expenses	2,262,489	8,661,850
Rent expenses	20,802,052	28,508,777
Transport, travelling and conveyance expenses	1,104,013	3,173,995
Rates and taxes	199,700	473,521
Insurance	2,120,230	127,096
Communication expenses	(316,382)	2,392,325
Repair & maintenance	4,697,298	2,420,422
Loss on sale / discard of fixed assets	-	18,638
Office running & maintenance expenses	1,501,351	8,909,150
Printing and stationery	2,187,339	4,199,369
Postage and courier	460,632	1,847,979
Legal and professional charges	8,970,593	6,671,772
Commission & brokerage	17,500	340,000
Bad debts written off	708,516	1,246
Net loss on foreign currency transactions	1,102,808	621,134
Watch & ward expenses	599,390	4,309,354
Miscellaneous expenses	462,441	52,158
Total	48,204,970	74,028,786

20 Exceptional Item**(In Rs.)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Sundry balances written back	686,725	-
Total	686,725	-

3i Infotech BPO Limited
Notes forming part of Financial Statements as at and for the year ended March 31, 2015
21 Contingent Liabilities and Commitments

(In Rs.)		
Particulars	As at March 31, 2015	As at March 31, 2014
(i) Contingent liabilities to the extent not provided for:		
(a) Disputed Service Tax matter (including interest and penalty upto the date of demand)	2,108,004	2,108,004
(b) Disputed ESIC matter (including interest upto the date of demand)	655,575	655,575
(c) Guarantee - First charge on all present and future moveable assets (except current assets) and second charge on current assets of the Company has been created in favour of CDR lenders of the holding company as per the Master Restructuring Agreement (MRA) entered by the holding company with its CDR lenders	Not ascertainable	Not ascertainable
Total	2,763,579	2,763,579
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	478,800	109,725
Total	478,800	109,725

The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

22 Leases
(i) Operating Lease

The future lease rental payment that the Company is committed to make is:

(In Rs.)		
Particulars	As at March 31, 2015	As at March 31, 2014
- within one year	3,115,422	3,110,277
- later than one year and not later than five years	1,523,259	3,264,583
- later than five years	-	-

(ii) Financial Lease

There were no financial leases entered into by the Company.

23 Payment to Auditors

(In Rs.)		
Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Audit Fees	1,200,000	1,225,000
Tax Audit Fees	100,000	75,000
Others	25,000	-
Total	1,325,000	1,300,000

24 Earnings Per Share

The earnings per share have been computed in accordance with the Accounting Standard 20 – Earnings Per Share

Particulars		For the year ended March 31, 2015	For the year ended March 31, 2014
Profit attributable to Equity Shareholders (In Rs.)	A	28,415,363	10,762,581
Weighted average number of Equity Shares outstanding during the year (No.)	B	100,000	100,000
Diluted weighted average number of Equity Shares outstanding during the year (No.)	C	100,000	100,000
Nominal value of Equity Shares (In Rs.)		10	10
Basic Earnings Per Share (In Rs.)	A/B	284.15	107.63
Diluted Earnings Per Share (In Rs.)	A/C	284.15	107.63

3i Infotech BPO Limited**Notes forming part of Financial Statements as at and for the year ended March 31, 2015**

- 25** As at March 31, 2015, the Company has no outstanding dues to micro, small and medium enterprises. There is no liability towards interest on delayed payments under the Micro, Small and Medium Enterprises Development Act, 2006 during the year.

There is also no amount of outstanding interest in this regard brought forward from the previous year.

The above information is on the basis of intimation received by the Company, on request made to all vendors in the course of vendors' registration under the said Act.

