



# **Annual Report**

## **2016-17**

**Board of Directors**

Mr. Ashok Shah, Chairman

Dr. Shashank Desai, Director

Mr. Shantanu Prasad, Nominee Director- IDBI Bank Limited

Mr. Shanti Lal Jain, Nominee Director - Allahabad Bank

Ms. Sarojini Dikhale, Director

Mr. Padmanabhan Iyer, Managing Director and Global CEO

**Principal Bankers**

IDBI Bank Limited

ICICI Bank Limited

Standard Chartered Bank

**Auditors**

GMJ & Co.

Lodha & Co.

**Legal Counsel**

Khaitan & Co.

**Registered Office**

Tower #5, 3<sup>rd</sup> to 6<sup>th</sup> Floors,

International Infotech Park,

Vashi, Navi Mumbai - 400703, India

Tel : +91 22 71238000

Fax : +91 22 71238310

# KEY MANAGEMENT TEAM

## Corporate Office

Padmanabhan Iyer, Managing Director & Global CEO

Rajeev Limaye, Company Secretary & Head - Legal

## Human Resource

Sagar Thakurdesai, Global Head- HR

## Business Heads

Krish Narayanaswami, EVP & Global Head – Banking Products

Mohua Sengupta, EVP & Global Head – IT Services

Rakesh Doshi, EVP & Global Head – Financial Services & Insurance Products

Suryanarayan Kasichainula, EVP & Global Head – ERP Product

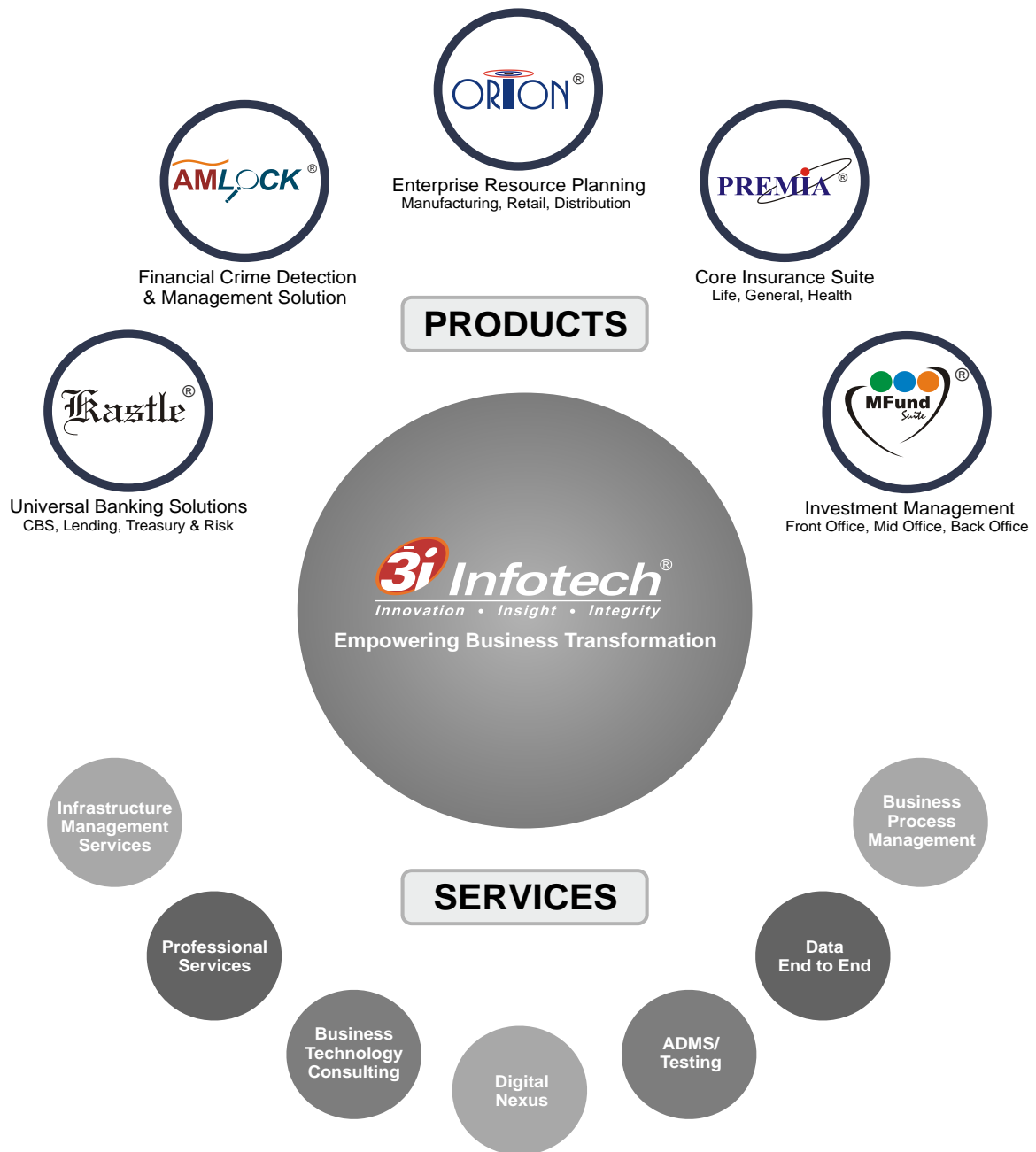
# CORPORATE FAST FACTS

- 3i Infotech is a Global Information Technology Company with a revenue of USD 150 million.
- The Company's quality certifications include ISO 9001:2008 for Business Process Outsourcing, Application Development & Maintenance Services, e-Governance, Business Intelligence & Infrastructure Management Services & ISO/IEC 27001:2013 for Data Centre Operations for Mumbai, Chennai, Bangalore & Hyderabad locations.
- More than 4800 employees in over 18 offices.
- Over 1000 customers in more than 50 countries across 4 continents.
- Offices across 11 countries.
- Operational Geos are: Asia Pacific, South Asia, Middle East & Africa, Kingdom of Saudi Arabia, Western Europe and North America.

## OUR GLOBAL PRESENCE

Regions	Offices	Delivery Centres
Asia Pacific	<ul style="list-style-type: none"><li>• <b>Singapore:</b> Singapore</li><li>• <b>Malaysia:</b> Kuala Lumpur</li><li>• <b>Thailand:</b> Bangkok</li></ul>	Bangkok, Kuala Lumpur
India	<ul style="list-style-type: none"><li>• Mumbai, Bengaluru, Chennai, Hyderabad, New Delhi, Noida</li></ul>	Bengaluru, Chennai, Hyderabad, Mumbai, New Delhi
Middle East & Africa	<ul style="list-style-type: none"><li>• <b>UAE:</b> Dubai, Sharjah</li><li>• <b>Kenya:</b> Nairobi</li><li>• <b>South Africa:</b> Johannesburg</li></ul>	Sharjah
Kingdom of Saudi Arabia	<ul style="list-style-type: none"><li>• <b>Saudi Arabia:</b> Dammam, Riyadh</li><li>• <b>Bahrain:</b> Manama</li></ul>	Riyadh
Western Europe	<ul style="list-style-type: none"><li>• London</li></ul>	
North America	<ul style="list-style-type: none"><li>• <b>New Jersey:</b> Edison</li></ul>	

# OUR OFFERINGS



# NEW INITIATIVES & UPGRADES

## **New Initiatives in MFund® Plus**

MFund® Plus is a next generation web based solution for Investment Management. Many new modules such as commodities, arbitrage, equity with Exchange Traded Fund (ETF), Bank borrowing, Mutual Fund investments for ETF and Non ETF have been added to the product. A flexible report writer tool has also been built in, which has a user friendly interface to generate additional reports.

A key industry requirement of a Foreign Exchange (FX) interface has also been developed in MFund® Plus. It assists fund managers and dealers to send / receive trade details to / from brokers electronically. Various interfaces have also been built between MFund® Plus and popular vendor systems like Barraone, Bloomberg, Factset, NDS, CROM, Bank systems, Fund Accountant and Custody Systems. Complying with regulatory and internal investment committee limits are key and complex functions of investment management companies. Thus a robust compliance engine has been built to cater to unique internal limit variants while giving flexibility of custom limit setups to clients. This year, 3i Infotech partnered with CISCO and conducted performance testing of the MFund® Plus product at the CISCO lab in Bangalore.

Further, to cater to the growing demand from various geographies in the investment management domain, a separate Product Management and Engineering team has been formed.

## **New Initiatives and Upgrades in Orion®**

### **Warehousing Module**

In a supply chain, logistics management is a very critical component to integrate and support complex processes in real-time. The Orion® Warehousing module adds value to logistics management and addresses all the warehouse requirements of the Distribution Industry. This optimizes the warehouse delivery processes and enhances delivery operational efficiency. The challenges faced in warehouse management that have been addressed include inventory optimization, position visibility, picking speed, location accuracy and managing carrying costs.

### **Real Estate Property Rental and Leasing**

The Rental and Leasing Module helps the customer manage rental and leasing processes for their real estate properties. This allows customers to manage various transactions made against land, building and other assets. The system's key benefits include revenue management for various properties owned along with analyzing and tracking details at various levels such as Landlord, Property and Property Units as well at the Asset level.

## **New Initiatives & Upgrades in Kastle® and AMLOCK®**

### **Web Based Kastle® Treasury & Risk**

Kastle® Treasury is our flagship, integrated treasury & risk management solution used by financial institutions worldwide to meet their treasury related business objectives. The product has been upgraded from a legacy platform to the latest technology stack and includes some new features.

The product caters to a wide range of asset classes including Fixed Income, Money Market, Forex, Derivatives, Commodities along with Issuance and Funding.

#### **Some of the significant value add features include:**

- o Migration from a legacy code base to the N-Tier architecture
- o Leveraging the Java stack with Spring and Hibernate
- o Multi Browser with a responsive design enabling multi device support
- o Local branch accessibility to facilitate online customer transactions
- o Real time asynchronous dashboard and notifications for senior management
- o Plug-n-Play interfacing engine for seamless integration with multiple systems
- o Ease of deployment and scalability
- o Enhanced tools for processing voluminous and exponentially growing data
- o Thin client User Interface (UI), improved User Experience (UX) for all operations

- o Achieving end to end Straight Through Processing (STP)
- o Enhanced computational accuracy

### **Kastle® ULS on Cloud**

Kastle® ULS is an enterprise-wide lending solution that automates the entire lending life cycle comprising customer acquisition, servicing & delinquency management. The latest product upgrade incorporates best in class lending practices. Kastle® ULS technology stack has been upgraded to the latest cloud enabled technologies providing customers with options of both on-premise and cloud based deployment.

### **Significant value add features include**

- o Pre-configured asynchronous dashboard and notifications for senior management
- o Activity dashboard for every user on the landing page
- o Framework to scale up the reporting tool integration and development
- o Plug-n-Play interface engine for a seamless integration with multiple systems
- o Real time integration with major credit bureaus and national ID databases
- o Improved User Experience (UX) for all operations with latest versions of HTML5, Bootstrap, Responsive Design and CSS3
- o Industry standard security framework/ Open Web Application Security Project (OSWAP) compliant
- o Rate reset predictive model
- o Flexible risk based pricing
- o User defined behavioral score card
- o Pre-configured process flows for each line of business to accelerate time to market
- o Subvention program for Housing Finance, Manufacturers and Retailers
- o User grid for real time search and reporting
- o GST Compliant

### **Digital Initiatives**

#### **iKastle**

iKastle is a web based application which is available for desktop and mobile devices. It provides a range of functionalities like loan applications, online payments, access to loan account statements and personal information of the prospect and customer. It also caters to the Bank's various Business Partners like Direct Sales Associates along with Valuation, Verification, Collection and Repossession agencies.

