

3i INFOTECH (MIDDLE EAST) FZ LLC
(Incorporated in United Arab Emirates)

Balance sheet as at March 31, 2015

AED

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2.1	4,61,74,000	4,61,74,000
(b) Reserves and surplus	3	(10,13,37,618)	(8,96,00,148)
Share application money pending allotment	2.4	40,48,000	40,48,000
Non-current liabilities			
(a) Long-term borrowings	4	46,98,343	40,53,497
Current liabilities			
(a) Short -term borrowings	6	2,19,75,729	58,24,21,644
(b) Trade Payables	5	1,03,86,376	2,09,75,736
(c) Other current liabilities	7	4,44,05,286	4,06,57,554
Total		3,03,50,116	60,87,30,284
II. ASSETS			
Non-current assets			
(a) Fixed assets	8		
Tangible assets		5,71,731	1,27,96,822
Capital work-in-progress		9,000	
(b) Non-current investments	9	5,806	5,806
Current assets			
(a) Trade receivables	10	72,96,604	79,38,571
(b) Inventories	11	-	2,12,851
(c) Cash and bank balances	12	2,20,027	17,98,120
(d) Short-term loans and advances	13	1,36,43,389	57,31,63,965
(e) Other current assets	14	86,03,559	1,28,14,148
Total		3,03,50,116	60,87,30,284

Significant accounting policies and accompanying notes to financial statements

1-32

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

For and on behalf of the Board

R. P. Baradiya
Partner

Padmanabhan Iyer
Director
DIN-05282942

Date: May 26, 2015
Place: Mumbai

Madhivanan Balakrishnan
Director
DIN-01426902

3i INFOTECH (MIDDLE EAST) FZ LLC
(incorporated in United Arab Emirates)

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

AED

Particulars	Note no.	For the year ended March 31, 2015	For the year ended March 31, 2014
INCOME			
Revenue from operations	15	7,71,28,266	7,86,19,556
Other income	16	-	19,50,943
Total Revenue		7,71,28,266	8,05,70,499
EXPENSES			
Cost of revenue	17	3,54,48,156	4,32,36,154
Employee benefits expense	18	2,18,67,086	2,52,01,108
Finance costs	19	35,94,546	37,03,615
Depreciation and Amortization Expenses	8	72,67,016	97,64,938
Other expenses	20	1,67,90,892	1,50,04,795
Total Expenses		8,49,67,696	9,69,10,610
Profit/(Loss) before exceptional items		(78,39,430)	(1,63,40,111)
Exceptional items	21	38,16,364	-
Profit /(Loss) after exceptional items for the year		(1,16,55,794)	(1,63,40,111)

Earnings per share

(Equity shares, par value AED 1,000 each)

Before exceptional items :

Basic & Diluted (AED) (169.78) (353.88)

After exceptional items :

Basic & Diluted (AED) (252.43) (353.88)

Significant accounting policies and accompanying notes to financial statements

1 & 32

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

For and on behalf of the Board

R. P. Baradiya
Partner

Padmanabhan Iyer
Director
DIN-05282942

Date: May 26, 2015
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Madhivanan Balakrishnan
Director
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Cash flow statement for the year ended March 31, 2015

