

3i INFOTECH INC
BALANCE SHEET AS AT MARCH 31, 2015

(USD)

Particulars	Notes	As at Mar 31, 2015	As at Mar 31, 2014
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	<u>1</u>	89,249,998	89,249,998
(b) Reserves and surplus	<u>2</u>	(25,348,156)	(3,541,013)
2. Share application money pending allotment		7,700,000	7,700,000
3. Non-current liabilities			
(a) Long-term borrowings	<u>3</u>	4,745,000	4,250,000
(b) Other Long term liabilities	<u>5</u>	79,347,952	86,219,631
4. Current liabilities			
(a) Short-term borrowings	<u>3</u>	3,700,000	4,500,000
(b) Trade payables	<u>4</u>	731,071	400,455
(c) Other current liabilities	<u>5</u>	5,379,354	6,876,470
(d) Short-term provisions	<u>6</u>	53,140	30,193
TOTAL		165,558,358	195,685,734
II ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	<u>7</u>	296,888	305,342
(ii) Intangible assets	<u>8</u>	17,339,479	39,377,503
(iii) Capital work-in-progress		-	57,636
(b) Non-current investments			
(a) Long-term loans and advances	<u>12</u>	137,273,288	75,743,455
2. Current assets			
(a) Trade receivables	<u>10</u>	5,381,982	4,320,775
(b) Cash and cash equivalents	<u>11</u>	291,306	865,304
(c) Short-term loans and advances	<u>12</u>	1,255,163	72,258,696
(d) Other Current Assets	<u>13</u>	3,720,252	2,757,023
TOTAL		165,558,358	195,685,734

See accompanying notes to financial statement
Notes referred to above form an integral part of the financial statement

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As per our attached report of even date

VBC & Company
Certified Public Accountants

Charanjit Attra Ashish kakkar
Director Director

Date:
Place: New Jersey

Ram Sankar
CFO

3i INFOTECH INC
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2015

(USD)

Particulars	Schedule	For the year ended Mar 31, 2015	For the year ended Mar 31, 2014
INCOME			
Revenue from operations	<u>14</u>	44,712,249	39,145,779
Other income	<u>15</u>	73,804	253,632
Total		44,786,053	39,399,411
Expenses:			
Cost of Revenue	<u>16</u>	6,755,852	5,835,767
Employee benefits expense	<u>17</u>	33,765,942	30,202,121
Finance costs	<u>18</u>	595,081	575,826
Depreciation and amortization expense		22,131,316	22,181,366
Corporate Charge out		727,556	647,121
Other expenses	<u>19</u>	2,559,341	2,035,580
Total		66,535,088	61,477,781
Profit/(Less) before exceptional and extraordinary items and tax		(21,749,035)	(22,078,370)
Exceptional items	<u>20</u>		
Profit before extraordinary items and tax (V - VI)		(21,749,035)	(22,078,370)
Profit /(Loss)before tax		(21,749,035)	(22,078,370)
Tax expense:			
Prior Period Taxes		-	-
Current tax		52,529	-
Deferred tax		-	-
Profit (Loss) after Tax carried over to Balance Sheet		(21,801,564)	(22,078,370)

Earnings per Share
Equity Shares, par value \$0.3 each
- Basic
- Diluted

(0.22) (0.22)
(0.22) (0.22)

See accompanying notes to the financial statements
Notes referred to above form an integral part of the financial statements

As per our attached report of even date

VBC & Company
Certified Public Accountants

Charanjit Attra **Ashish kakkar**
Director **Director**

Date:
Place: New Jersey

Ram Sankar
CFO

3i INFOTECH INC
CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

(USD)