#### **mKastle**

mKastle is a mobile application with features like Lead Management, Eligibility Calculation, EMI Quote Generation, Customer onboarding, Business Tracking, Instalment Due Reminders and Customer Communication. The solution covers the entire loan life cycle right from Origination Management to Delinquency Management. The command centre of the application enables the business team to complete the configuration using a rich Guided User Interface without any need of technical assistance.

### **Upgrades in AMLOCK®**

The AMLOCK® solution has undergone significant enhancements across all its major modules. The Risk Assessment module offers a configurable risk score based on customer type & additional risk parameters. The Screening Engine has been upgraded to the latest algorithm resulting in considerable improvement in the screening performance. The Alert Investigation module has become more efficient through alert scoring & prioritization. The Case Management module is now more user friendly with display of suspicious transaction status against each customer, configurable column selection and facility to link alerts and close cases in a single click, with Trade Based Money Laundering alert scenarios being added to our repository. Facility for bulk suspicious transaction reporting to Financial Intelligence Unit (FIU) has been provided to enable Anti Money Laundering (AML) compliance officers to generate and file multiple regulatory reports within a short period of time.



## **New Initiatives and Upgrades for Services**

### **Digital Banking Framework**

This is an overarching solution that encompasses all the solutions that a bank would require as part of their digital journey. As a starting point, 3i Infotech works with the customer to understand their digital readiness using our Digital Assessment framework, going on to remedy the gaps using our relevant proprietary frameworks. Many of the solutions are created in-house by 3i Infotech, while some solution offerings are created leveraging our Partner Ecosystem. The solutions offered include:

- o Digital Assessment Framework
- o Digital Banking Framework
- o Customer Experience
  - Digital Studio Offerings
  - Chat Bot
- o Customer Onboarding
- o Customer Value Management – CVM

### **Customer Value Management (CVM)**

Banks are constantly looking to remain relevant for their customers by creating super customized relevant offers for them. They want to move away from macro segmentation and create micro segments and eventually strive to reach the segment of one. Using small and big data, this solution provides the insights required by the banks. Some features of the solution include: Single View of Customer, Micro segmentation, Next Best offer, Insights for creating marketing strategy and communication strategy amongst others.

### **Customer Experience**

The rise of social media has already proven that customers are at the center and every strategy now revolves around them. 3i Infotech Services team is building capabilities and frameworks around Customer Experience (CX) like Portal Services backed by UI/UX, Mobility Services, Big Data & Analytics. Insurance analytics includes Analytics dashboard for CXO for Life Insurance (LI) and General Insurance (GI) focusing around sentiments, premium, claims forecast, service adherence, distribution analysis and other features.

### **Zeus 2.0**

Based on market feedback and survey, the Zeus mobility framework is being enhanced to add few modules like Leads Management, Needs Analysis, Chat Bots and augment its security features.

### **Digital Transformation Initiatives for Government of India**

With the Digital India flagship program, Government of India has a vision to transform India into a digitally empowered society. By merging 3i Infotech's internal Digital Transformation move with the Digital India program, 3i Infotech has taken an initiative of developing the Scheme Framework which will be a ready-to-deploy IT solution that any department can use to implement schemes with better governance.

Today, almost every Government department needs digital automation for better monitoring of socio-economic initiatives & schemes they have undertaken to implement. With a deep domain knowledge in schemes implementation, 3i Infotech is building a Scheme Framework which will cover the entire flow of the scheme cycle including Beneficiary Management, Proposal Management, Review Approval of Proposal, Fund Management, Dashboards and others. This will integrate with Document Upload Solutions, Aadhaar, External Payment Gateways to start with. The framework is being developed by 3i Infotech's expert team after a thorough analysis of all scenarios in different types of schemes of Government of India. This framework solution can be quickly deployed in the departmental workplace because of its configurable, flexible and adaptable nature.

### **Testing as a Service (TaaS) provides test assets on demand**

With Pay-Per-Use services, the complete test service comes as an "On Demand" option, ensuring that customers can select services on a piece-meal basis in near real time with more predictability in IT costs, including SME support, Test Accelerators, Tools, etc.

TaaS at 3i Infotech focuses more on the Performance Testing/Engineering, Mobility and Security Testing services. TaaS is a viable option in the Agile/DevOps environment since it helps achieve innovation and desired results within a short period of time.

### **Performance Testing**

Our hybrid Performance Test Framework eliminates the need to recreate scripts for every new product and employs keyword and data driven approach to achieve load testing efficiency and efficacy. The framework extends its benefits to contiguous integration/delivery by using the features of the open source and commercial tools like JMeter, BlazeMeter, Jenkins and SVN/GitHub. The performance testing is used for Web applications & Mobile Applications.

### **Security Testing**

3i Infotech has designed an approach to address the security risks and flaws for any application. We perform both grey and white box testing by examining the architecture and source code for web application security. For mobile security testing the methodology adopted includes the end-user application security review, client-server side security, device, system and network security.

### **Automation Framework**

3i Infotech provides HP ALM suites, Selenium and VSTS tool-enabled test automation framework, thus accentuating testing by making the process highly streamlined. Our Hybrid framework is built for both Open Source (Selenium) and Commercial (HP UFT) providing Continuous Integration (CI) and Continuous Testing & Delivery (CT/CD). The framework also extends its benefits to encompass performance and security testing feature. Other services provided by the framework would include mobile test automation, API automation, behavior driven testing, integration with test management tools, build server and reporting tools.

### **Infrastructure Management Services**

Digital Transformation is inevitable, and organizations that want to be digitally enabled must move their businesses to the digital infrastructure. At 3i Infotech, we help our customers kick-start the journey of digitalization by transitioning their traditional infrastructure to be more user friendly, agile and meet every demand of the business by building their digital infrastructure on the 'Hybrid Cloud'. With our focus on Banking, Insurance, Healthcare and Enterprise segments, customers can continue to protect their intellectual property, along with innovating and growing the business. We help potential customers to change the relationship between IT and business, by enabling the foundation on hybrid-cloud. As part of Digital Transformation, Cyber Security becomes even more important. At 3i Infotech, we help our customers by implementing a seamless digital security strategy on a 24x7 real time basis. We have robust cross domain security partnerships in place that help our customers gain advantage to access digital security from a single point and on demand. This provides a holistic approach for enterprises with our digital security solutions in the areas of data protection, risk & compliance, identity and access management, vulnerability & threat management and mitigation on a federated cloud (including hybrid-clouds) which can all be controlled and monitored at one strategic location from our security operations center.

### **Payroll Management**

The need to rethink HR has never been more urgent than now. In today's fast-paced world where organizations are going through rapid transformations, administrative tasks like payroll and compliance can distract clients from focusing on their core business objectives. 3i Infotech BPO provides hassle free payroll management & employee compliance services.

### **Co-Innovation Lab**

Technology landscape in the last few years has changed drastically and it continues to disrupt digital transformation. Innovation in areas of Mobility, IoT, Blockchain, Data, AI, AR are changing how information is leveraged, shared & consumed, making newer business models and processes possible like 'pay-as-you use' and 'pay-how-you-use'. In the last 5 years, rise of fintech, regtech, insuretech along with the addition of newer technologies, has created a lot of confusion and many of these are not yet out of the hype cycle. To address this core issue, 3i Infotech is building a co-Innovation service to benefit both sides of the world. The co-innovation environment allows customers and 3i Infotech to invest in mutually beneficial programs which are outcome driven, and allows them to fail fast by leveraging partnership ecosystems to co-create value.

## **New Initiatives & Upgrades for Premia®**

### **New Digital Framework for Premia®**

Premia® Digital Solution Suite - Mobility & Portal has been built using the advanced Java framework. With strong domain knowledge acquired over years, Premia® Global Development team has delivered state of the art digital connectors for the Insurance business. These digital connectors and enablers, with the use of web or mobile applications, eases out the process of day to day insurance operations by making it lucid and efficient. By leveraging technology, the areas of selling, Bancassurance, along with estimation by Surveyors, Garages, Re-insurers, Car Dealers and Brokers are made operationally intuitive and seamlessly connected.

### **Premia® Life Insurance 11J**

The new Premia® Life Insurance 11J framework, which is under the process of implementation for some of our clients, will pave the path for reinforcing a strong practice for Premia® in the Life Insurance segment. The product comes after a lot of internal research and is backed by the latest Java framework.

### **BI tool Development for Premia® – Qlik Guided Analytics**

BI tool Development for Premia® – Qlik Guided Analytics has paved the road for us towards enhanced business opportunities in the Analytics space. The benefits of the tool includes adapting to any parameters set, thereby eliminating the need for developers, data scientists or designers. The users can drag-and-drop their creations to produce smart, interactive data visualizations, which can be shared to any device without limits.

# RECENT AWARDS & ACCOLADES



# CLIENT SPEAK

"I am writing to express my sincere admiration for your support to us. We greatly appreciate your efficiency and are extremely happy with the quality and assistance you have provided to achieve completion of a critical milestone in our Kastle® ULS and integrated financial suite implementation project on time. Having you around assisted us towards a smooth infrastructure setup. Keep up the good work." - **Anan Hammodah, CEO, Gulf Lifting and Finance Leasing Company**

"Congratulations on a successful release! This was our biggest release since conversion and it went flawlessly because of your preparation, dedication and commitment to excellence. Thanks for working long (really long) hours and doing it with a smile on your face. Thanks again" - **Sankha Ghosh, Sr Vice President, IT, Synchrony Bank**

"On behalf of Sanlam General Insurance Uganda I would like to thank you and all the SEM and Premia® staff for the tireless, determined, pragmatic, and above all, professional manner which everyone concerned has supported our team. We are proud that we lead the charge and whilst there will inevitably be challenges ahead, we will resolve them together as a team." - **Gary Corbit, CEO - Sanlam General Insurance**

"We started looking for the new treasury system 7 years ago, and 3i Infotech won the auction. We had seen the efforts in cooperating between 3i Infotech team and treasury team since the project started till done. The project was managed and delivered properly according to the commitment. So far, 3i Infotech Team has provided us good services and maintenances." - **Viroth Chokevivatana, First Vice President, Export-Import Bank of Thailand**

"The Bank is using AML Solution from 3i Infotech Limited since 2015. 3i Infotech have supplied the AMLOCK® application along with hardware and system software. The product has been implemented and running well. The Facility management services are quite supportive. It meets the AML compliance requirements to comply with RBI regulatory guidelines. And the after sales support is consistent, easily accessible and performing well." - **Jacob Ninan, Dy. General Manager – IT, Central Bank of India**

"Appreciate the hard work and efforts put in by 3i Infotech's MFund® team in achieving this important milestone. Thanks again!" - **Anand Gandhi, AVP Finance, Bajaj Allianz Life Insurance**

"We have been seeing increasing volumes in the past few months and expect this to gradually increase further over a period of time. This is to sincerely appreciate the hard work and tireless efforts that 3i Infotech and the team at Vashi/various Hubs across the country have put in to handle the record volumes and give higher output consistently." - **K N Krishnan, Executive Vice President, Kotak Securities**