26 Related Party Disclosure as per Accounting Standard 18**26.1 Name of the related parties are as follows****a. The parties where control exists - the Holding Company**

3i Infotech Limited

b. Fellow Subsidiaries

3i Infotech Saudi Arabia LLC
 3i Infotech (Africa) Limited
 3i Infotech (Middle East) FZ LLC
 3i Infotech Holdings Private Limited
 3i Infotech (UK) Limited
 3i Infotech (Western Europe) Holdings Limited
 3i Infotech (Western Europe) Group Limited (Upto 23rd December, 2014)
 Rhyme Systems Limited
 3i Infotech Financial Software Inc.
 3i Infotech Framework Limited
 Professional Access Software Development Private Limited
 Locuz Enterprise Solutions Limited
 3i Infotech Consultancy Services Limited
 3i Infotech Inc.
 3i Infotech Asia Pacific Pte Limited
 3i Infotech SDN BHD
 3i Infotech (Thailand) Limited
 3i Infotech Services SDN BHD
 3i Infotech Trusteeship Services Limited
 Black Barret Holdings Limited
 3i Infotech (Flagship-UK) Limited
 Professional Access Limited (Upto 14th August, 2014)
 3i Infotech Outsourcing Services Limited
 Elegon Infotech Limited
 3i Infotech South Africa (PTY) Limited

c. Associate with whom transactions have been entered during the year

ICICI Bank Limited

26.2 The following transactions were carried out during the year with the below related parties

Particulars	(In Rs.)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
3i Infotech Limited		
Income	10,631,222	10,506,317
Expenses	101,480,154	85,599,799
Interest income	42,279,952	28,716,128
Loan given	382,414,912	96,500,000
Advance given	121,759,434	224,508,423
3i Infotech Consultancy Services Limited		
Advance given	25,812,891	-
Expenses	1,615,594	
3i Infotech Trusteeship Services Limited		
Income	218,199	153,656
Expenses	121,500	99,000
3i Infotech Financial Software Inc.		
Income	52,741,700	41,131,935
3i Infotech Saudi Arabia LLC		
Income	2,886,741	1,602,296
3i Infotech (Middle East) FZ LLC		
Income	6,327,144	1,238,754
Expenses recoverable	-	4,184,081
ICICI Bank Limited		
Income	276,633,173	220,870,443
Other borrowing costs	15,999,048	8,159,653
Working capital loan taken / unsecured loan	-	124,125,383
Provision for doubtful debts	-	4,672

3i Infotech BPO Limited

Notes forming part of Financial Statements as at and for the year ended March 31, 2015

26.3 Outstanding balances with the related parties

(In Rs.)		
Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
3i Infotech Limited		
Trade payable	34,212,313	27,887,040
Interest receivable	57,314,290	27,221,294
Loan receivable	305,589,968	483,371,976
Advance receivable	121,777,058	386,871,976
Unbilled revenue	500,000	-
3i Infotech Consultancy Services Limited		
Advance receivable	25,812,891	-
Trade payables	1,615,594	-
3i Infotech Trusteeship Services Limited		
Trade receivable	251,711	76,035
Trade payables	134,085	27,000
Unbilled revenue	16,800	-
3i Infotech Financial Software Inc.		
Trade receivable	9,790,525	-
Unbilled revenue	4,759,569	3,493,560
3i Infotech (Middle East) FZ LLC		
Trade receivable	6,439,289	5,422,856
Unbilled revenue	470,000	-
3i Infotech Saudi Arabia LLC		
Advance from Customer	1,887,872	-
Trade receivable	87,258	1,602,296
Unbilled revenue	230,000	-
ICICI Bank Limited		
Trade receivable	-	12,032,444
Unbilled revenue	23,035,394	22,092,542
Advance from Customer	60,770,862	35,534,806

26.4 Related parties are as identified by the management and relied upon by the auditor.

26.5 No balances in respect of the related parties have been provided for / written back / written off except what is stated above.

27 Realisable Value of Current Assets, Loans & Advances

In the opinion of Board of Directors of the Company, the investments, current and non-current assets, long-term and short-term loans and advances are realizable at a value, which is atleast equal to the amount at which these are stated, in the ordinary course of business and provision for all known and determined liabilities are adequate and not in excess of the amount stated.

The accounts of certain Trade Receivables, Trade Payables, Loans and Advances and banks are, however, subject to formal confirmations / reconciliations and consequent adjustments, if any. However, the management does not expect any material difference affecting the current year financial statements on such reconciliation / adjustments.