AED

	For the year ended March 31, 2015	For the year ended March 31, 2014
A. Cash Flow from Operating activities		
Profit/(Loss) before Exceptional items	(78,39,430)	(1,63,40,111)
Adjustments for:		
Depreciation / Amortisation	72,67,016	25,60,499
Provision for doubtful debts/unbilled revenue	71,79,486	52,00,049
Foreign exchange (gain)/loss	2,36,895	3,97,060
Interest paid	35,94,546	37,03,615
Impairment of tangible assets	-	72,04,439
Bad debts written-off	-	1,01,036
Operating Profit/(Loss) before Working Capital Changes	1,04,38,513	28,26,587
Adjustments for:		
Decrease / (Increase) Trade and other receivables	55,33,53,238	2,11,36,262
Decrease / (Increase) Trade payables and other liabilities	(56,72,87,543)	(2,26,79,828)
Net cash from / (used in) Operating Activities - (A)	(34,95,793)	12,83,021
B. Cash Flow from Investing activities		
Sale of fixed assets	48,67,399	(1,21,295)
Net cash from / (used in) Investing Activities - (B)	48,67,399	(1,21,295)
C. Cash Flow from Financing activities		
Proceeds from borrowings/(repayment) of borrowings (net)	6,44,846	(1,25,961)
Interest paid	(35,94,546)	(37,03,615)
Net cash from / (used in) Financing Activities - (C)	(29,49,699)	(38,29,576)
Net Increase / (Decrease) in Cash and Cash Equivalent (A+B+C)	(15,78,093)	(26,67,850)
Cash and cash equivalents at beginning of the year	17,98,120	44,65,969
Cash and Cash Equivalents at end of the year	2,20,027	17,98,120

Notes :

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

As per our attached report of even date
For Lodha & Co.
Chartered Accountants

For and on behalf of the Board

R. P. Baradiya
Partner

Padmanabhan Iyer
Director
DIN-05282942

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3i INFOTECH (MIDDLE EAST) FZ LLC
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Notes forming part of the financial statements for the year ended March 31, 2015

2.1 Share capital

AED

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Amount	Number	Amount
Issued, subscribed & paid up				
Equity shares of AED 1,000 each fully paid up	46,174	4,61,74,000	46,174	4,61,74,000

2.2 Rights of equity shareholders

The Company has issued one class of equity shares having a face value of AED 1000 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 Reconciliation of numbers of equity shares

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	46,174	4,61,74,000	46,174	4,61,74,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	46,174	4,61,74,000	46,174	4,61,74,000

2.4 Details of members holding more than 5% equity shares in the company

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of shares held	% of Holding	No. of shares held	% of Holding
3i Infotech Holdings Private Limited, Mauritius	46,174	100%	46,174	100%

3. Reserves and Surplus

Particulars	As at March 31, 2015	As at March 31, 2014
Surplus/(Deficit) in Profit & Loss account		
Opening balance	(8,96,00,148)	(7,32,60,038)
Add/(Less): Depreciation Reserve	(81,676)	-
Add/(Less): Net loss for the year	(1,16,55,794)	(1,63,40,111)
Closing Balance	(10,13,37,618)	(8,96,00,148)

4. Long-term borrowings

Particulars	As at March 31, 2015	As at March 31, 2014
Secured Loans		
Vehicle loan	-	46,494
Unsecured Loans		
Loan from a fellow subsidiary	46,98,343	40,07,003
Total	46,98,343	40,53,497

3i INFOTECH (MIDDLE EAST) FZ LLC

(Incorporated in United Arab Emirates)

Notes forming part of the financial statements for the year ended March 31, 2015**Additional notes****a. Interest and repayment schedule for borrowings -**

Type	Interest range %	As at March 31, 2015	Repayment Schedule
			0 - 1 yrs
Term loan	3.50	1,44,39,357	1,44,39,356
Vehicle loan	4.15	46,786	46,786
Total	Total	1,44,86,143	1,44,86,142

b. Security on term loan and vehicle loan

- Term Loans from bank are secured by way of assignment of customer contracts & corporate guarantee by the ultimate holding company.

- Vehicle loan is secured against the respective vehicle.

c. The rate of interest for the unsecured loan from 3i Infotech SDN BHD is 5% plus 12 month LIBOR for each month on the outstanding balance for the initial period of 3 years. If the loan is not repaid at the end of the 3-year period, the rate of interest shall be increased to 7% plus 12 month LIBOR for each month on the outstanding balance.