"Your ERP System Orion® remain the mainstay amongst various IT applications used in the company for our consumer finance, insurance, real estate and automotive businesses. We never had any downtime because of this particular application. In the finance operations, the integrity of GL is paramount, which was maintained adequately through Orion® ERP. We are happy to be migrated to the new version Orion® 11J which we expect would significantly strengthen our control environment and efficiency of operations resulting in significant enhancement in the quality of our value chains. We are extremely happy to see a more nimble and user oriented system which has flexibility to adapt to our business model." - **Vishal Purohit, Vice President, Group Head of Finance, Bahrain Commercial Facilities Company (BSC)**

"We are using Kastle® ULS Solution from 3i Infotech since 2010. They have supplied the application & the product has been implemented and running well. As our concern is a NBFC, so the Application is Core System for us. It meets our requirement. The Delivery and Support is consistent & the team is easily accessible." - **Hitesh Talreja, Associate Chief Manager (IT), LIC Housing Finance**

"I would like to thank you and your team's effort in supporting and resolving issues for the Premia® Integration Project. The Corporate Website revamp with Premia® integration through ESB had been our priority and we believed that we would be able to continue our other projects using the Premia® web services in the same manner. We would not have been able to do this without you and your team's constant support on our side. Your team had taken complete ownership and solution approach towards meeting a tight deadline and resolving the issue. The vast exposure in handling such issues had allowed you and your team to achieve top notch standards of resolution. Your team members had many outstanding contributions in supporting us throughout this whole period. Furthermore, your team had displayed many key roles in this project such as design and convert

complex Premia® functional feature and flow into database layer to make the web services generic and the integration to run smoothly. Your team also managed an outstanding job in the testing of the system, ensuring that the scope of the system had been thoroughly tested, without compromising the integrity of the system. We have overseen the scope, execution and completion of the project, which then inspired us to strive for excellence and quality in our further future projects. Once again, thank you for your assistance and help in running the project smoothly, and for allowing my team and me to move our project to production in such timely manner.” - **Law Chi Ming, New Initiatives & Innovation, Sompo Insurance Singapore Pte. Ltd**

“We appreciate 3i Infotech team who have supported us to comply with Investments Regulations within stipulated timelines in very short notice.” - **Kashyap Bhatt, Senior Manager, Tata AIA**

“I must commend 3i Infotech for this great initiative and commitment to the job. You are sacrificing your personal time for the success of the team. Well done and keep up the good work!” – **Mukesh Magoon, Manager – ITSCS, The World Bank Group**

"Going to big events like GITEX with new system is really challenging, before starting the event there was some nervousness about the speed and performance, but the system was so spot on and it took us through successful event without any noticeable issues. And the 3i Infotech Orion® team (onsite & offshore) has been so much supportive throughout, the last minute deliverables like supplier promotion & removing SO to Invoice conversion bottleneck have really helped us a lot. Big Thanks to support team." - **Prasad K, HOD-Business Process Management, Jacky's Electronics**

“We are using Kastle® Treasury Solution from 3i Infotech since 2013. They have supplied the application and the product was implemented and running well. It meets our requirements for Treasury operations and reporting. The Delivery and Support is consistent & the team is easily accessible.” - **Purnendu Mukherjee, Project Head Treasury (Vice President), SREI Equipment Finance**

“We would like to acknowledge the superb task executed by the 3i Infotech team during the past two months (November and December). Post 19<sup>th</sup> November, there was sudden increase in the volumes and we had requested all the BPOs to scale up capacity as the volumes were now expected. 3i Infotech was one of the first to scale up the capacity and could see the numbers going up, with a growth of 58%. Whenever required, the team stretched and ensured the commitments. Well done. We congratulate and wholeheartedly thank each and every person in the 3i Infotech team who could make this happen, and expect the same amount of support in the coming days too. Please continue to provide the same amount of support. Thanks once again” – **Jayachander N, RL RPC Operations (North & East), Kotak Mahindra Bank**

"We would like to thank 3i Infotech & GDC-DBA team members for their professionalism and responsiveness to our demands to achieve 100% business continuity. With the excellent result and benefits we realized from this service, we have plans to include Premia® 11 Oracle application and report servers into POSS which I am sure will yield the same result and benefits. Please convey our appreciation to your entire team and all the supporting staff for their excellent work and support. I'm sure this partnership will grow stronger in the coming days and there will be continuous improvement in the quality of service offered by 3i Infotech team complementing our business growth and dynamics" – **Shah Ata Ahmed, Head of MIS Dept, Emirates Insurance Company (EIC)**

“We will have no hesitation in recommending 3i Infotech to any company who has the need to implement Operational and Analytical Reporting tool upgrade solution in their environment and we wish 3i Infotech success in its future endeavors.” – **Mr. Mohammed S. Alromaih, Database Department Manager, General Organization of Social Insurance (GOSI)**

“Indeed, a wonderful effort from everyone in the 3i Infotech team. You are all amazing!!” - **Robert Hadley (COO), Bank Al Jazira (BAJ)**

“This email is to appreciate the efforts put in by the 3i Infotech project team who were involved in the implementation of AMLOCK® for Vodafone m-pesa. We would like to acknowledge the team members of 3i Infotech and encourage them to continue the good work. We look forward to continued support from 3i Infotech as we shift gears and scale up our operations with AMLOCK® over the coming year.” - **Bertram D’Souza, Head - Platform Solutions & Architecture, Vodafone**

“Kotak Life appreciates the efforts of 3i Infotech in completing this project on time. Team 3i Infotech a great job done!!” - **Cedric Fernandes, Senior Vice President and Chief Financial Officer (CFO), Kotak Life Insurance**



"This letter is to acknowledge & extend my appreciation for your wonderful contribution to the project Field Collection Automation – Launch of Collection Mobile App. I would like to Thank You and congratulate you for your sincere hard work & dedication. I wish the same spirit going forward on this and upcoming initiatives. Wishing you all the best and good luck ahead." – **Nitant Desai, Chief Centralised Operations & Technology Officer, PNB Housing Finance Limited (PNBHFL)**

"Thanks everyone for fantastic year end closure. We have achieved the target with each one individual support as well team spirit. Let's start the work with more spirit and enthuse to do better in this financial year 2017-2018 to achieve the new challenge." – **Tahsin Ali Khan, Manager – Claims, ICICI Prudential Life Insurance Company**

"One of Takaful Brunei's success factors is the relationship with its business partners and with 3i Infotech being our IT software provider for our core operations, they have assisted the company's progressive development. 3i Infotech's professional work ethics, advisory feedback and forthcoming solutions have contributed to a value added working relationship." – **Shahrildin Jaya, Acting Managing Director, Takaful Brunei**

"We have deployed all the releases in the live environment successfully. On behalf of the project team, we sincerely appreciate all the support provided from your side since the inception of this project. You and your team have been very cooperative, supportive and always available during the project period. For this, we, the project team extend our sincere appreciations and we look forward for a more healthy, professional and prosperous relationship. We would like to thank you personally for the extra mile that you have gone to ensure that this project is a success." – **Sophia Mgaya, Project Team Leader, Unit Trust of Tanzania (UTT)**

"We are using Kastle® Treasury Solution from 3i Infotech since 2013. They have supplied the application and after customization of the product, software is running satisfactorily. It meets majority of our requirements for Treasury operations and reporting. The delivery and support is consistent." – **Anand Kumar, Assistant General Manager, Treasury Branch, United Bank of India**

"Team, I want to thank each one of you for your hardwork, planning, ownership and execution of one of the biggest moves at TI. Managing both the LV and the internal BTP moves poses its own set of challenges. Given the delay in resources we wanted, didn't deter you from moving ahead. I applaud you for staying on top of things to make these moves successful. Most of you had to stay back late last evening, so get some good rest over the weekend. Great work and keep it up!!!" – **Aravind Marreboyina, Manager - IT Asset Domain & Storage, Texas Instruments**

"I take this opportunity to thank the entire team for the effort in getting this closed within the timelines. It was a very good show." – **Abhijeet Choudhary, Head - Investment Operations, Dewan Housing Finance Corporation Limited (DHFL)**

"I would like to take this moment to appreciate the ongoing partnership with 3i Infotech. They have been consistent in providing support and delivering excellent performance in terms of SLA & Accuracy month on month. We truly value the entire team for all their hard work and continuous support. Keep up the good work!!" – **Rupali Kapoor, Partner Manager - Partner Service Delivery NADC, Global New Accounts, American Express**

"Great Planning and execution by the 3i Infotech team. Well done and thank you." – **M G Chandrasekaran, Corporate Vice President & Head Enterprise Solutions, Max Life Insurance**

"As per plan of action all the activities done successfully. And we have successfully implemented new IRDA 6<sup>th</sup> regulation changes functionality in MFund® live with your valuable support. Thanks everyone for your great support to make this successful." – **Swapnil Thakur, Manager - Operations, Future Generali**

"This is to inform you that we are proceeding to Go Live as decided with Premia® 11. It is difficult to name each individual and my sincere and heartfelt appreciations to each one from 3i Infotech who worked for this project. Thanks a lot for all the support and assistance. As you are aware, we have taken all the necessary and possible precautions to make it happen and requesting all essential/critical assistance further." – **Girish Gopinath, Senior Manager –IT, Al Madina Takaful**

"We really appreciate 3i Infotech team for providing such great on hand support during the maintenance period. It is very convenient to contact with them and it assured us to implement the software application confidently. In addition, BAAC has received good cooperation from the team in proposing a system development approach to be consistent with the modified transaction characteristics. Thank you." – **Ratanachai Dumnernsawat, Senior Vice President, Treasury Department, Bank for Agriculture and Agricultural Cooperatives**

# EMPLOYEE SPEAK

"I started my career with 3i Infotech in June 2005. The last 12 years have given me ample opportunities to grow with the Company. I am very fortunate to work in an enjoyable environment with highly talented people and great leaders. An open door culture makes the top management easily accessible. The culture provides me the freedom to innovate and be a decision maker. It is a great place to learn and provides great opportunities to climb up the career ladder. Its content rich and innovative services and product offerings along with a diverse and strong global customer base provide me the exposure and knowledge to achieve faster progress." - **Bhavna Agarwal, Project Manager, Banking ULS, 3i Infotech (India)**

"A decision 12 years ago to join the 3i Infotech family led the way to a career full of opportunities and unparalleled training. My work and responsibilities helped me to grow into a skilled and experienced professional. The kind of support that I received from my team members and mentors on the professional & personal front was exceptional and helped me improve myself. 3i Infotech's learning platform provides freedom, empowers its employees to enrich their skills to fulfil their career goals and be part of the organization treasure. I look forward to enhancing my skills further and to many more years of association with the 3i Infotech family" - **Sateesh Aripirala, Senior Technical Architect, PREMIA®, 3i Infotech (India)**

"It's been an exciting 15 months at 3i Infotech. The energy and enthusiasm of the team is infectious. It has been encouraging to work for a supportive and compassionate leadership who have their vision and faith firmly planted on the destination. The delivery team thrives on challenges and demonstrates eagerness as well as confidence to meet and exceed customer expectations. Add to that, a customer base that would stand up and vouch for the depth and strength of the product and which has proudly conveyed their allegiance to ORION® for a decade or more. It makes selling so much more fun, exciting and gratifying when you get to work in such a fulfilling ecosystem." - **Sugato Banerjee, Associate Vice President, ORION® Sales - Africa, 3i Infotech (Middle East)**