	For the period ended Mar 31, 2015	For the Year ended Mar 31, 2014
A Cash Flow from Operating Activities :		
Profit before tax	(21,749,035)	(22,078,370)
Adjustments for:		
Depreciation / Amortisation	22,131,317	22,181,366
Other Income		
Provision for doubtful debts	(68,029)	8,245
Bad debts written off	68,462	
Interest Received	(165)	(194)
Interest Paid	522,834	554,019
Operating Profit before Working Capital Changes	905,384	665,066
Adjustments for:		
Trade and Other Receivables	7,449,264	(75,706,637)
Inventories		
Trade Payables and Other Liabilities	(8,038,613)	76,575,035
Marketing Development & Support Expenses		
Cash generated from Operations	316,036	1,533,464
Income Tax Paid	(29,582)	(150,606)
Net cash from Operating Activities	286,454	(436,667)
B Cash Flow from Investing Activities :		
Purchase of fixed assets (excluding Capital-Work-in-Progress)	(90,418)	(14,282)
Capital Work in Progress	57,636	(57,636)
Net cash from Investing Activities	(32,782)	(71,918)
C Cash Flow from Financing Activities :		
Interest received	165	194
Due from Affiliates		(300,000)
Share application money received (pending allotment)		
Interest paid	(522,834)	(554,019)
Due to Affiliates-loan	495,000	
Repayment of loan	(800,000)	
Net cash from Financing Activities	(827,669)	(853,825)
Net Increase in Cash and Cash Equivalents (A+B+C)	(573,997)	457,115
Cash and Cash Equivalents as at beginning	865,304	408,189
Cash and Cash Equivalents as at end	291,307	865,304
<p>Significant Accounting Policies and Notes to Accounts 1-20 Notes referred to above form an integral part of the financial statements</p> <p>As per our attached report of even date</p>		
<p>VBC & Company Certified Public Accountants</p>	<p>Charanjit Attra Director</p>	<p>Ashish kakkar Director</p>
	<p>Ram Sankar CFO</p>	
<p>Date: Place: New Jersey</p>		

3i INFOTECH INC
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

1 Share Capital

(USD)

	As at Mar 31, 2015	As at Mar 31, 2014
Authorised		
Common Stock		
Class A - Authorized 100,200,000 shares of par value USD 0.30 each	30,060,000	30,060,000
Class B - Authorized 1,000,000 shares of par value USD 0.01 each	10,000	10,000
Optionally Convertible Preferred Stock		
Series A - Authorized 21,000,000 shares of par value of USD 1 each	21,000,000	21,000,000
Series B - Authorized 29,000,000 shares of par value of USD 1 each	29,000,000	29,000,000
Series C - Authorized 37,000,000 Shares of par value of USD 1 each	37,000,000	37,000,000
	117,070,000	117,070,000
Issued, Subscribed & Paid - up		
Common stock		
Class A - Issued 100,138,406 shares of par value USD 0.30 each	30,041,522	30,041,522
Class B - Issued 1,000,000 shares of par value USD 0.01 each (of the above 100% are held by the holding company - 3i Infotech Holdings Pvt Ltd)	10,000	10,000
Optionally Convertible Preferred Stock and paid in capital		
Series B - Issued 23,129,051 shares of par value of USD 1 each	23,129,051	23,129,051
Series C - Issued 36,069,425 Shares of par value of USD 1 each (of the above 100% are held by the holding company - 3i Infotech Holdings Pvt Ltd)	36,069,425	36,069,425
	89,249,998	89,249,998
Reconciliation of shares outstanding at the beginning and at the end of the reporting period :		
Share Application money	7,700,000	7,700,000

2 Reserves and Surplus

	As at Mar 31, 2015	As at Mar 31, 2014
a. Securities Premium Reserve	54,542,302	54,542,302
	54,542,302	54,542,302
b. Profit and Loss Account Surplus (including debit balance)	(58,083,315)	(36,004,945)
Add/ (Less): Net Profit / (Loss) transferred from Profit and Loss account	(21,801,564)	(22,078,370)
Add/ (Less): Amendment in depreciation	(5,579)	
	(79,890,458)	(58,083,315)
	(25,348,156)	(3,541,013)

3i INFOTECH INC
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

3 Borrowings

(USD)

	As at Mar 31, 2015		As at Mar 31, 2014	
	Current	Non Current	Current	Non Current
Borrowings				
Secured Loans				
Loans repayable on demand -From Banks	3,700,000		4,500,000	
Total Secured Loans	3,700,000	-	4,500,000	-
Unsecured Loans				
Loans and advances from Related Parties -Affiliates	-	4,745,000	-	4,250,000
Total Unsecured Loans	-	4,745,000	-	4,250,000
Total Borrowings	3,700,000	4,745,000	4,500,000	4,250,000

3i INFOTECH INC
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

4 Trade Payables (USD)

	As at Mar 31, 2015		As at Mar 31, 2014	
	Current	Non Current	Current	Non Current
Trade Payables				
Sundry Creditors	731,071		400,455	
Total	731,071	-	400,455	-