6. Trade payables

Particulars	As at March 31, 2015	As at March 31, 2014
Due to related parties		57,62,36,162
Holding Company	54,09,588	
Sundry creditors	49,76,788	61,85,482
TOTAL	1,03,86,376	58,24,21,644

5. Short-term borrowings

Particulars	As at March 31, 2015	As at March 31, 2014
Acceptance of bill	2,19,75,729	2,09,75,736
TOTAL	2,19,75,729	2,09,75,736

7. Other current liabilities

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term loans		
Secured loan from bank	1,44,39,357	1,60,39,963
Vehicle loan	46,786	29,812
Overdue borrowings	-	-
Book Overdraft	1,02,241	-
Unearned revenue	-	1,15,75,835
Income received in advance	-	73,75,386
Advance from customers	2,78,16,025	56,36,558
Short term Provision	20,00,877	-
TOTAL	4,44,05,286	4,06,57,554

3i INFOTECH (MIDDLE EAST) FZ LLC
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Notes forming part of the financial statements for the year ended March 31, 2015

8. Fixed assets

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION				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	For the year	Deductions/Adjustments during the year	Upto March 31, 2015	As at March 31, 2015
Tangible assets									
Leasehold improvements	4,31,363	-	-	4,31,363	1,76,444	43,136	-	2,19,580	2,11,783
Freehold Buildings	2,39,95,117	-	2,39,95,117	-	1,20,10,037	70,11,697	1,90,21,734	-	-
Furniture & fixtures	74,761	27,800	-	1,02,561	24,581	9,012	-	33,593	68,968
Motor vehicles	2,07,364	-	-	2,07,364	62,216	25,921	-	88,137	1,19,227
Office equipment	37,489	19,609	-	57,098	9,315	30,846	-	40,161	16,937
Computers	6,18,956	49,575	-	6,68,531	2,85,635	1,46,404	81,676	5,13,715	1,54,816
Total Tangible assets	2,53,65,050	96,984	2,39,95,117	14,66,917	1,25,68,228	72,67,016	1,91,03,410	8,95,186	5,71,731
Intangible assets									
Software Products-meant for sale	2,76,00,000	-	-	2,76,00,000	2,76,00,000	-	-	2,76,00,000	-
Total intangible assets	2,76,00,000	-	-	2,76,00,000	2,76,00,000	-	-	2,76,00,000	-
Total assets	5,29,65,050	96,984	2,39,95,117	2,90,66,917	4,01,68,228	72,67,016	1,91,03,410	2,84,95,186	5,71,731
Capital work-in-progress	-	9,000	-	9,000	-	-	-	-	9,000

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION/IMPAIRMENT				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	For the year	Deductions/Adjustments during the year	Upto March 31, 2014	As at March 31, 2014
Tangible assets									
Leasehold improvements	4,31,363	-	-	4,31,363	1,33,308	43,136	-	1,76,444	2,54,919
Freehold Buildings	2,39,95,117	-	-	2,39,95,117	24,06,086	96,03,951	-	1,20,10,037	1,19,85,080
Furniture & fixtures	74,761	-	-	74,761	19,861	4,720	-	24,581	50,180
Motor vehicles	2,07,364	-	-	2,07,364	42,516	19,700	-	62,216	1,45,148
Office equipment	37,489	-	-	37,489	7,534	1,781	-	9,315	28,174
Computers	4,97,661	1,21,295	-	6,18,956	1,93,985	91,650	-	2,85,635	3,33,321
Total Tangible assets	2,52,43,755	1,21,295	-	2,53,65,050	28,03,290	97,64,938	-	1,25,68,228	1,27,96,822
Intangible assets									
Software Products-meant for sale	2,76,00,000	-	-	2,76,00,000	2,76,00,000	-	-	2,76,00,000	-
Total intangible assets	2,76,00,000	-	-	2,76,00,000	2,76,00,000	-	-	2,76,00,000	-
Total assets	5,28,43,755	1,21,295	-	5,29,65,050	3,04,03,290	97,64,938	-	4,01,68,228	1,27,96,822