"3i Infotech for me – is a home away from home. I know it sounds very strange in this age of competition and volatility where it is very hard for oneself to continue in a 'particular' organization for even a year! However, I can proudly affirm that I have been in 3i Infotech for 16 years and it's truly a second home for me. Though it is a long time, when I look back, I feel it was really a short stint. It is the magnificent culture that makes me have such warm and memorable feelings for the organization. Joining as an Executive in 2001, I moved up the ladder and today am a DVP-HR of the Company. It's very true that people do not leave organizations, they leave people. I have been fortunate to have lovely mentors all throughout my career that have molded me, and I have learnt great lessons from each of them. My career gradually grew and accepting multifarious roles gave me good exposure to the entire gamut of HR functions. 3i Infotech is solely responsible in helping me be the person I wished to be. It helped me balance my work and life very effectively without which I would never have crossed these milestones. I have earned a lot of good relations, happy customers, beautiful stories, magic and love in my stretch with 3i Infotech." – **Roopa Balachandran, Deputy Vice President - Recruitment & Staffing Services, HRMG, 3i Infotech (India)**

"I have gained exposure to processes in different roles in Sales, Services and Finance, during my eight years at 3i Infotech Ltd. My stint with each role has helped me develop a deeper understanding of the IT industry in India. I am very grateful for this enriching journey with the Company. What I love about 3i Infotech is its work culture. There is tremendous amount of freedom and opportunity here for employees to enhance their careers. The Company encourages innovative thinking, giving everyone an equal opportunity regardless of their rank or designation. Apart from achieving professional excellence, I have also felt a sense of belonging here. Personally, it has been very satisfying to get an opportunity to coordinate with the senior management at a relatively early stage in my career. I feel proud to be a part of this great organization led by some of the most prominent leaders in this industry." – **Sandeep Belekar, Assistant Manager- CFO Office, 3i Infotech (India)**

"3i Infotech!! First thing that comes to my mind is "A Truly Democratic Work Place". This is a place where you can paint your own canvas and write your own future. Employees are considered as the biggest asset. We get many opportunities to excel and are also empowered to achieve organizational and personal goals simultaneously. True to its slogan, 3i Infotech encourages Innovative thinking, enables us to uphold Integrity and continuously helps us develop relevant Insights. Apart from achieving professional excellence, I also feel a sense of belonging here. The importance given to a work-life balance is something that needs a special mention here. In this exciting journey, 3i Infotech has become my second home." - **Kiran C C, Pre-Sales, Global IT Services (ADMS & Enterprise Applications), 3i Infotech (India)**

"It is indeed a wonderful experience to be associated with 3i Infotech. During my tenure since 2013, the Company has helped me achieve growth. I have experienced several milestones during this duration. The Management provides continuous support and guidance resulting in marked progress of its employees. A young and talented team provides a perfect work atmosphere. It is a place to be in for those who enjoy freedom in their work and love to innovate. I feel fortunate to be a part of this family." - **Shalini Chandel, Program Manager, Banking ULS, 3i Infotech (India)**



"3i Infotech has a very supportive and accommodating culture. I have a very good supervisor and get great guidance all the time. I really enjoy working with 3i Infotech and look forward to providing my best services." - **Zarina Devi, Associate - Facilities Management Group (APAC), 3i Infotech (Singapore)**

"I am privileged to be a part of 3i Infotech, as a result of its merger with DATACONS. In 3i Infotech, if you are focused and have a can do attitude, sky is the limit. I have been with 3i Infotech for 12 years now. Today I am working as a Project Manager while handling a team; all due to the immense support of my colleagues, seniors and Management." - **Biraj Dhekial, Project Manager, Global IT Services (ADMS & Enterprise Applications), 3i Infotech (India)**

"In the last twelve years I have seen the Company grow. At the same time, it has given immense opportunities to its employees to grow as well. 3i Infotech is a ground where an employee can learn, practice and finally lead his or her own team. It gives plenty of opportunities to try out various schools of thought and helps one become a seasoned professional". - **Ramida Gandhi, Administration Manager, 3i Infotech (Thailand)**

"It has been a wonderful learning experience and growth opportunity here at 3i Infotech. I got an exceptional chance to develop my technical and managerial skills. 3i Infotech guides, enriches and makes one competent to bring out the best of his/her abilities." - **Sajith Girijan K, Associate Vice President - Orion® Sales (APAC), 3i Infotech (Thailand)**

"I have been with 3i Infotech Ltd for nearly a decade and it has proved to be an amazing experience for me, both professionally and personally. A great deal of freedom is provided to learn new things and build better systems. The heart & soul of the Company is the deep domain knowledge of employees, clubbed with relentless focus on both client and internal deliverables. An informal organization environment means easy access to superiors. Along with great camaraderie among colleagues, it ensures that learning, quality, delivery and growth are part of one's life in 3i Infotech" - **Dheerendra Hegde, Functional Consultant, Financial Services, 3i Infotech (India)**

"I have been associated with 3i Infotech for the last 7 years and have seen the Company through all its ups and downs till date. I am happy to be a part of the current path of "CHANGE" and strongly believe that we are back to growth." - **Deepak Kadam, Manager, ISO Compliance & Governance, ETG, 3i Infotech (India)**

"My journey in 3i Infotech has been more of a roller-coaster ride. I have seen both lows and highs in the 7 and more years I have been associated with the organization. Lows are those testing times when we struggled to grow our existing businesses. Yet some of my core team members and I always believed that this is the place to learn and grow. We have, along this journey, learnt to swim with the tide and make the best use of the limited resources. What gives us pleasure is that all the hard-work and effort during those testing times are paying rich dividends now. Highs, I can say, is that we are now set to reap rich rewards from it." - **Venkatesh Krishnamurthy, Delivery Head, IMS Chennai, 3i Infotech (India)**

"Having been a proud part of Orion® and 3i Infotech for the past 7 years, I always admired the persevering spirit that the organization stands for. Lethargy is not an option here. The passion for work is palpable. New concepts and ideas are appreciated. The organization takes true interest in the growth of anyone who contributes and deserving talent is given preference for every new opportunity. The sense of responsibility and team cohesiveness at 3i Infotech, is as good as that can be seen in any start-up, which is rare for a company which has been in existence for decades. The last four years had negative news and rumours floating around and which influenced the market to an extent. Every employee of 3i Infotech has worked towards breaking this jinx to restore the market's confidence and trust. The positive financials posted this year is sure to sustain and strengthen further with the same momentum." - **N Suresh Kumar, Associate Vice President, ERP Delivery - Africa, 3i Infotech (Middle East)**

"My journey with 3i Infotech has been very exciting and professionally rewarding. Managing deliveries in product as well as services has provided me with valuable insights and exposure to both the lines of business. Working with clientele in underdeveloped, developing & developed countries has enabled me to appreciate their respective nuances, cultural and professional aspects. 3i Infotech has always inspired me to push myself to do new things and every attempt made has been acknowledged by my seniors and management. Freedom to take the right decision in every situation brings in a sense of ownership, responsibility and satisfaction which then translates to profound pride for the team and 3i Infotech. This eventually helps serve customers better. The organization believes in trust and mutual respect and this brings out the best in you. This makes me proud to be a part of the 3i Infotech family." - **Mihir Mehta, Delivery Manager, Global IT Services (ADMS & Enterprise Applications), 3i Infotech (India)**

"It is over 2 years that I have been working with 3i Infotech Ltd. It has helped me grow and develop professionally in my career. 3i Infotech has strong training programs, active and well-thought out platforms for mentoring, which further help to improve my knowledge and develop new skills. Supervisors readily extend their support and always encourage us to grow." - **Vijay Naik, Senior Associate, Finance, 3i Infotech (India)**

"3i Infotech has provided a very supportive and open atmosphere in which employees can perform their best. I started my journey 10 years ago as a developer, and have achieved many milestones in my professional life. 3i Infotech has provided me with loads of opportunity and exposure to various fields from software product development to managerial opportunities to help me grow." - **Dharmendra Prajapat, Technical Architect, (ADMS & Enterprise Applications), 3i Infotech (India)**

"Coming into the fold of 3i Infotech after almost two decades of stint in a public sector undertaking (PSU) is an experience that is etched in my memory. The Senior Management is clear on their vision and abiding in their commitment. Budding youngsters demonstrate an obligation to deliver and an urgency to excel. 3i Infotech amply demonstrates the credo that it is utmost good faith within the organization that synergizes the strengths and propels it to greater heights. Proud to be a part of 3i Infotech." - **S. Ram Prasad, Chief Consultant, BSG, 3i Infotech (India)**

"3i Infotech has been the kick starter in my career. Looking back at Aug 2013, it's been nearly 4 years and I am very proud to say that I started my career at the right place. I am very glad and honoured to say that I am one amongst the ORION® family. I have had vast opportunities and a large platform to enhance my skills as well as my knowledge. My learnings from my leaders are simply great and it has paved way for my successful growth. It is a great experience to work at this organization, and I hope to have the same support and guidance in future." - **Charini Rajan, Software Engineer, Orion® ERP, 3i Infotech (India)**

"I joined 3i Infotech more than a decade and half ago, and have witnessed the company grow leaps and bounds, both in the domestic and global markets. I feel proud and privileged to be a part of this journey of growth. I also appreciate the opportunity given to me for achieving personal growth within the organization." – **Ramashish Roy, Delivery Head - eGovernance & Consulting, Global IT Services (ADMS & Enterprise Applications), 3i Infotech (India)**

"You can define a great career as one when in a large organization one can experience different roles over time, or develop capabilities in varied areas from sales, delivery, customer management to product development, or have opportunities to work in different geographies. I was honored to have all these experiences within 3i Infotech. I had excellent support from the leadership team during the entire journey and it feels great to be a part of 3i Infotech for the past 15 years" - **Saravanan S, Deputy Vice President, 3i Infotech (Middle East)**

"Started my journey 10 years ago with 3i Infotech as a developer and progressed to a Manager. The journey has been smooth and rough but the best I could ever have had. I am challenged each day, motivated to do my best and feel supported by the team and Management. 3i Infotech truly nurtures an open environment where people are encouraged to learn, share and grow."- **Arshad Shaik, Manager - Banking & Financial Services (APAC), 3i Infotech (Malaysia)**

"I enjoy the freedom I have in the organization. It constantly boosts my performance. Excellent work culture, best opportunities to learn new businesses, direct interaction with clients across geographies, respect for one's thoughts, recognition and constant encouragement from senior management is what makes 3i Infotech unique. Be it a fresher or a senior management official, there are plenty of opportunities to prove one's mettle. I also must acknowledge that my team has supported me to a great extent, which eventually has helped me to grow as an individual and professional too. Without the team's support, it wouldn't have been possible for me to scale new heights. Hard work and dedication never go unnoticed in our organization and these directly translate to career growth and rewards. It gives me immense pleasure to be a part of this beautiful journey." - **Rohit Sharma, Associate Vice President, Banking - ULS, 3i Infotech (India)**

"I have been with 3i Infotech for 12 years now and I enjoy cross-discipline interactions and like to collaborate with talented coworkers. Full stack development processes give me immense opportunity to learn and excel in diversified technologies and domains." - **Vasudhevan Soundararajan, Technical Lead, Global IT Services (ADMS & Enterprise Applications), 3i Infotech (India)**

"Back in July 2007, exactly a decade ago, is when I first stepped into the Edison, New Jersey office. In the last 10 years I have seen multiple personnel changes but at the core, stands a group of committed people who have an unflinching vision. Having successfully overcome the financial meltdown I couldn't have been happier and proud to be a part of 3i Infotech. More than just a company, I consider 3i Infotech as a huge part of my life and which has shown me the path to growth." - **Subhash Unnam, 3i Infotech (USA)**

"I joined 3i Infotech 17 years ago as a software engineer. Today, I lead the Testing Practice. Some of the highlights of my experience with 3i Infotech include great exposure to different technologies, clients, leadership and processes. It is easy to reach out to anyone with one's concerns or questions. Seniority is not a barrier here - people are easily accessible and eager to help out. The work environment allows one to enhance one's skills. I receive good onsite opportunities along with the chance to work with large customers which has been one of the greatest experiences of my career. 3i Infotech provides good facilities and an infrastructure conducive to maximizing one's potential." - **Gurumurthy Upputuri, Deputy Vice President, ADMS (Independent Testing Services), 3i Infotech (India)**



# CONTENTS

# Contents

●	Directors Report	01
●	Management Discussion and Analysis Report	51
●	Consolidated Financial Statement	57
●	Summary of Consolidated Financial Statements in US Dollars	134
●	Standalone Financial Statement	138
●	Notice of 24 <sup>th</sup> Annual General Meeting	217
●	Proxy Form	233

## DIRECTORS' REPORT

### FOR THE FINANCIAL YEAR 2016-17

**Dear Shareholders,**

Your Directors present the Twenty Fourth Annual Report (the "Report") of the Company along with the Audited Financial Statements for the year ended March 31, 2017.