5 Other Liabilities

	As at Mar 31, 2015		As at Mar 31, 2014	
	Current	Non Current	Current	Non Current
Other current liabilities				
Accrued Salary	2,019,464		1,706,364	
Accrued Expenses	746,896		400,982	
Due To Affiliates	2,133,244	78,274,213	3,546,126	86,219,631
Acceptances				
Finance lease Obligations				
Interest accrued but not due on borrowings	281,222	1,073,739	280,269	793,470
Interest accrued and not due on borrowings	18,157		22,500	
Deposits	130,600		125,000	
Excess of Billing over Revenue recognised	1,643			
Advances received from customers	41,275		(3,400)	
Other Payables - Statutory payments to Government authorities	6,852		5,159	
Total	5,379,354	79,347,952	6,083,000	87,013,101

6 Provisions

	As at Mar 31, 2015		As at Mar 31, 2014	
	Current	Non Current	Current	Non Current
Provision for Tax	53,140		30,193	
Total	53,140	-	30,193	-

3i INFOTECH INC
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

7 Tangible assets

(USD)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2014	Additions during the period	Deductions during the period	As at Mar 31, 2015	Upto Mar 31, 2014	Depreciation during the period	Adjustments during the period	Upto As at Mar 31,2015	As at Mar 31, 2015	As at Mar 31, 2014
Building - Leasehold	86,567	-	-	86,567	50,454	16,051	-	66,504	20,063	36,113
- Freehold	-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	702,294	-	-	702,294	481,606	43,222	-	524,828	177,466	220,688
Office Equipment	57,992	9,296	-	67,288	36,033	6,189	-	42,222	25,066	21,959
Computers	248,010	77,764	-	325,774	221,407	24,471	-5,603	251,481	74,293	26,604
Total Assets	1,094,864	87,060	-	1,181,924	789,500	89,933	-5,603	885,036	296,888	305,364

8 Intangible assets

Particulars	GROSS BLOCK				AMORTIZATION				NET BLOCK	
	As at April 1, 2014	Additions during the period	Deductions during the period	As at Mar 31, 2015	Upto Mar 31, 2014	Amortization during the period	Adjustments during the period	Upto As at Mar 31,2015	As at Mar 31, 2015	As at Mar 31, 2014
Goodwill	106,182,408	-	-	106,182,408	69,018,842	21,236,324	-	90,255,165	15,927,243	37,163,566
Software Products - Others	13,867	3,358	-	17,225	8,353	1,996	-	10,349	6,876	5,514
Business and Commercial Rights	4,015,315	-	-	4,015,315	1,806,892	803,063	-	2,609,955	1,405,360	2,208,423
Total Assets	110,211,590	3,358	-	110,214,948	70,834,087	22,041,382	-	92,875,469	17,339,479	39,377,503

3i INFOTECH INC
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

9 Deferred Tax Asset / (Liability)

(USD)

	As at Mar 31, 2015		As at Mar 31, 2014	
Deferred Tax Asset:				
Expenses allowable on payment and others		-		-
		-		-
Deferred Tax Liability:				
Fixed Assets (Depreciation / Amortization)				
		-		-
Net Deferred Tax (Liability) / Asset		-		-

10 Trade receivables

	As at Mar 31, 2015		As at Mar 31, 2014	
	Current	Non Current	Current	Non Current
Receivables outstanding for a period exceeding six months				
Unsecured, Considered Doubtful	533,486	-	601,515	-
Less: Provision for bad and Doubtful debts.	533,486	-	601,515	-
(A)	-		-	
Other Receivables				
(a) Unsecured considered good	5,381,982		4,320,775	
Less: provision for bad and doubtful debts				
(B)	5,381,982		4,320,775	
(A) + (B)	5,381,982	-	4,320,775	-

3i INFOTECH INC
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

11 Cash and cash equivalents

	As at Mar 31,2015	As at Mar 31, 2014
Balances with banks:		
-in current accounts	291,306	865,304
Total	291,306	865,304

12 Loans and advances

	As at Mar 31,2015		As at Mar 31,2014	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
(a)Security Deposits	30,000		32,150	
(b)Loans and advances to Related Parties	8,529	137,273,288	71,508,482	75,743,455
(c)Loans to Staff	-		103,816	
(e)Prepaid expenses	82,380		125,523	
-Other advances recoverable in cash or in kind or for value to be received	1,134,254		488,725	
Total	1,255,163	137,273,288	72,258,696	75,743,455

