

3i INFOTECH (SOUTH AFRICA) PTY LIMITED
(Incorporated in Johannesburg)

Balance sheet as at March 31, 2015

ZAR

Particulars	Note No.	As at March 31,2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	1	1
(b) Reserves and surplus	2	(1,44,327)	(95,324)
Current liabilities			
(a) Trade payables	3	76,568	42,243
(b) Other current liabilities	4	5,72,611	2,83,752
Total		5,04,853	2,30,672
II. ASSETS			
Current assets			
(a) Cash and bank balances	5	2,46,819	-
(b) Short-term loans and advances	6	2,58,034	2,30,672
Total		5,04,853	2,30,672

Significant accounting policies and accompanying notes
to financial statements

1 to 12

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

For and on behalf of the Board

R P Baradiya
Partner

Madhivanan Balakrishnan
Director
DIN - 01426902

Date: May 26,2015
Place: Mumbai

Padmanabhan Iyer
Director
DIN - 05282942

3i INFOTECH (SOUTH AFRICA) PTY LIMITED
(Incorporated in Johannesburg)

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

ZAR

Particulars	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014
INCOME			
Other income	7	30	-
Total Revenue		30	-
EXPENSES			
Finance cost	9	2,074	-
Other expenses	8	46,959	95,324
Total Expenses		49,033	95,324
Profit/(Loss) before tax and exceptional items		(49,003)	(95,324)
Tax expense		-	-
Profit/(loss) after tax for the year		(49,003)	(95,324)

Earnings per share

(Equity shares, par value ZAR 1 each)

Basic & Diluted (ZAR)

(49,003)

(95,324)

Significant accounting policies and accompanying notes to financial statements

1 to 12

As per our attached report of even date

For and on behalf of the Board

For Lodha & Co.

Chartered Accountants

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Partner

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Cash flow statement for the year ended March 31, 2015

ZAR

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
A. Cash Flow from Operating Activities :		
Profit/(Loss) before tax	(49,003)	(95,324)
Adjustments for:		
Operating Profit / (Loss) before Working Capital Changes	(49,003)	(95,324)
Adjustments for:		
Trade and other receivables	(27,362)	(2,30,671)
Trade payables and other liabilities	3,23,184	3,25,995
Cash generated from Operations	2,46,819	-
Net cash from Operating Activities -(A)	2,46,819	-
B. Cash Flow from Investing Activities		
Net cash from Investing Activities -(B)	-	-
C. Cash Flow from Financing Activities		
Net cash from Financing Activities - (C)	-	-
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	2,46,819	-
Cash and cash equivalents at beginning of the year	-	-
Cash and cash equivalents at end of the year	2,46,819	-

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.

Significant accounting policies and accompanying notes
to Financial Statements

I & II

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

For and on behalf of the Board

R P Baradiya
Partner

Madhivanan Balakrishnan
Director
DIN - 01426902

Date: May 26,2015
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3i INFOTECH (SOUTH AFRICA) PTY LIMITED
(Incorporated in Johannesburg)
Notes forming part of the financial statements

1. Share capital

ZAR

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Amount	Number	Amount
Authorised capital				
Equity shares of ZAR 1 each	6,00,000	6,00,000	6,00,000	6,00,000
Issued, subscribed & paid up				
Equity shares of ZAR 1 each fully paid up	1	1	1	1

b) Rights of equity shareholders

The Company has issued one class of equity shares having a face value of ZAR 1 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.

c) 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	1	1	-	-
Shares issued during the year	-	-	1	1
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1	1	1	1

d) 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	1	100%	1	100%

2. Reserves and Surplus

Particulars	As at March 31, 2015	As at March 31, 2014
Profit and loss account		
Opening balance	(95,324)	-
Add/(Less) : Net loss for the year	(49,003)	(95,324)
CLOSING BALANCE	(1,44,327)	(95,324)

3. Trade Payables

Particulars	As at March 31, 2015	As at March 31, 2014
Sundry creditors	76,568	42,243
TOTAL	76,568	42,243

4. Other current liabilities

Particulars	As at March 31, 2015	As at March 31, 2014
Due to a related party Fellow Subsidiary	5,72,611	2,83,752
TOTAL	5,72,611	2,83,752

3i INFOTECH (SOUTH AFRICA) PTY LIMITED

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5. Cash and bank balances

ZAR

Particulars	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents		
Balances with banks in current accounts	2,46,819	-
Total	2,46,819	-

6. Short-term loans and advances

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
Security deposits	83,846	24,819
Advances recoverable in cash or in kind or for value to be received	1,74,188	2,05,853
Total	2,58,034	2,30,672

3i INFOTECH (SOUTH AFRICA) PTY LIMITED
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7. Other Income

ZAR

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest Income	30	-
Total	30	-

8. Other expenses

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Rent	33,000	44,000
Travelling and conveyance	4,740	6,320
Communication expenses	9,174	14,491
Printing and stationery	45	65
Legal and professional charges	-	30,448
Total	46,959	95,324

18. Finance Cost

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Bank and other financial charges	2,074	-
Total	2,074	-

3i INFOTECH (SOUTH AFRICA) PTY LIMITED

(Incorporated in Johannesburg)

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

Significant Accounting Policies and Notes to Financial Statements

I. Significant Accounting Policies

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, the provisions of the Act (to the extent notified).