#### OVERVIEW

##### a) Performance of the Company

The Management is pleased to inform the shareholders that after a period of 5 years, the Company has posted a Net Profit after Tax (called Total Comprehensive Income under the Indian Accounting Standards notified by the Ministry of Corporate Affairs) of ₹95.09 crores for the financial year 2016-17. On the operational front, the Company made significant efforts during the year towards improving operational performance across its core businesses and is fully geared to progress on its growth aspirations. The thrust in the coming years, starting from FY 2017-18, is not only to strengthen the Company's position in chosen areas but also to pick up momentum and grow.

##### b) Update on Debt Realignment Scheme (DRS)

As of the date of this Report, the Company has allotted equity shares to 64% of its Lenders. The allotment in respect of the remaining Lenders is expected to be completed shortly. The Company has also successfully implemented the restructuring of its Foreign Currency Convertible Bonds (FCCBs) during the year.

The Company has been servicing its Lenders and FCCB holders on a regular basis since April 1, 2016.

We are further pleased to announce that on June 28, 2017, the Company pre-paid a part of the principal outstanding debt due to the DRS Lenders amounting to ₹38.5 crores. This amount represents 6 monthly instalments of the Principal Amount which were due for repayment from April 30, 2018 as per the terms of the DRS approved by its Lenders.

##### c) Financial Performance of the Company on Standalone and Consolidated basis

₹ in crores

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Total Revenue (I)	344.87	429.38	1,055.91	1,132.68
Total Expenses (II)	253.78	654.92	953.33	1,402.41
<b>Profit/(loss) before exceptional items and tax (I-II)</b>	<b>91.09</b>	<b>(225.54)</b>	<b>102.58</b>	<b>(269.73)</b>
Exceptional items	-	222.46	-	168.87
<b>Profit/(loss) before tax</b>	<b>91.09</b>	<b>(448.00)</b>	<b>102.58</b>	<b>(438.60)</b>
<b>Tax expense</b>				
Current tax	-	-	5.84	5.96
Deferred Tax Expense	(1.49)	85.88	0.27	81.53
Adjustment of tax relating to earlier periods	0.32	5.82	2.40	25.66
<b>Profit/(Loss) for the year</b>	<b>92.26</b>	<b>(539.70)</b>	<b>94.07</b>	<b>(551.75)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>A. Other Comprehensive income not to be reclassified to profit and loss in subsequent year:</b>				
Remeasurement of gains (losses) on defined benefit plans	4.32	(0.97)	7.01	(1.79)
Income tax effect	(1.49)	0.34	(0.43)	0.02

₹ in crores

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
<b>B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:</b>	-	-	-	-
<b>Other Comprehensive income for the year, net of tax</b>	<b>2.83</b>	<b>(0.63)</b>	<b>6.58</b>	<b>(1.77)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b>95.09</b>	<b>(540.33)</b>	<b>100.65</b>	<b>(553.52)</b>
<b>Total comprehensive income for the year, net of tax attributable to:</b>				
<b>Profit for the year attributable to:</b>				
Equity holders of the parent	-	-	94.73	(548.96)
Non-controlling interests	-	-	(0.66)	(2.79)
<b>Other comprehensive income for the year attributable to:</b>				
Equity holders of the parent	-	-	6.58	(1.77)
Non-controlling interests	-	-	-	-
<b>Total comprehensive income for the year attributable to:</b>				
Equity holders of the parent	-	-	101.31	(550.73)
Non-controlling interests	-	-	(0.66)	(2.79)
<b>Earnings per share for profit attributable to equity shareholders</b>				
Basic EPS	0.75	(8.67)	0.77	(8.85)
Diluted EPS	0.75	(8.67)	0.77	(8.85)

During the year under review, standalone sales and other income stood at ₹344.87 crores. After meeting all the expenditures, the Company made a total comprehensive income of ₹ 95.09 crores on standalone basis. Further, during the year under review, consolidated sales and other income stood at ₹1055.91 crores. After meeting all expenditures, the Company made a comprehensive income of ₹100.65 crores on a consolidated basis.

## TRANSFER TO RESERVES

There is no amount proposed to be transferred to general reserve this year.

## DIVIDEND

During the year, the Company has issued Class B Preference Shares of ₹5/- each to some of the Lenders as per the terms of Debt Realignment Scheme (DRS). An amount of ₹3,466,352 was paid as preference dividend to Class B Preference Shareholders on preference shares issued upto March 31, 2017. The payment of the abovementioned dividend was made as part of the contractual obligations of the Company with respect to the issue of these preference shares.

The Company has also paid a dividend of ₹330,343 as preference dividend to Class A Preference Shareholders for the period from April 1, 2012 to April 30, 2017 as per the terms of issue of Class A Preference Shares.

After payment of preference dividend, the profits available for distribution to equity shareholders work out to be ₹92.26 crores. As the Members are aware, the Company had not declared dividend on equity shares in the last few years in view of losses incurred by the Company. Though the Company has earned net profits during the financial year ended March 31, 2017, as per the terms of the Master Restructuring Agreement (MRA) dated March 30, 2012, entered into by the Company with IDBI Bank Limited, the Monitoring Institution and the CDR Lenders, the Company is prohibited from declaring or paying any dividend on its equity shares without prior approval of Lenders/ CDR Empowered Group. In view of this fact, your Directors regret to state their inability to recommend any dividend on equity shares for the year ended March 31, 2017.

## **BUSINESS**

Your Company has a comprehensive set of IP based software solutions (20+), coupled with a wide range of IT Services to address the dynamic requirements of a variety of industry verticals including Banking, Insurance, Capital Markets, Asset & Wealth Management (BFSI). The Company also provides solutions for other verticals such as Government, Manufacturing, Distribution, Telecom and Healthcare.

The business activities of the Company are broadly divided into two categories, viz. IT Solutions and Transaction Services. IT Solutions business comprises of software products and IT enabled services while the transaction services comprise of BPO and KPO services. The Company has a good product portfolio and has dominant presence in fast growing emerging economies. The Product Business of the Company has a wide base with more than 1000 active customers who are satisfactorily using the Company's products.

The contribution of IT Solutions to the revenue for the year was 95% and that of Transaction Services was 5%.

Your Company has presence in 50 countries across six operational geographies, viz. South Asia, Asia Pacific (APAC), Middle East and Africa (MEA), Kingdom of Saudi Arabia (KSA), Western Europe (WE) and North America (US). Your Company has marketing network around the world, including US, WE, MEA and APAC. The business of your Company is largely divided into Emerging Markets and Developed Markets. The share of the Emerging Markets to total revenue of the Company is about 67% while that of Developed Markets is about 33%. For detailed operations and business performance and analysis, kindly refer the Management Discussion & Analysis which forms a part of this Report.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

During the year under review, the Company has neither raised its stake, on its own or through its subsidiaries in any of the companies, nor divested its stake in any of its subsidiaries. As on March 31, 2017, the number of subsidiaries is 23 (twenty three).

As per the first proviso to Section 129(3) of the Companies Act, 2013 (the "Act") read with Rule 5 of Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures in the prescribed Form AOC-1 is enclosed with the consolidated financial statements.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Particulars of loans, guarantees or investments granted/made during the year are given under the notes to standalone financial statements forming part of the Annual Report.

## **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review, all the contracts or arrangements or transactions entered into by the Company with related parties referred to in Section 188 of the Companies Act, 2013 were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any contract/arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on related party transactions.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, form AOC-2 is not applicable to the Company.

The Company has in place a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions. The said policy can be viewed on the Company's website in the Investors' section by accessing the following link: <http://www.3i-infotech.com/content/investors/-2/> under "Corporate Governance".

Details regarding related party disclosure are given under the notes to standalone financial statements which form part of the Annual Report.



## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

During the year, the Shareholders approved the following Resolutions through Postal Ballot concluded on May 13, 2016:

1. Increase in Authorised Share Capital of the Company to the extent of 20 crore equity shares of ₹10 each and consequent amendment to the Memorandum of Association of the Company;
2. Amendment to the Articles of Association of the Company;
3. (i) Issue as part of the proposed restructuring of the outstanding USD 125,356,000 5% convertible bonds due 2017 (the "5% Bonds") and USD 2,435,000 4.75% convertible bonds due 2017 (the "4.75% Bonds", and together with the 5% Bonds, the "Existing Bonds"), new foreign currency convertible bonds to the holders of the Existing Bonds in exchange for the Existing Bonds, and  
(ii) amend the terms of the outstanding Existing Bonds (to the extent not exchanged) including extension of the maturity and reduction of the rate of interest; and
4. Issue of equity shares against conversion of a portion of the outstanding amounts due to the Lenders.

The details of results of this Postal Ballot conducted during the year are given in Annexure I in the Corporate Governance Report.

Except as stated above, there have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year to which financial statements relate and as on the date of the Report.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

## REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Report along with auditors' certificate thereon in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") read with Schedule V of said regulations is appended herewith as *Annexure I* to this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of provisions of Regulation 34 of SEBI LODR, the Management Discussion and Analysis Report is given under a separate section forming part of this Annual Report.

## EXTRACT OF ANNUAL RETURN

In terms of the requirements of Section 92 (3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in the prescribed form MGT- 9 is appended herewith as *Annexure II* and forms part of this Report.

## CAPITAL

### a) Preference Share Capital

During the year under review, as per the terms of DRS, the Company had allotted 0.10% Cumulative Non- Convertible Redeemable Preference Shares (Class B Preference Shares) of face value of ₹5/- each at par to its Lenders. Details of the allotments are as follows:

Date of Allotment	No. of Class B Preference Shares allotted
September 29, 2016	43,44,31,627
January 2, 2017	18,95,05,860
March 22, 2017	2,14,76,000
March 31, 2017	4,78,57,000
<b>TOTAL</b>	<b>69,32,70,487</b>

Existing preference shares of the Company before the above allotments were designated as Class A Preference Shares. After taking into account the above allotments, the preference share capital of the Company as on March 31, 2017 was ₹4,11,63,52,435 consisting of 13,00,00,000 Class A Preference Shares of ₹5/- each and 69,32,70,487 Class B Preference Shares of ₹5/- each.