13 Other Current Assets

	As at Mar 31,2015		As at Mar 31,2014	
	Current	Non Current	Current	Non Current
Unbilled Revenue	3,720,252		2,757,023	
Total	3,720,252	-	2,757,023	-

3i INFOTECH, INC
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

14 Revenue from Operations

(USD)

	For the year ended Mar 31, 2015	For the year ended Mar 31, 2014
IT Servies	44,712,249	39,145,779
Total	44,712,249	39,145,779

15 Other Income

	For the year ended Mar 31, 2015	For the year ended Mar 31, 2014
Interest income	165	194
Other Non-operating income (Net , positive or negative)	73,639	253,438
Total	73,804	253,632

3i INFOTECH, INC
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

16 Cost of Revenue (USD)

	For the year ended Mar 31, 2015	For the year ended Mar 31, 2014
Cost of third party products / outsourced services	6,755,852	5,835,767
Total	6,755,852	5,835,767

17 Employee benefit expenses

	For the year ended Mar 31, 2015	For the year ended Mar 31, 2014
Salaries and wages	33,688,010	30,147,626
Recruitment and training expenses	77,932	54,495
Total	33,765,942	30,202,121

18 Finance cost

	For the year ended Mar 31, 2015	For the year ended Mar 31, 2014
Bank Charges	72,247	21,807
Interest expenses	522,834	554,019
Total	595,081	575,826

19 Other expenses

	For the year ended Mar 31, 2015	For the year ended Mar 31, 2014
Power and fuel	38,937	42,995
Rent	227,046	249,737
Repairs to machinery	88,202	36,079
Insurance	158,848	146,661
Travelling and conveyance	528,387	415,547
Rates and taxes	143,761	-74,876
Communication expenses	105,196	125,945
Printing and stationery	13,756	11,996
Legal and Professional charges	1,131,869	957,864
Selling and distribution expenses	65,273	65,299
Provision for doubtful debts	-68,029	8,245
Bad debts written off	68,462	2,127
Miscellaneous expenses	57,633	47,961
Total	2,559,341	2,035,580

20 Exceptional items

	For the year ended Mar 31, 2015	For the year ended Mar 31, 2014
Customer Claim	-	-
Total	-	-

3i INFOTECH INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

3i INFOTECH INC.

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VBC & Company
Certified Public Accountants
A Professional Corporation
97, Cedar Grove Lane, Suite 202,
Somerset, NJ 08873

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Stakeholders of 3i Infotech Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of 3i Infotech Inc., which comprise the balance sheets as of March 31, 2015, and March 31, 2014 and related statements of Profit and loss account and cash flows for the period ended March 31, 2015 and March 31, 2014 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in India; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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 control relevant to the entity'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 the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and

the reasonableness of significant 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, the financial statements referred to above present fairly, in all material respects, the financial position of 3i Infotech Inc. as of March 31, 2015 and March 31, 2014, and the results of their operations and their cash flows for each of the year ended March 31, 2015 and March 31, 2014, in accordance with accounting principles generally accepted in India.

VBC & Company
Certified Public Accountants
Somerset, New Jersey

3i INFOTECH INC.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE XX. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Significant Accounting Policies

1.1 Method of Accounting

The financial statements are prepared under the historical cost convention, on an accrual basis of accounting and in accordance with the generally accepted accounting practices in India (GAAP).

1.2 Currency

The Company's reporting currency is the US Dollar (USD).

1.3 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 disclosure of an item or information in the financial statements is made relying on these estimates. Any revision to accounting estimates is recognized prospectively.

1.4 Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The normal operating cycle cannot be identified, hence it is assumed to have duration of 12 months

1.5 Revenue Recognition

The Company generates the majority of its revenues from Technology Staffing, Managed Services and Software Product Implementation. Revenue from software products is recognized on delivery/ installation, as per the predetermined/laid down policy or lower, as considered appropriate by the management on the basis of facts in specific cases. Revenue on time and material contracts is recognized as and when services are performed. Revenue on fixed-price contracts is recognized on the percentage of completion method. Provision for estimated losses, if any, on such uncompleted contracts are recorded in the year in which such losses become probable based on the current liabilities. Changes in estimates are reflected in the year in which the changes become known. Maintenance revenues are recognized ratably over the term of the underlying maintenance agreement.

1.6 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.

1.7 Fixed Assets

Intangible: Purchased software meant for in house consumption, Goodwill and Business & Commercial Rights are capitalized at the acquisition price.