3i INFOTECH (MIDDLE EAST) FZ LLC
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9. Non-current investments

Particulars	As at March 31, 2015	As at March 31, 2014
Long-Term Trade Investments (unquoted at cost)		
- 100% Wholly Owned Subsidiaries		
a) Fully Paid-up		
100 Shares of KES 1,000 each fully paid up of 3i Infotech (Africa) Limited	5,806	5,806
b) Partly Paid-up		
7,125,000 Ordinary Shares of NGN 10 each of Process Central Limited partly paid up NGN 6 per share	10,48,800	10,48,800
Less: Provision for diminution of value of investment	(10,48,800)	(10,48,800)
Total Trade Investments (A)	5,806	5,806
(ii) Non-Trade Investments		
37,500 Equity Shares of Egyptian Pound 100 each of Nile Information Technology and Dissemination Company	28,57,300	28,57,300
Less : Provision for Diminution of value of investment	(28,57,300)	(28,57,300)
Total Non-Trade Investments (B)	-	-
Total investments (net) (A+B)	5,806	5,806
(a) Aggregate amount of unquoted investments	5,806	5,806
(b) Aggregate provision for diminution in value of investments	39,06,100	39,06,100

3i INFOTECH (MIDDLE EAST) FZ LLC
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10. Trade receivables

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Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
- Debts not exceeding six months	72,96,604	79,38,159
	72,96,604	79,38,159
Unsecured, considered doubtful		
Doubtful debts exceeding six months	1,23,98,509	1,02,59,337
- Less: Provision for doubtful debts	(1,23,98,509)	(1,02,58,925)
TOTAL	72,96,604	79,38,571

11. Inventories

Particulars	As at March 31, 2015	As at March 31, 2014
Inventory	-	2,12,851
Total	-	2,12,851

12. Cash and bank balances

Particulars	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents		
Balances with banks in current accounts	2,20,027	17,98,120
Total	2,20,027	17,98,120

13. Short-term loans and advances

Particulars	As at March 31, 2015	As at March 31, 2014
Security deposits	20,114	14,114
Due from related parties		57,17,87,277
Fellow Subsidiary	1,31,16,833	
Advances recoverable in cash or in kind or for value to be received	5,06,442	13,62,574
Total	1,36,43,389	57,31,63,965

14. Other current assets

Particulars	As at March 31, 2015	As at March 31, 2014
Unbilled revenue	74,99,035	1,27,17,771
Prepaid expenses	11,04,524	96,377
Total	86,03,559	1,28,14,148

3i INFOTECH (MIDDLE EAST) FZ LLC
(Incorporated in United Arab Emirates)
Notes forming part of the financial statements for the year ended March 31, 2015

15. Revenue from Operations **AED**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
IT solutions	7,71,28,266	7,86,19,556
Total	7,71,28,266	7,86,19,556

16. Other income

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Other income	-	6,75,540
Provisions written back	-	12,75,403
Total	-	19,50,943

17. Cost of Revenue

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Cost of outsourced services/boughtout items	3,54,48,156	4,32,36,154
Total	3,54,48,156	4,32,36,154

18. Employee benefit expenses

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries and wages	2,02,77,700	2,52,01,108
Staff welfare expenses	11,253	-
Contribution to Provident Fund, etc.	15,78,133	-
Total	2,18,67,086	2,52,01,108

19. Finance costs

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest	27,72,343	30,68,488
Other borrowing costs	8,22,203	6,35,127
Total	35,94,546	37,03,615

20. Other expenses

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Rent	11,73,305	15,21,307
Travelling and conveyance	41,94,826	27,22,360
Electricity charges	32,330	75,257
Rates and taxes	1,61,271	2,87,889
Communication expenses	18,33,308	29,67,634
Printing and stationery	44,236	26,941
Legal and professional charges	12,27,946	10,67,372
Selling and distribution expenses	1,08,916	9,968
Bad debts written off	-	1,01,036
Insurance	1,02,623	2,330
Repairs & Maintenance	2,53,910	2,86,701
Recruitment and Training Expenses	73,636	2,24,377
Provision for doubtful debts	71,79,486	52,00,049
Foreign exchange loss (net)	2,36,895	3,97,060
Miscellaneous expenses	1,68,204	1,14,514
Total	1,67,90,892	1,50,04,795