**b) Increase in Authorised Capital**

In order to issue additional share capital as required under DRS, it was felt necessary to increase the authorised share capital of the Company. Pursuant to approval of the Members obtained through Postal Ballot, results of which were declared on May 13, 2016, the authorised share capital of the Company was increased to ₹3,155 Crores (Rupees Three Thousand One Hundred Fifty Five Crores only) divided into 220 Crore (Two Hundred Twenty Crore) equity shares of ₹10/- each, 20 Crore (Twenty Crore) preference shares of ₹5/- each (called Class A Preference Shares), 150 Crore (One Hundred Fifty Crore) preference shares of ₹5/- each (called Class B Preference Shares) and 105 Crore (One Hundred Five Crore) preference shares of ₹1/- each (called Class C Preference Shares).

**c) Paid-up Equity Share Capital**

**1) ESOS allotments:**

The Company has not allotted any shares under the Employees Stock Option Schemes (ESOS) during the year.

**2) Allotments against conversion of Foreign Currency Convertible Bonds (FCCBs):**

During the year, the Company had received one conversion notice from an FCCB holder against which 6,37,193 Equity Shares were allotted by the Company at a premium of ₹6.50/- per share on July 26, 2016. During the year, the Company had proposed an exchange offer to its FCCB holders under the Debt Realignment Scheme (DRS) Package of the Company. FCCB holders opting for the exchange offer were given new FCCBs in exchange for their existing FCCBs. Terms of FCCBs of the remaining FCCB holders were amended as per resolutions passed at the meetings of the FCCB holders. As per terms of new FCCBs and the amended FCCBs, a portion of the FCCBs underwent automatic conversion into equity shares against which the following allotments were made to the FCCB holders on December 12, 2016:

- a) 1,90,356 Equity Shares of face value of ₹10/- each were allotted at a premium of ₹155.935/- per share to the holders of existing FCCBs held under ISIN XS0308551166;
- b) 1,51,65,824 Equity Shares of face value of ₹10/- each were allotted at a premium of ₹6.50/- per share to the holders of existing FCCBs held under ISIN XS0769181982 and
- c) 13,32,09,406 Equity Shares of face value of ₹10/- each were allotted at par to the holders of new FCCBs held under ISIN XS1423751418.

The conversion price of the amended FCCBs was as per the original terms of the respective issue of FCCBs (as adjusted for bonus, where applicable). The initial automatic conversion price of the new FCCBs was ₹10/- per share. In case of any subsequent conversions of the new FCCBs at the option of the FCCB holders, the conversion price would be ₹12.50/- per share.

### 3) Allotment of Equity Shares under the Debt Realignment Scheme (DRS) Package:

During the year under review, the Company has allotted 39,36,44,696 Equity Shares to some of the Lenders of the Company including the lenders of the Company's subsidiaries and lenders of facilities guaranteed by the Company and lessors of the Company ("DRS Lenders") as per the terms of DRS package, the details of which are as follows:

Date of allotment	No. of shares allotted
September 29, 2016	25,74,40,351
January 2, 2017	10,82,89,063
March 31, 2017	2,79,15,282
<b>TOTAL</b>	<b>39,36,44,696</b>

Further, 14,85,65,586 Equity Shares of face value of ₹10/- each were allotted to FCCB holders on December 12, 2016 against automatic conversion of a portion of the existing and new FCCBs as per the terms of DRS. Details of these allotments are mentioned under point no. 2 above.

As a result of the aforesaid allotments, the paid-up equity share capital of the Company stands at ₹11,83,65,14,030 and the issued equity share capital of the Company stands at ₹12,23,67,26,040 as on March 31, 2017. The difference between Issued and Paid-up Equity Share Capital is on account of 4,00,21,201 equity shares of ₹10/- each held in abeyance at the request of an FCCB holder, which were subsequently allotted on June 8, 2017.

The Company has neither issued equity shares with differential rights as to dividend, voting or otherwise nor any shares (including sweat equity shares) to the employees of the Company under any Scheme.

### EMPLOYEES STOCK OPTION SCHEMES

As per SEBI Circular (CIR/CFD/POLICY CELL/2/2015) dated June 16, 2015 relating to requirements specified under the SEBI (Share Based Employee Benefits) Regulations 2014, details of the Employee Stock Option Schemes (ESOS) of the Company are given in *Annexure III* to this Report.

### PUBLIC DEPOSITS

During the year, the Company has not invited/accepted any deposit under Section 73 of the Act.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

During the year under review, Mr. Padmanabhan Iyer (DIN-05282942) was appointed as an Executive Director for a period of 3 years with effect from May 18, 2016. Later, on June 7, 2016, Mr. Madhivanan Balakrishnan (DIN-01426902) resigned as the Managing Director & Global CEO of the Company. Pursuant to resignation of Mr. Madhivanan Balakrishnan, Mr. Padmanabhan Iyer was elevated to the position of the acting Chief Executive Officer of the Company. Thereafter, Mr. Padmanabhan Iyer was appointed as Managing Director & Global CEO for a period of 5 years effective August 11, 2016. At the 23<sup>rd</sup> Annual General Meeting of the Members of the Company, the Members approved the appointment of Mr. Padmanabhan Iyer as Managing Director and Global CEO for a period of 5 years and remuneration payable to him for a period of 3 years by way of special resolution.

On January 23, 2017, Mr. Shanti Lal Jain (DIN-07692739) was appointed as Nominee Director representing Allahabad Bank on the Board of Directors of the Company.

Further, Mr. Rajeev Limaye was appointed as Company Secretary and Compliance Officer effective July 5, 2016.

The Directors place on record their sincere appreciation towards services rendered by Mr. Madhivanan Balakrishnan during his tenure as Managing Director of the Company.

In accordance with Section 152 (6) and other applicable provisions of Companies Act, 2013, Ms. Sarojini Dikhale (DIN-02755309), being a Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and, being eligible, has offered herself for re-appointment. The Board recommends her re-appointment at

the ensuing AGM for your approval. As stipulated under the Regulation 36 of SEBI LODR, a brief resume of the Director proposed to be re-appointed is given in the Notice convening the ensuing AGM, which is included in the Annual Report 2016-17.

As on the date of this Report, the Board of the Company consists of 6 Directors, out of which two are Independent Directors, two are Nominee Directors, one is a Non-Executive Director and one is an Executive Director.

None of the Independent Directors have had any pecuniary relationship or transaction with the Company during financial year 2016-17, except to the extent of their directorship. None of the Directors or KMP of the Company is related inter-se.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declaration from each independent director as per provisions of SEBI LODR and Section 149 (7) of Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149 (6) of Companies Act, 2013.

#### **NUMBER OF MEETINGS OF THE BOARD**

Nine meetings of the Board of Directors were held during the year. The details of the same are given in Corporate Governance Report section that forms part of the Annual Report. The intervening gap between two consecutive Board Meetings did not exceed 120 days.

#### **POLICIES AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") mandated all listed companies to formulate certain policies. The Company has in place all such policies, the list of which is given below:

- Whistle Blower Policy;
- Policy relating to Remuneration of Directors, Key Managerial Personnel and other Key Employees;
- Corporate Social Responsibility Policy;
- Policy for determining Material Subsidiaries;
- Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions;
- Policy for Board Diversity and
- Policy for Preservation of Documents.

#### **PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS**

In terms of the provisions of the Act and SEBI LODR, your Company has laid down criteria for performance evaluation of Directors and Chairman of the Board and also the evaluation process for the same. Schedule IV of the Act states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. The Company's policy relating to appointment and remuneration of Directors, KMPs and other employees, including criteria for determining qualifications, positive attributes and independence of a director are covered under the Corporate Governance Report, which forms a part of this Report.

It is a practice of the Board of Directors to annually evaluate its own performance and that of its committees and individual directors. Accordingly, the performances of the members of the Board as a whole and of individual Directors were evaluated at the meeting of the Committee of the Independent Directors and the Board of Directors held on April 30, 2017.

#### **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

As per provisions of SEBI LODR, and the Act, the Company has formulated Familiarization Programme for Independent Directors. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment to an Independent Director outlining his/her role, function, duties, responsibilities, etc. The terms and conditions for appointment of Independent Directors are also available on the website of the Company.

The Board members are provided with necessary documents/brochures, reports and internal policies to enable familiarizing them with the Company's procedures and practices. Periodic presentations are made at the Board Meetings on business performance updates of the Company, global business environment, business strategy and risk involved.

## **COMMITTEES**

As on the date of this Report, the Board has four committees:

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Stakeholders' Relationship Committee
- iv. Corporate Social Responsibility Committee

In line with the provisions of the Act and SEBI LODR, the Company has devised and implemented a vigil mechanism in the form of "Whistle Blower Policy". As per the Policy, the Company has an internal committee comprising of the Head-HR and the Compliance Officer of the Company to address the functioning of the vigil mechanism as mandated by the Act and assist the Audit Committee thereunder.

The detailed information regarding the committees of the Board, including composition of the Audit Committee, has been given in the Corporate Governance Report which forms an integral part of the Annual Report.

## **CONSOLIDATED FINANCIAL STATEMENTS**

The audited Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies, associates and joint ventures and form part of the Annual Report. The audited Consolidated Financial Statements have been prepared in accordance with relevant Accounting Standards issued by the Institute of Chartered Accountants of India and the Act.

## **INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY**

Your Company has implemented adequate procedures and internal controls which provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements. Your Company also ensures that internal controls are operating effectively.

## **AUDITORS**

M/s. Lodha & Co., Chartered Accountants and M/s. GMJ & Co., Chartered Accountants were appointed as the Joint Statutory Auditors of the Company at the AGM held on December 7, 2016 till the conclusion of the Twenty Fourth AGM of the Company to be held in the year 2017. As per the provisions of Section 139 of the Act, M/s. Lodha & Co. will retire at the ensuing AGM.

The Audit Committee and the Board recommend ratification of appointment of M/s. GMJ & Co., Chartered Accountants as Statutory Auditors of the Company till the conclusion of the Twenty Fifth AGM of the Company. The Company has received a letter from statutory auditors that their re-appointment, if made, would be within limits as prescribed under Section 141 (3)(g) of the Act and they are not disqualified for re-appointment.

## **AUDITORS' REPORT**

The Auditors' Report does not contain any qualifications. However, there is an emphasis of matter in the Auditors' Report on standalone financial statements for the year ended March 31, 2017 with respect to remuneration paid to the Managing Director & Global CEO of the Company during financial year 2016-17. Your Directors would like to inform that the Company has made an application to Central Government for waiver of excess remuneration paid to Mr. Padmanabhan Iyer, Managing Director & Global CEO of the Company for the financial year 2016-17. Since the appointment of Mr. Padmanabhan Iyer as Managing Director and Global CEO for a period of 5 years and remuneration payable to him for a period of 3 years has been approved by Shareholders by way of a special resolution at the AGM held on December 7, 2016, the Company could not seek prior approval of the Central Government for payment of remuneration in excess of limit prescribed in Schedule V of the Act due to paucity of time.