Acquired software/products meant for sale are capitalized at the acquisition price.

Costs in respect of Software development are charged to Profit and Loss account as and when incurred.

Tangible: Fixed Assets are stated at cost, which comprises of purchase consideration and other directly attributable cost of bringing the assets 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 capital work-in-progress.

1.8 Depreciation / Amortization

Leasehold land, leasehold building and improvements thereon are amortized over the period of lease or life of the asset whichever is lower.

Business & Commercial Rights are amortized at lower of the period the benefits out of them is expected to accrue or five years, while acquired goodwill is amortized over a period of five years.

Project Assets / Acquired software are amortized at lower of the estimated life of the project / product and five years.

Fixed Asset	Useful life in years
Building -Leasehold improvements	5
Furniture, Fixtures and Equipment	10
Vehicles	5
Computers	3
Computer being Server	6

1.9 Investments

Investments are classified into long-term investments and current investments. 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 are carried at the lower of the cost and fair value and provision is made to recognize any decline in the carrying value.

1.10 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 and current liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet. The resultant gain/loss are recognized in the Profit & Loss Account, except in cases where they relate to the acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets. Overseas investments are recorded at the rate of exchange in force on the date of allotment

1.11 Accounting for Employee Benefits

The Company has a defined contribution plan with respect to the retirement benefits provided to its employees through contribution towards 401(k) pension plan. These contributions are charged to revenue as and when incurred. Liability for leave encashment is provided on the basis of actual eligibility of the year end as well as for the interim reporting years.

1.12 Accounting for Taxes on Income

Provision for current income tax is made on the basis of the estimated taxable income for the year in accordance with the relevant applicable Law in force. 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.

1.13 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 lesser, leases are classified as Operating lease. Equalised Lease rentals for such leases are charged to Profit and Loss account.

1.14 Impairment of Assets

In accordance with AS 28 on 'Impairment of Assets' issued by the Institute Of Chartered Accountants of India, 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 recognised whenever the carrying amount of such assets exceeds its recoverable amount. Impairment loss is recognized in the profit and loss account. 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.

1.15 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 are 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 statements.

1.16 Earnings per share

In determining the earnings per share, the Company considers the net profit 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 period. The number of shares considered for computing diluted earnings per share comprises the weighted average number of shares used for deriving the basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The number of shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issues.

2. Notes to Accounts

2.1 Secured Loan:

The Company has obtained a \$4,500,000 line of credit from State Bank of India, California Branch, USA, with the charge on the current assets of the company.

3i Infotech Limited, the ultimate holding Company in India has executed a Facility Agreement for a credit facility of INR 1,250 million, dated March 20, 2009 with ICICI Bank Limited, India. Pursuant to the execution of the said agreement the Company has offered a guarantee to ICICI Bank Limited, India and consequently the Company has entered into an agreement with the Security Agent, Wells Fargo Bank Northwest, National Association wherein a security interest on current and future has been granted on; each and every account receivables, all cash, all chattel paper, all commercial tort claims, all computer programs and intellectual property rights (including but not limited to domain names and trade secret rights), all contracts and contract rights, all deposit accounts, all documents, all equipments, all general intangibles, all goods, all instruments, all intellectual property, all letter of credit rights, all permits, all promissory notes, all security accounts, all software and software licensing rights, all supporting obligations, all books and records and all accessions to products and proceedings.

In December 2011, 3i Infotech Limited, India executed a Facility Agreement with ICICI Bank for availing a credit facility of INR 2,500 million. The Company is listed as a Guarantor in the said agreement for guaranteeing all the obligations of 3i Infotech Limited, India. Consequently the Company has entered in to a security agreement with Security Agent, ICICI Bank, New York Branch for creating a first pari passu charge over its moveable fixed assets and current assets, both present and future.

2.2 Leases:

Operating Lease: The Company has an operating lease for its office space and guest houses. Future minimum rental commitments under the non-cancellable lease are as follows:

Particulars	In' USD	
	As at March 31, 2015	As at March 31, 2014
Within one year	146,340	-
Later than one year and not later than five years	669,000	262,562
Later than five years	-	-
Total	815,340	262,562

Security deposit related to lease for office premises was \$ 30,000 as of March 31, 2015, (\$32,150 as of March 31, 2014)

The Company has sub leased its warehouse for warehouse space and general office use in a manner consistent with its current use.