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
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21. Exceptional items

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Old Irrecoverable Balances Written Off	38,16,364	-
Total	38,16,364	-

3i INFOTECH (MIDDLE EAST) FZ LLC LIMITED

(Incorporated in United Arab Emirates)

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

1. Significant Accounting Policies

1.1 Method of Accounting

The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting and in accordance with the generally accepted accounting practices in India (GAAP). GAAP comprises mandatory accounting standards prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

1.2 Currency

The company has used the United Arab Emirates Dirham (AED) as its reporting currency.

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 as 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.

1.4 Revenue Recognition

a) Revenue from IT solutions:

Revenue from IT solutions comprises of revenue from sale of software products, providing IT services and sale of hardware / third party software.

- i) Revenue from sale of software products is recognized on delivery or installation, as per a pre-determined policy laid down for different software products across all geographies or an amount as considered appropriate in terms of the contract, whichever is lower.
- ii) Revenue from IT services is recognized either on time and material basis or fixed price basis or based on certain measurable criteria as per relevant contracts. 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 period in which such losses become probable based on the current estimates.
- iii) Revenue from sale of hardware / other materials and sale of Third Party Software License / Term License incidental to the aforesaid services is recognized based on delivery/installation, as the case may be. Recovery of incidental expenses is added to revenue.
- iv) Maintenance revenue in respect of products is deferred and recognized proportionately over the period of the underlying maintenance agreement.

b) Revenue from Transaction Services:

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

1.5 Unbilled and Unearned Revenue

Revenue recognized over and above the billings on a customer is classified as unbilled revenue and advance billing to customer is classified as 'unearned revenue' and included under "Other current liabilities".

1.6 a. Fixed Assets

Intangible assets

a) "Software Products (Meant for sale)" are products licensed to customers. Costs that are directly associated with such products whether acquired or developed or upgraded in partnership with others, and have probable economic benefit exceeding one year are recognized as Software Products (Meant for sale). Costs related to further development of existing 'software products meant for sale' are capitalized only if the costs results in a software products whose life and value in use is in excess of its originally assessed standard of performance, can be measured reliably, technological feasibility has been established future economic benefits of each of such products is probable and the company intends to complete development and to use the software.

b) Software Products-Others: Purchased software meant for in house consumption and significant upgrades thereof and have probable economic benefit exceeding one year are capitalized at the acquisition price.

c) Business and Commercial Rights are capitalized at the acquisition price.

Tangible 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 are disclosed under 'Capital advances' under 'Long-term Loans and Advances' and the cost of assets not ready for use as at the balance sheet date are disclosed as 'Capital Work in progress'.

b. Depreciation / amortization:

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

Business and Commercial Rights are amortized over their estimated useful life or ten years, whichever is lower, Intellectual Property Rights are amortized at lower of the period the benefits arising out of these are expected to accrue and five years. Software Products (Meant for sale) are amortized over a period of 10 years.

Depreciation on tangible assets is provided using the straight-line method at the rates and in the manner as prescribed in Schedule II to the Companies Act, 2013.

1.7 Investments

Trade investments are the investments made to enhance the company's business interest. Investments are either classified as current or non-current based on the management's intention at the time of purchase. Non-current 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. Cost of overseas investment comprises the United Arab Emirates Dirham value of the consideration paid for the investment.

1.8 Accounting for Taxes on Income

Since there are no taxes on income in the United Arab Emirates, no provision for taxation has been made.