## CONSERVATION OF ENERGY

Although the operations of the Company are not energy intensive, the management is highly conscious of the criticality of the conservation of energy at all operational levels. The requirement of disclosure of particulars with respect to conservation of energy as prescribed in Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is not applicable to the Company and hence, are not provided.

## TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The Company continues to use the latest technologies for improving the productivity and quality of its services and products.

During the year, your Company has taken the following technology initiatives:

- Information Security Awareness programmes;
- Strengthened its IPRs through technology innovation and appropriate security controls;
- Improved utilization and delivery productivity by use of LEAN IT techniques for project delivery and
- Partnerships with major technology providers and publishers for win-win relationships and go-to-market strategies.

## RESEARCH AND DEVELOPMENT (R & D)

The solutions offered by the Company for various market segments are continuously developed and upgraded through the Global Development Centres (GDCs).

The GDCs function as the product research and development arm of the Company and focus on developing and expanding the Company's products and IPRs. Besides this, the Company is also in the process of upgrading its varied product lines to standard and latest technological platforms.

With a focus to further enhance the Company's software products i.e. its Intellectual Property based on market needs, the GDCs work in line with the Company's strategy for growth.

### Expenditure on R & D

Particulars	₹ in crores	
	2016-17	2015-16
Revenue Expenditure	9.87	2.28
Capital Expenditure	-	-
Total	9.87	2.28
Total R&D expenditure as a percentage of total standalone revenue	3.54%	0.61%

## QUALITY

The Company is committed to provide innovative and high quality products and services that meet or exceed customer expectations.

This includes-

- Maintaining a quality focus on continuous improvement to our Products, Process and Services and
- Process adherence and governance ensuring lower defect and On Time delivery.

The Company's Quality Management System (QMS) addresses process required for entire Software Development Life Cycle (SDLC) and Project Management Life Cycle (PMLC) supported with industry standard templates and guidelines to ensure disciplined project execution, thereby transforming business from taking corrective and preventive measures to the state of predicting outcomes. This framework is designed based on the CMMi Process framework to enhance productivity and to reduce inefficiencies.



The Company is in the process of getting CMMi Level 3 certification by September 2017 to meet the Company's commitment towards quality and business process, with further plans to extend the certification to CMMi Level 5 and TMMi Level 5.

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

### **a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans**

More than 17.25% of the revenue of the Company is derived from exports.

### **b) Foreign export earnings and expenditure**

During the year 2016-17, the expenditure in foreign currencies amounted to ₹8.25 crores on account of professional charges, cost of outsourced services and bought out items, travelling and other expenses and interest (excluding expenditure incurred by Dubai Branch). During the same period, the Company earned an amount equivalent to ₹48.13 crores in foreign currencies as income from its operations abroad (excluding income from Dubai Branch).

## **PERSONNEL**

The Company has continued to improve the quality of Human Resources. The key facet has been better levels of productivity as compared to earlier years which has contributed in operating, financial parameters showing a strong uplift. Regular interactions and career enhancements by way of bigger roles to talented employees have helped in strengthening the confidence of the employees in the tough financial scenario of the Company. The talent pipeline is looking healthy though attrition and retention remains a challenge for the industry and more so for the Company.

Your Company will continue to focus and build the human potential which would help in improving operating parameters in the coming year.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is provided in a separate annexure forming part of this Report. Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. In terms of Section 136, the said annexure is open for inspection at the Registered Office of the Company. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Disclosures pertaining to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as *Annexure IV*.

## **Prevention of Sexual Harassment at Workplace**

The Company has in place a policy aiming at prevention of sexual harassment at all workplaces of the Company in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. An Internal Complaint Committee has been set up in the Company to consider and redress complaints received with respect to sexual harassment. During the year under review, the Complaint Committee has not received any grievances or complaints of the nature covered under the said Act.

## **CORPORATE SOCIAL RESPONSIBILITY ("CSR")**

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, ("CSR Rules") the Company has constituted Corporate Social Responsibility (CSR) Committee. A brief outline of the CSR policy of the Company and the statutory disclosures with respect to the CSR Committee and an Annual Report on CSR for FY 2016-17 as required under Rule 8(1) of the CSR Rules are set out in *Annexure V* of this Report. The CSR Policy as recommended by CSR Committee and as approved by the Board is available on the website of the Company.

## SECRETARIAL AUDITOR'S REPORT

Pursuant to the provisions of Section 204 of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. BNP & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit report is appended as *Annexure VI* to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

## DISCLOSURE REQUIREMENTS

Disclosures required under Regulations of SEBI LODR are shown under the Corporate Governance Report (CGR). The CGR along with auditor's certificate thereon and the Management Discussion and Analysis form part of this Report.

## FUTURE OUTLOOK

The Company will continue to technologically upgrade its products and concentrate on the Software Products, IT Services and IT enabled Services for its growth. The business outlook and the initiatives proposed by the management to address its financial risks have been discussed in detail in the Management Discussion and Analysis which forms a part of this Report.

## FORWARD LOOKING STATEMENTS

This Report along with its annexures and Management Discussion and Analysis contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will' and other similar expressions as they relate to the Company and/or its businesses are intended to identify such forward looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Act, your Directors hereby confirm that:

- a) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the loss of the Company for the financial year ended on that date;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Based on the reviews of internal, statutory and secretarial auditors, external consultants, the management and respective committees of the Board, the Board is of the opinion that the Company's system of internal financial controls was adequate and the operating effectiveness of such controls was satisfactory during the financial year 2016-17.



---

## **ACKNOWLEDGEMENTS**

The Directors are thankful to the Members for their confidence and continued support. The Directors are grateful to the Central and State Government, Stock Exchanges, Securities and Exchange Board of India, Reserve Bank of India, Customs and other government authorities, Lenders, CDR Cell, CDR Empowered Group, FCCB holders and last but not the least, its trusted clients for their continued support.

The Directors would like to express their gratitude for the unstinted support and guidance received from alliance partners and vendors.

The Directors would also like to express their sincere thanks and appreciation to all the employees for their commendable team work and professionalism.

**For and on behalf of the Board**

**Sd/-  
Ashok Shah  
Chairman**

**Sd/-  
Padmanabhan Iyer  
Managing Director & Global CEO**

**July 22, 2017 at Navi Mumbai**

## Annexure I

### CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2016-17

#### CORPORATE GOVERNANCE PHILOSOPHY OF THE COMPANY

Corporate Governance is viewed as both the structure of and relationships within a Company which determine corporate direction and performance. It is a guideline as to how the Company should be managed and operated in a manner that adds value to the Company and is also beneficial for all stakeholders in the long term.

Your Company's core values - Innovation, Insight and Integrity imbibe in themselves its Corporate Governance Philosophy. Your Company strives to maintain high standards of business conduct and nurtures long term sustainable relationships with the various stakeholders of the organization.

The Board and the Executive Management support, endorse and follow the Corporate Governance practices as detailed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and also ensure that the Company's Code of Conduct is followed in letter and spirit.

#### I. BOARD OF DIRECTORS

##### a. Size and Composition of the Board

The total strength of the Board as on the date of this Report is 6 (six). The Board consists of 2 (two) Independent Non-Executive Directors, including the Chairman. The composition of the Board and the directorships held by the Board Members as on the date of this Report are as under:

Name	Category	Designation	Date of appointment	Date of Resignation	Number of directorships in other companies <sup>@</sup>	Number of chairmanships in committees of Board of other companies <sup>#</sup>	Number of memberships in committees of Boards of other companies <sup>#</sup>
Mr. Ashok Shah (DIN-01194846)	INED	Chairman	1-Oct-15 <sup>^^</sup>	-	-	-	-
Ms. Sarojini Dikhale (DIN-02755309)	NED	Director	23-Oct-15	-	1	-	-
Mr. Shantanu Prasad <sup>\$\$\$</sup> (DIN-06972253)	ND	Director	16-Sep-14	-	1	-	-
Dr. Shashank Desai (DIN-00143638)	INED	Director	23-Sep-15 <sup>^^</sup>	-	4	-	-
Mr. Madhivanan Balakrishnan* (DIN-01426902)	ED	Managing Director & Global CEO	01-Jul-12	07-June-16	NA	NA	NA
Mr. Shanti Lal Jain <sup>\$\$</sup> (DIN – 07692739)	ND	Director	23-Jan-17	-	-	-	-
Mr. Padmanabhan Iyer <sup>^</sup> (DIN-05282942)	ED	Managing Director & Global CEO	11-Aug-16	-	5	-	1

Legend: INED - Independent Non-Executive Director, NED - Non-Executive Director, ND - Nominee Director, ED - Executive Director

<sup>@</sup> Excludes Directorships in private limited companies, foreign companies and companies formed under Section 8 of the Companies Act, 2013 (the "Act")

<sup>#</sup> Includes Membership/Chairmanship only in the Audit Committee and Stakeholders' Relationship Committee

<sup>\*</sup> Resigned on June 7, 2016

<sup>^</sup> Was appointed as Executive Director effective May 18, 2016 and was further appointed as Managing Director & Global CEO effective August 11, 2016

<sup>\$\$</sup> Was appointed as Nominee Director pursuant to nomination by Allahabad Bank in its capacity as a CDR Lender

<sup>\$\$\$</sup> Was appointed as Nominee Director pursuant to nomination by IDBI Bank Limited in its capacity as a CDR lender

<sup>^^</sup> Re-appointed/ appointed effective this date for a period of 5 years as per the Act. Mr. Ashok Shah and Dr. Shashank Desai were originally appointed as Directors on the Board of the Company on December 1, 2011 and November 3, 2014 respectively

None of the Directors or Key Managerial Personnel (KMP) of the Company is inter se related.

**b. Independent Directors**

The Board includes Directors with independent standing in their respective fields/ profession who can effectively contribute to the Company's business and policy decisions.

A meeting of the Independent Directors was held during the year on August 11, 2016 without presence of the Executive Director or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters, inter-alia, pertaining to the Company's affairs and put forth their views to the Chairman.

As per provisions of Section 149(8) of the Act read with Schedule IV thereof pertaining to Code for Independent Directors, performance evaluation of non-independent directors was carried out at the meeting of Independent Directors, which was further reviewed by the Board as a whole.

**c. Board Meetings**

Along with the matters mandated as per SEBI LODR, the Board also reviews key matters like operations and financial results, acquisitions, joint ventures, capital/operating budgets, findings/comments of the statutory, internal and other auditors, risk management, internal controls, issue of capital and other resource mobilization efforts, etc. The Board also regularly deliberates on the Company's positioning in the Indian and global IT scenario and adopts and approves the strategy for medium and long term growth.

During the financial year ended March 31, 2017, the Board met 9 (nine) times on April 28, 2016; May 18, 2016; June 7, 2016; June 20, 2016; August 11, 2016; August 12, 2016; October 21, 2016; January 23, 2017 and March 7, 2017. The intervening period between two board meetings was well within the maximum period of 120 days as prescribed under SEBI LODR.

In order to facilitate informed deliberations at the meetings, a detailed agenda with necessary enclosures and reports is circulated well in advance of the meeting. Further, presentations are made by Executive Management on various strategic and operational matters. The Board also takes periodical review of compliance reports of all laws applicable to the Company. On some occasions, experts are also invited who provide insights on complex matters.