28 Foreign currency transaction during the year and exposure as at year end

28.1 Foreign exchange currency exposure not covered by derivative instruments

Particulars	Currency type	As at March 31, 2015		As at March 31, 2014	
		Amount (Foreign currency)	Amount (In Rs.)	Amount (Foreign currency)	Amount (In Rs.)
Trade Receivable	USD	-	-	116,891	7,025,152

28.2 Earnings in foreign currency

Particulars	Currency type	For the year ended March 31, 2015		For the year ended March 31, 2014	
		Amount (Foreign currency)	Amount (In Rupees)	Amount (Foreign currency)	Amount (In Rupees)
Transaction Services	USD	477,058	28,648,074	785,436	47,748,098

29 The following table set out the status of the gratuity plan as required under AS 15

Reconciliation of Benefit Obligations and Plan Assets

Change in benefit obligation	For the year ended March 31, 2015	For the year ended March 31, 2014
Obligation at the beginning of the year	5,759,940	5,287,947
Interest cost	535,098	-
Current Service cost	1,628,568	2,273,167
Benefits paid	4,638,238	1,801,174
Actuarial (gain) / loss in obligations	2,992,175	-
Obligation at year end	6,277,543	5,759,940

Change in Fair value of plan assets	For the year ended March 31, 2015	For the year ended March 31, 2014
Fair value of plan assets at the beginning of the year	-	-
Expected return on the plan assets	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at year end	-	-

Expenses recognized in Statement of Profit & Loss	For the year ended March 31, 2015	For the year ended March 31, 2014
Current service cost	1,628,568	2,273,167
Interest cost	535,098	-
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized during the year	2,992,175	-
Expenses recognized in Statement of Profit & Loss	5,155,841	2,273,167

Reconciliation or Present Value of the obligation and the Fair value of the plan assets	For the year ended March 31, 2015	For the year ended March 31, 2014
Liability at year end	6,277,543	5,759,940
Fair value of plan assets at year end	-	-
Liability recognized in the balance sheet	6,277,543	5,759,940

Assumptions	For the year ended March 31, 2015	For the year ended March 31, 2014
Discount Rate	7.90%	9.29%
Expected Rate of Return on Plan Assets	-	-
Salary Escalation Rate	3% for first three years and 2% thereafter	5.50%

3i Infotech BPO Limited

Notes forming part of Financial Statements as at and for the year ended March 31, 2015

- 30** During the year, to comply with the Companies Act, 2013 based on internal and external technical evaluation, management reassessed the remaining useful life of tangible fixed assets. Consequently,
(a) Rs. 4,791,695 have been adjusted against the retained earnings being amount of depreciation / amortisation on assets, whose useful life got over before 1st April, 2014.
(b) Depreciation expense for the year ended 31st March, 2015 would have been lower by Rs. 2,525,612 for the assets held as at April 1, 2014, had the Company continued with the previously assessed useful lives.
- 31** Figures for the previous year have been re-grouped/re-arranged, wherever considered necessary, to conform to current period's presentation.
- 32** As per AS-5 "Net Profit or Loss for the Period Prior Period Items and Changes in Accounting Policies", Exceptional Items in line with management's judgment are the material items which derive from events or transactions that fall within the ordinary activities of the Company and which individually or, if of a similar type, in aggregate, are disclosed by virtue of their size or incidence. As a result, the amount of Rs. 686,725 written back in the books of accounts, is considered to be a material item within the ordinary activity, which will not recur generally and therefore has been classified and disclosed as Exceptional Item.

Signatures to Notes "1" to "32"

For and on behalf of the Board

Padmanabhan Iyer
Managing Director
DIN: 0528294

Ashish Kakkar
Director
DIN: 06370551

Place: Mumbai
Date: May 28, 2015

3i Infotech BPO Limited**Notes forming part of Financial Statements as at and for the year ended March 31, 2015****1. SIGNIFICANT ACCOUNTING POLICIES****1.1 Method of Accounting**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). 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.