1.9 Translation of Foreign currency items

Transactions in foreign currency are recorded in United Arab Emirates Dirham (AED) at the rate of exchange in force on the date of the transactions. Exchange differences in respect of all current monetary assets and liabilities denominated in foreign currency are restated at the rates ruling at the year end and all exchange gains / losses arising there from are recognized in the Statement of Profit and Loss.

Exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, are accounted as below:

- In so far as they relate to the acquisition of depreciable capital assets, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset; and
- In other cases, the said exchange differences are accumulated in a 'Foreign Currency Monetary Items Translation Difference Account' and amortized over the balance period of such long term asset/liability.

1.10 Accounting of employee benefits

Employee benefits towards defined contributions plans of the state are recognized as an expense in the statement of profit and loss, as incurred. Leave encashment and gratuity provisions are made as per the policies laid down and any accruals for these benefits are charged to the profit and loss account.

1.11 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 statements.

1.12 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 upto the date of completion. Other borrowing costs are charged to the statement of Profit and Loss. .

1.13 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 recognised whenever the carrying amount of such assets exceeds its recoverable amount. Impairment loss is recognized in the Profit & 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.

1.14 Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Leased assets are depreciated on a straight-line basis over the useful life of the asset or the useful life as per Schedule II to of the Companies Act, 2013, whichever is lower.

Leases, where the lessor effectively retains substantially all the risks and benefits incidental to ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss.

1.15 Earnings per share

In determining the earnings per share, the company considers the net profit/loss after tax and the post tax effect of any exceptional items and discontinuing operations on earnings per share 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 is the aggregate of weighted average number of shares used for deriving the basic earnings per share and 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.

II. Notes to Financial Statements

22. Contingent liabilities

AED

Particulars	As at March 31, 2015	As at March 31, 2014
Contingent Liabilities not provided for in respect of		
Outstanding Guarantees	19,52,469	5,415,000

2.2

(a) Commitments:

AED

Particulars	As at March 31, 2015	As at March 31, 2014
Equity share capital payment to Process Central Limited ('PCL')	687,135	687,135

(b) Leases

The future operating lease rental payments in relation to the office building that the company is committed to make are as under:

AED

Particulars	As at March 31, 2015	As at March 31, 2014
- within one year	33,216	24,700
- later than one year and not later than five years	-	-
- later than five years	-	-

24. Share Application money pending allotment

The shareholders of the company have authorized the Board of Directors to issue 4,408 equity shares at a price of AED 1,000/- per share to 3i Infotech Holdings Pvt. Ltd. (Parent). The said equity shares will be allotted, subject to the necessary approvals of the regulator.

25. Interests in the Joint Venture Process Central Limited ('PCL')

In February 2010, 3i Infotech (Middle East) FZ LLC, Soft Solutions Ltd, Skye Bank PLC and Unity Bank PLC entered into a joint venture contract for the establishment of Joint Venture Company in Lagos, Nigeria.

In pursuance to this, a joint venture company, PCL was set up in Nigeria in May 2010, wherein the Company's interest in the equity was 47.50% and other partners having a share of 17.5% each. The company had an option to raise its stake to 51% from 47.50% within a period of 3 years. In July 2010, the Company had invested USD 285,000 representing partly paid-up amount of 60% of its share of interest in equity of the joint venture. The balance amount payable of USD 190,000 has been disclosed under the commitment note 2.2 (a).

The aggregate amounts of the assets, liabilities, income and expenses related to the company's share are as under:

AED

Particulars	As at Mar 31, 2015	As at Mar 31, 2014
Assets	285,424	285,424
Liabilities	233,860	233,860
Income	-	-
Expenses	-	-
Contingent liabilities	-	-
Capital commitments	-	-

26. Earnings per share ('EPS')

The earnings per share have been computed in accordance with the 'AS 20 – Earnings per share. The detailed calculations of EPS are given below.

AED

Particulars		For the year ended March 31, 2015	For the year ended March 31, 2014
Profit/(Loss) attributable to equity shareholders before exceptional items (AED)	A	(78,39,430)	(1,63,40,111)
Less: Exceptional Items		38,16,364	-
Profit/(Loss) attributable to equity shareholders after exceptional items (AED)		(1,16,55,794)	(1,63,40,111)
Weighted average number of equity shares outstanding during the year (nos.)	B	46,174	46,174
Diluted weighted average number of equity Shares outstanding during the year (nos.)	C	46,174	46,174

Particulars		For the year ended March 31, 2015	For the year ended March 31, 2014
Nominal value of Equity Shares (AED)		1,000	1,000
Before Exceptional Items			
Basic & Diluted Earnings Per Share (AED)	A/ B	(169.78)	(353.88)
After Exceptional Items			
Basic & Diluted Earnings Per Share (AED)	A/ C	(252.43)	(353.88)

27. Related party transactions

The related parties of the company include the entities given below and Key Management Personnel of the company.

- a. 3i Infotech Holdings Private Limited – Parent Company
- b. 3i Infotech Limited – Ultimate Holding Company
- c. Process Central Limited- Joint Venture
- d. Fellow Subsidiaries – The details are given below:

No.	Name of fellow subsidiary
1	3i Infotech Inc.
2	3i Infotech Asia Pacific Pte Limited
3	3i Infotech SDN BHD
4	3i Infotech UK Limited
5	3i Infotech (Thailand) Limited
6	3i Infotech (Western Europe) Holdings Limited
7	3i Infotech (Western Europe) Group Limited
8	3i Infotech (Western Europe) Limited
9	Rhyme Systems Limited
10	3i Infotech Holdings Private Limited
11	3i Infotech Saudi Arabia LLC
12	3i Infotech Financial Software Inc.
13	3i Infotech (Africa) Limited
14	Professional Access Limited
15	Black Barret Holdings Limited
16	3i Infotech (Flagship-UK) Limited
17	3i Infotech Framework Limited
18	Elegon Infotech Limited
19	3i Infotech Services SDN BHD (formerly known as Datacons Asia Pacific SDN BHD)
20	3i Infotech GmbH
21	3i Infotech (South Africa) (PTY) Limited
22	3i Infotech (Africa) Limited

The related party transactions for the period ended March 31, 2015 are given below.

AED

	For the year ended March 31, 2015	For the year ended March 31, 2014
Nature of transaction		
3i Infotech Limited.		
Expenses	54,909,200	60,176,492
Advances taken	41,465,160	44,596,143
Advances given	344,609,221	347,597,908
3i Infotech (Africa) Limited		
Advance taken	-	8,250,186
Advance given	71,58,728	565,673
3i Infotech Saudi Arabia LLC		
Advance taken		44,559,902
Advance given	13,756,582	4,220,516
3i Infotech Holdings Private Limited		
Advance given	68,523	229,285
Advance taken		68,619
Payables re-assigned		1,883,844
3i Infotech Inc.		
Advance given		929,941
Payables re-assigned	340,714,540	164,451,158
3i Infotech Consultancy Services Limited		
Expenses paid	8,70,265	1,294,286
Process Central Limited		
Expenses paid	-	-
Advances given	-	-
3i Infotech SDN BHD		
Loan taken	33,11,128	1,387,215
Receivables re-assigned		2,042,396
3i Infotech Services (Bangladesh) Private Limited		
Advances given		-
3i Infotech BPO Limited		
Advance taken	44,896	322,408
Advance given		-
Elegon Infotech Limited		
Payables re-assigned	2,456,621	2,751,021

3i Infotech (Thailand) Limited.		
Receivables re-assigned		6,689,208
3i Infotech Rhyme Systems		
Receivables re-assigned		3,573,107
3i Infotech Financial Software Inc.		
Payables re-assigned		80,295,941
3i Infotech Asia Pacific Pte Limited.		
Payables re-assigned	913,007	1,023,407
Advance taken		110,400
3i Infotech (UK) Limited.		
Payables re-assigned		5,414,244
3i Infotech (South Africa) (Pty) Limited		
Receivables	11,338	99,546
Black Barret Holdings Limited Cyprus		
Advance given	35,075	86,843
Director – Mr. V. Srinivasan		
Remuneration*	-	-

* Includes retention incentive payable to the Managing Director AED 1,786,471. This amount will be paid in 10 equal installments starting from April 2013. It was resolved that the Board hereby approves the cessation of employment of Mr. V. Srinivasan as Managing Director & Global CEO with effect from July 1, 2012, as per the terms of cessation.

Balances outstanding with related parties are given below.

Particulars	AED	
	As at 31-March-15	As at 31-March-14
3i Infotech Limited		
Advance recoverable	54,09,588	571,306,488
3i Infotech (Africa) Limited		
Investment		5,806
Advance Receivable/(Payable)	(10,91,458)	(1,808,485)
3i Infotech Saudi Arabia LLC		
Advance Receivable/(Payable)	(3,08,03,320)	(29,322,455)
3i Infotech Holdings Private Limited		
Sundry creditors	35,713,501	35,782,024
Receivables (assignment)		-
Share application money pending allotment	4,048,000	4,048,000
3i Infotech Inc.		
Payables (assignment)		-
Sundry creditors	505,165,698	505,165,698
Elegon Infotech Limited		

Payables (assignment)		-
Receivables	294,400	294,400
Process Central Limited.		
Receivables		461,067
Investment (fully provided)		1,048,799
3i Infotech SDN BHD		
Loan payable	4,698,343	4,468,072
Receivables (assignment)		-
3i Infotech Thailand		
Receivables (assignment)		-
3i Infotech Rhyme Systems		
Receivables (assignment)		-
3i Infotech Financial Software Inc.		
Payables (assignment)		-
3i Infotech Asia Pacific Pte Limited.		
Payables (assignment)		-
Sundry creditors	110,400	110,400
3i Infotech (UK) Limited.		
Payables (assignment)		-
3i Infotech South Africa Pty Limited		
Receivables	110,844	99,546
3i Infotech Consultancy Services Ltd		
Payables	21,64,551	3,254,656
3i Infotech BPO Limited		
Payables	3,67,304	322,408
Black Barret Holdings Limited		
Receivables	1,21,918	86,843
Director – Mr. V. Srinivasan		
Remuneration payable		-

Notes:

1. Related parties have identified by the management and relied upon by the auditor.
2. No balances in respect of the related parties have been provided for/written back/written off except as stated above.

29. Foreign exchange currency exposures not covered by derivative instruments are given below.

		As at March 31, 2015		As at March 31, 2014	
Particulars		Amount	Amount	Amount	Amount
	Currency type	(in USD)	(in AED)	(in USD)	(in AED)
Current Assets, Loans and Advances	USD	7,940,566	29,221,282	161,936,862	595,927,655
Current Liabilities	USD	20,822,036	76,625,094	175,014,927	644,054,934
Share Application Money	USD	1,100,000	4,048,000	1,100,000	4,048,000

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) AED 81,676/- have been adjusted against the retain earnings being the amount of depreciation/ amortisation on assets, whose useful life got over before 1st April 2014.
- (b) Depreciation expenses for the year ended 31st March, 2015 would have been lower by AED 147,870/- for the assets held as at April 1, 2014 had the company continued with the previous assessed useful lives.

31. Exceptional Items

Change during the year, on account of Old irrecoverable/non payable balances relating to Revenue, Accounts payable etc written off/written back (net) of AED 38,16,364/-

32. Figures for the previous year have been re-grouped/re-arranged, wherever considered necessary to conform to current year's presentation.

Signatures to Notes to financial statements 1 & 32

For and on behalf of the Board

Padmanabhan Iyer
Director
DIN - 05282942

Madhivanan Balakrishnan
Director
DIN - 01426902

Date: May 26, 2015.
Place: Mumbai