2. Currency

The Company has used the South African Rand (ZAR) as its reporting currency.

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

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 applicable, 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.

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’.

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 capitalised 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.

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

The Management estimates the useful lives for the other fixed assets as follows

Leasehold Improvements	10 years
Computers	5 years
Plant and Machinery, Electrical Installation	5 years
Office Equipments	5 years
Furniture and Fixtures	5 years
Vehicles	5 years

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.

8. Accounting for taxes on Income

Provision for current income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the tax rate prevalent at the balance sheet date, as per local laws of South Africa.

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.

9. Translation of Foreign Currency Items

Transactions in foreign currency are recorded in South African Rand (ZAR) 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 amortised over the balance period of such long term asset/liability.

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.

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.

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.

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 realizable whenever the carrying amount of such assets exceeds its recoverable amount. Impairment loss is recognized in the statement of profit and 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.

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 XIV to of the Companies Act, 1956, 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.

15. Earnings per share

In determining the earnings per share, the Group 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

9. (a) Commitments

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

(b) Leases

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

ZAR		
	As at March 31, 2015	As at March 31, 2014
- within one year	18870	180,660
- later than one year and not later than five years	-	-
- later than five years	-	-

10. Earnings per share

The earnings per share have been computed in accordance with the 'AS 20 – Earnings per share'.

The detailed calculations of EPS are given below.

		For the year ended March 31, 2015	For the year ended March 31, 2014
Profit/(Loss) attributable to Equity Shareholders before Exceptional items (ZAR)	A	(49,003)	(95,324)
Less: Exceptional Items (ZAR)			-
Profit/(Loss) attributable to Equity Shareholders after Exceptional Item (ZAR)		(49,003)	(95,324)
Weighted average number of Equity Shares outstanding during the year/period (Nos.)	B	1	1
Diluted weighted average number of Equity Shares outstanding during the year/period (Nos.)	C	1	1
Nominal value of Equity Shares (ZAR)		1	1
Before Exceptional Items			
Basic and Diluted Earnings Per Share (ZAR)	A/B	(49,003)	(95,324)
After Exceptional Items			
Basic and Diluted Earnings Per Share (ZAR)	A/C	(49,003)	(95,324)

11. 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, Mauritius – Holding Company
- b. 3i Infotech Limited – Ultimate Holding Company
- c. Fellow Subsidiaries – The details are given below.

No.	Name of the 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 (Middle East) FZLLC
11	3i Infotech Saudi Arabia LLC
12	3i Infotech Financial Software Inc.
13	3i Infotech (Africa) Limited
14	Professional Access Limited
16	Black Barret Holdings Limited
17	3i Infotech (Flagship-UK) Limited
18	3i Infotech Framework Limited
19	3i Infotech Services (Bangladesh) Private Limited
20	Elegon Infotech Limited
21	3i Infotech Services SDN BHD (formerly known as Datacons Asia Pacific SDN BHD)
22	3i Infotech GmbH
23	3i Infotech Trusteeship Services Limited
24	Professional Access Software Development Private Limited
25	3i Infotech BPO Limited
26	Locuz Enterprise Solutions Limited
27	3i Infotech Consultancy Services Limited

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

Nature of transactions	ZAR	
	For the year ended March 31, 2015	For the year ended March 31, 2014
3i Infotech Holdings Private Limited, Mauritius		
Shares allotted	1	1
3i Infotech (Middle East) FZ LLC		
Advance taken	31,633	283,752
3i Infotech MEA Ltd		
Advance taken	20,789	

Balances outstanding with related parties are given below.

ZAR

	As at March 31, 2015	As at March 31, 2014
3i Infotech Holdings Private Limited, Mauritius		
Share Capital	1	1
3i Infotech Middle East FZ LLC		
Receivable / (Payable)	(315,385)	(283,752)
3i Infotech MEA Ltd		
Receivable / (Payable)	(20,789)	

Notes:

1. Related parties as 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

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

Nature of transactions	Currency	As at March 31, 2015	As at March 31, 2014
3i Infotech (Middle East) FZ LLC			
Current assets/(liabilities)	ZAR	(315,385)	(283,752)
	USD	(29,912)	(26,650)
3i Infotech MEA Ltd			
Current assets/(liabilities)	ZAR	(20,789)	-
	USD	(1,972)	-

Signatures to Notes to Financial Statements 1 and 12

For and on behalf of the Board

Madhivanan Balakrishnan
Director
DIN - 01426902

Padmanabhan Iyer
Director
DIN - 05282942

Date: May 26, 2015
Place: Navi Mumbai