1.2 Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosures of an item or information in the financial statements are made relying on these estimates. Any revision to accounting estimates is recognized prospectively.

1.3 Revenue Recognition

Revenue from transaction services and other service contracts is recognized based on transactions processed or manpower deployed.

1.4 Unbilled and Unearned Revenue

Revenue recognized over and above the billings on a customer is classified as unbilled revenue while excess of billing over the revenue recognized in respect of a customer is classified as unearned revenue.

1.5 a. Fixed Assets

Fixed Assets are stated at cost, which comprises of purchase consideration and other directly attributable cost of bringing an asset to its working condition for the intended use.

Advances given towards acquisition of fixed assets and the cost of assets not ready for use as at the balance sheet date are disclosed under Long-Term Loans & Advances.

b. Depreciation / Amortization

Leasehold land, Leasehold building and improvements thereon are amortized over the years of lease.

Depreciation on other fixed assets is provided using the straight-line method to allocate their depreciable amounts over their estimated useful as prescribed under part A in Schedule II of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

Depreciation and amortization methods, useful lives and residual values are reviewed at each reporting date.

1.6 Investments

Trade investments wherever applicable are the investments made to enhance the Company's business interest. Investments are either classified as current or long-term based on the management's intention at the time of purchase. Long-term investments are carried at cost and provision is made to recognize any decline, other than temporary, in the value of such investments.

Current investments wherever applicable are carried at the lower of the cost and fair value and provision is made to recognize any decline in the carrying value.

1.7 Accounting for Taxes on Income

Provision for current income tax is made on the basis of the estimated taxable income for the quarter in accordance with the Income Tax Act, 1961.

MAT credit asset is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized and carried forward only if there is a virtual / reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

1.8 Translation of Foreign Currency Items

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transactions. Current assets, current liabilities and borrowings denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet. The resultant gain / loss is recognized in the Statement of Profit & Loss.

1.9 Accounting of Employee Benefits

a) Gratuity

Liability for Gratuity is provided on the basis of the actuarial valuation report obtained by the Company.

b) Provident Fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contribution along with interest thereon is paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contribution to the Regional Provident Fund Commissioner equal to a specified percentage of the covered employee's salary. Company also contributes to a government administered pension fund on behalf of its employees.

c) Leave Entitlements

Liability for leave salary payable to employee is provided for on estimation and decision made by the managements.

1.10 Provisions, Contingent Liabilities and Contingent Assets

- I. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources.
- II. Disclosures for a contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources.
- III. Contingent Assets are neither recognized nor disclosed in the financial statement.

1.11 Borrowing Costs

Borrowing costs directly attributable to acquisition, construction and production of qualifying assets are capitalized as a part of the cost of such asset up to the date of completion. Other borrowing costs are charged to the Statement of Profit & Loss.

1.12 Impairment of Assets

In accordance with AS 28 on 'Impairment of Assets', where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is realizable whenever the carrying amount of such assets exceeds its recoverable amount. Impairment loss is recognized in the Statement of Profit & Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to extent of the carrying value of the asset that would have been determined (net of amortization / depreciation) had no impairment loss been recognized.

1.13 Lease

Where the Company has substantially acquired all risks and rewards of ownership of the assets, leases are classified as financial lease. Such assets are capitalized at the inception of the lease, at the lower of fair value or present value of minimum lease payment and liability is created for an equivalent amount. Each lease rental paid is allocated between liability and interest cost so as to obtain constant periodic rate of interest on the outstanding liability for each year.

Where significant portion of risks and reward of ownership of assets acquired under lease are retained by lessor, leases are classified as Operating lease. Equalized lease rentals for such leases are charged to Statement of Profit & Loss.

1.14 Earnings per share

In determining the earnings per share, the Company considers the net profit / (loss) after tax and post tax effect of any extra-ordinary / exceptional item is shown separately. The number of shares considered in computing basic earnings per share is the weighted average number of shares outstanding during the year.