Future minimum rental receipts under the non-cancellable lease are as follows:

Particulars	In' USD	
	As at March 31, 2015	As at March 31, 2014
Within one year	33,600	-
Later than one year and not later than five years	134,400	-
Later than five years	-	-
Total	168,000	-

Security deposit received related to the warehouse sub lease is \$ 5,600 as of March 31, 2015, (\$Nil as of March 31, 2014)

2.3 Employee Benefit Plan

The Company has a defined contribution plan covering substantially all of its employees. The Company makes a discretionary 50 % matching contribution of a participant's contribution.

2.4 Auditors' remuneration

Particulars	In' USD	
	For the period ended March 31, 2015	For the year ended Mar 31, 2014
Audit fees	60,000	60,000
Tax matters	60,000	60,000
Other services	18,000	14,800

2.5 Earnings per Share

The earnings per share have been computed as under:

Particulars		In' USD	
		As at March 31, 2015	As at Mar 31, 2014
Profit attributable to Equity Shareholders (USD)	A	(21,801,564)	(22,078,370)
Weighted average number of Equity Shares outstanding during the year (Nos.)	B	101,138,406	101,138,406
Add : Effect of dilutive issues of options		-	-
Diluted weighted average number of Equity Shares outstanding during the year (Nos.)	C	323,166,659	323,166,659
Nominal value of Equity Shares (USD)		0.30	0.30
Basic Earnings Per Share (USD)	A/B	(0.22)	(0.22)
Diluted Earnings Per Share (USD)		(0.22)	(0.22)

2.6 Related Party Transactions

Particulars	In' USD	
	As at March 31 , 2015	As at Mar 31, 2014
3i Infotech Ltd		
Balances		
a) Receivable/(Payable)	(56,963,727)	(54,830,484)
Transaction for the year ended March 31, 2015, and year ended March 31, 2014		
a) Consultancy fees and expenses	7,589,738	2,305,970
b) Rent	500,000	-
c) Professional Service charges	1,150,000	-
d) Corporate charge out	895,687	783,329
3i Infotech Holdings Private Limited		
Balances		
a) Receivable/(Payable)	(498,666)	9,978,650
b) Share Application Money	7,700,000	7,700,000
Transaction for the year ended March 31, 2015, and year ended March 31, 2014		
- Loan (Payable)	(495,000)	-
3i Infotech Financial Software Inc		
Balances		
a) Receivable/(Payable)	(23,443,728)	(24,408,050)
Transaction for the year ended March 31, 2015, and year ended March 31, 2014		
a) Consultancy fees and expenses	6,144,016	5,130,675
b) Salaries and wages	1,512,265	538,840
c) Corporate charges	205,235	477,546
3i Infotech (Middle East) FZ LLC		
Balances		
a) Receivable/(Payable)	137,273,288	137,273,288
Transaction for the year ended March 31, 2015, and year ended March 31, 2014		
a) Expenses	-	-
3i Infotech Asia Pacific Pte. Ltd.		
Balances		
a) Loan receivable/(Payable)	(2,750,000)	(2,750,000)
a) Interest receivable/(Payable)	(862,114)	(694,772)
Transaction for the year ended March 31, 2015, and year ended March 31, 2014		

a) Interest on loan	(167,342)	(181,351)
3i Infotech Sdn Bhd		
Balances		
a) Loan receivable/(Payable)	(1,500,000)	(1,500,000)
b) Interest receivable/(Payable)	(492,846)	(378,966)
Transaction for the year ended March 31, 2015 and year ended March 31, 2014		
a) Interest on loan	(113,880)	(98,918)
3i Infotech (UK) Ltd		
Balances		
Receivable/(Payable)	4,366	(51,047)
Transaction for the year ended March 31, 2015 and year ended March 31, 2014		
a) Expenses	22,177	28,161
Locuz Enterprises Limited		
Receivable/(Payable)	7,829	-
Transaction for the year ended March 31, 2015 and year ended March 31, 2014		
b) Expenses	7,829	-

2.7 Capital commitments and contingent liabilities

The Company does not have any material capital commitments and contingent Liabilities outstanding as on the date of the Balance Sheet.

2.8 Quantitative Details

The Company's operations comprise only of software consulting services. Hence, it is not possible to provide the quantitative details.

2.9 Comparative statement

Figures for the previous year have been re-grouped wherever necessary to conform to those for the current year.

For and on behalf of the Board

Charanjit Attra
Director

Ashish Kakkar
Director

Ram Sankar
Financial Controller