Details of Meetings attended by the Directors during the year:

Director	Number of Meetings held during the tenure of the Director	Number of Meetings attended	
		In person	Through tele conference
Mr. Ashok Shah	9	7	2
Dr. Shashank Desai	9	8	1
Mr. Shantanu Prasad	9	6	1
Ms. Sarojini Dikhale	9	7	1
Mr. Padmanabhan Iyer <sup>@</sup>	7	7	-
Mr. Madhivanan Balakrishnan <sup>*</sup>	3	3	-
Mr. Shanti Lal Jain <sup>@</sup>	1	-	-

\* Resigned during the year

<sup>@</sup> Appointed during the year

**d. Appointment criteria, performance evaluation, age and remuneration of the Directors**

The policy of the Company for appointment, performance evaluation, age and remuneration of Directors is as mentioned below:

### Appointment criteria

The Nomination and Remuneration Committee consists of three Non-Executive Directors as on the date of this Report of which half are independent directors as per provisions of the Act. The Committee identifies, selects, nominates and recommends induction of Additional Directors on the Board. Based on the recommendations of this Committee, the Board approves the appointment (including re-appointment) of Directors on the Board and their remuneration.

The Company has also received necessary declarations from the concerned Independent Directors pursuant to Section 149 of the Act, regarding the compliance of independence criteria.

### Remuneration Policy

As per provisions of SEBI LODR, the Company has formulated a policy of Remuneration to Directors, Key Managerial Personnel (KMP) and other key employees. While deciding on the remuneration of Directors, the Board and the Nomination and Remuneration Committee (NRC) take into consideration the performance of the Company, the current trends in the industry, the qualification of the appointee(s), their experience, past performance and other relevant factors. The Board/ NRC regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries.

### Details of Remuneration / Compensation

In the year 2016-17, the Company did not pay remuneration by way of commission to the Non-Executive Directors of the Company for the year 2015-16. The NRC evaluates the performance of the Non-Executive Directors every year on the basis of well defined parameters and discussions and the recommendations are placed before the Board. The Board considers the recommendations of the NRC while deciding the remuneration to be paid to the Non-Executive Directors. The quantum of sitting fee payable to Directors has been increased to ₹90,000 per meeting of the Board, ₹75,000 per meeting of the Audit Committee and ₹50,000 per other committee of the Board effective October 21, 2016. The details of the sitting fees paid to the Directors during the year 2016-17 are as given below:

Name of the Non-Executive Director	Total Sitting Fees (In ₹)		
	Gross	TDS	Net
Mr. Ashok Shah	8,70,000	87,000	7,83,000
Dr. Shashank Desai	9,20,000	92,000	8,28,000
Mr. Shantanu Prasad ^	7,30,000	73,000	6,57,000
Ms. Sarojini Dikhale ^	4,55,000	45,500	4,09,500
Mr. Shanti Lal Jain^	-	-	-

^ The sitting fees in respect of these Directors are paid to their respective employers as per their terms of appointment.

During the year, the Company paid remuneration to its Whole Time Directors in accordance with and within the overall limits as per the provisions of Section 197 and other applicable provisions of the Act and rules thereunder, including any notifications / circulars issued by the Ministry of Corporate Affairs as per the details mentioned below :

₹ in crores

Name of the Director	Salary, allowances, Incentives & Bonus	PF & other contribution	Perquisites	Total
Mr. Madhivanan Balakrishnan ^	1.81 <sup>#</sup>	0.02	0.02	1.85
Mr. Padmanabhan Iyer	2.63 <sup>*</sup>	0.05	0.02	2.70

\* Includes the retention incentive for FY 2015-16 and 2016-17

<sup>#</sup> Includes the retention incentive for FY 2015-16

^ Resigned with effect from June 7, 2016

As on March 31, 2017, the Managing Director, who is the only whole-time director of the Company has not received any remuneration or commission from any of its subsidiaries.

**e. Number of shares, convertible instruments or options held by Directors as on March 31, 2017**

Name of the Director	Number of Shares	Number of options
Mr. Padmanabhan Iyer	1,920	16,30,000

None of the other Directors hold any shares, convertible instruments or options of the Company as on March 31, 2017, except as disclosed above.

**f. Code of Conduct**

The Company has adopted a Code of Conduct for Board of Directors and Senior Management, which aims to inculcate the spirit of corporate governance in the affairs of the Company and promotes ethical conduct. The Code is available on the website of the Company under the Investors section. Adherence to this Code is essential and any breach of the same attracts disciplinary action. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as on March 31, 2017.

A Declaration to this effect signed by the Managing Director forms part of this Report.

**g. Code of conduct for prevention of insider trading**

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for Directors and Designated Persons of the Company, its subsidiaries and their dependent family members in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing in the shares of the Company and cautions them of the consequences of violations.

## **II. BOARD COMMITTEES**

Currently, the Board has four Committees, viz.

- Audit Committee;
- Stakeholders' Relationship Committee;
- Nomination and Remuneration Committee and
- Corporate Social Responsibility (CSR) Committee.

The Committees of the Board at present, their constitution and terms of reference are set out below:

**a. Audit Committee**

The Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of Internal and Statutory Audits.

The terms of reference of the Audit Committee, inter alia, include:

- Oversee the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommend the appointment/removal of Statutory Auditor(s) and Internal Auditor(s), fixing the audit fee and also approving the payment for any other services;
- Recommending the terms of appointment of auditors of the Company;
- Review and monitor auditor's independence and performance and effectiveness of audit process;
- Review with the Management, the quarterly/annual financial statements and the auditors' report thereon before submission to the Board;

- Monitor the end use of funds raised through public offer and review with the Management the statement of usage/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and make appropriate recommendations to the Board to take up steps in this matter;
- Review with the Management the adequacy of internal control system and performance of External and Internal Auditors;
- Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors, before the audit commences, about the nature and scope of audit as well as having post audit discussion to ascertain any area of concern;
- To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- Discussion with Internal Auditors on any significant findings and follow up thereon;
- Review the Company's financial and risk management policies;
- Evaluation of internal financial controls and risk management systems;
- Review the functioning of the Whistle Blower mechanism;
- Review the financial statements of subsidiary companies;
- Look into reasons for substantial defaults, if any, in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors;
- Approving the appointment of Chief Financial Officer (CFO) after assessing the qualifications, experience and background, etc. of the candidate before finalization of the appointment by the management;
- Scrutinise inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Approval or subsequent modification of transactions with related parties and
- To carry out any other function as may be required to be carried out by the Audit Committee under the Companies Act, 2013 and the rules thereunder, SEBI (LODR) and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force).

During the year under review, there were no changes in the composition of the Audit Committee.

The composition of the Audit Committee as on March 31, 2017 was as under:

<b>Director</b>	<b>Position</b>
Dr. Shashank Desai	Chairman
Mr. Ashok Shah	Member
Mr. Shantanu Prasad	Member

The Audit Committee comprises of Non-Executive Directors, majority of them being independent. The qualifications and expertise of the committee members are in line with requirements of SEBI LODR read

with Section 177 of the Act. The Chairman of the Committee is an Independent Director. The Managing Director & Global CEO, CFO, Internal Auditors and Statutory Auditors attend the Meetings of the Audit Committee as invitees. The Company Secretary is the Secretary to the Committee. The Chairman of the Audit Committee had attended the previous Annual General Meeting held on December 7, 2016 to respond to shareholder queries, if any.

The Committee met four times during the year 2016-17 on August 11, 2016; August 12, 2016; October 21, 2016 and January 23, 2017. The time gap between any two Meetings was less than four months.

Meetings attended during the year:

Director	Number of Meetings held during the tenure of the Director as a Member of the Committee	Number of Meetings Attended
Dr. Shashank Desai	4	4
Mr. Ashok Shah	4	4
Mr. Shantanu Prasad	4	4

**b. Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee of the Company was constituted by the Board to look into the redressal of shareholders'/investors' complaints such as transfer of securities, non-receipt of dividend, notice, Annual Reports and all other securities holder related matters.

The terms of reference of this Committee, inter alia, include:

- Allot to the applicants, shares and other securities issued by the Company from time to time including allotment under Employees Stock Option Schemes, as amended from time to time;
- Approve printing of share certificates and other securities and lay down procedures for their issue, safe-keeping and proper maintenance, etc.;
- Approve registration of transfer of shares and other securities issued and that may be issued from time to time and approve or reject application for transmission of shares;
- Approve/reject applications for dematerialisation, re-materialisation, sub-division, consolidation, transposition and thereupon issue share certificates to the shareholders;
- Lay down suitable procedure and approve issue of duplicate certificates of shares and other securities;
- Decide account(s) to be opened/closed with any bank(s) in India, for the purpose of payment of interest / dividend or for other purpose relating to shares or other securities;
- Decide the stock exchange(s)/depository (ies) in India or abroad, on which shares or other securities issued by the Company are to be listed or delisted including offering/issuing such shares/securities through depositories;
- Fix record date and determine closure of Register of Members and Transfer Books for the purpose of payment of dividend, interest, issue of rights/bonus shares or for such other purpose as the Committee may deem fit;
- Consider and resolve the grievances of shareholders, debentureholders, deposit holders and other security holders of the Company;
- Redressal of shareholder and investor complaints such as transfer of shares, non-receipt of Annual Reports, non-receipt of dividend declared, non-payment of interest to debenture holders and deposit holders or any security holders, etc;

- Report to the Board about important developments in the area of servicing of shareholders and
- Take initiatives for better servicing of the shareholders.

During the year under review, there were no changes in the composition of the Stakeholders' Relationship Committee.

The composition of the Committee as on March 31, 2017 was as under:

<b>Name of the Director</b>	<b>Position</b>
Mr. Ashok Shah	Chairman
Dr. Shashank Desai	Member
Mr. Shantanu Prasad	Member

Majority of the Members of this Committee, including the Chairman of the Committee, are Independent Non- Executive Directors. Mr. Rajeev Limaye, Company Secretary is Secretary to this Committee.

The Committee met four times during the year 2016-17 on August 11, 2016; August 12, 2016; October 21, 2016; January 23, 2017.

Meetings attended during the year:

<b>Director</b>	<b>Number of Meetings held during the tenure of the Director as a Member of the Committee</b>	<b>Number of Meetings Attended</b>
Mr. Ashok Shah	4	4
Dr. Shashank Desai	4	4
Mr. Shantanu Prasad	4	4

The status of Investors' & Shareholders' instructions and grievances received during the year is as below:

	<b>Opening Balance as on April 1, 2016</b>	<b>Received</b>	<b>Processed</b>	<b>Pending as on March 31, 2017</b>
Instructions	Nil	74	74	Nil
Grievances	Nil	1	1	Nil

#### **c. Nomination and Remuneration Committee**

In compliance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Nomination and Remuneration Committee has been constituted.

The terms of reference of this Committee inter alia include:

- Identify the prospective Directors and assist the Board in filling up vacancies in the offices of Directors of the Company and its subsidiaries;
- Evaluate the current composition, organisation and governance of Board and its committees, boards of its subsidiaries, determine future requirements and make recommendations to the Board for approval;
- Evaluate the performance of the Board and its Committees and Boards of its subsidiaries;
- Ensure that the Board and the Boards of the subsidiaries are properly constituted to meet its fiduciary obligations, the Corporate Governance principles and best practices;
- Determine the Director(s) who shall be liable to retire by rotation;
- Oversee the evaluation of the Board and the Management;
- Formulate the code of ethics and governance;



- Evaluate succession planning and work with the Board for evaluating the potential successors to executive management positions;
- