

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
Place: Mumbai**

**Madhivanan Balakrishnan
Director
DIN-01426902**

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

Date: May 26, 2015
Place: Mumbai

Madhivanan Balakrishnan
Director
DIN-01426902

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
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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	-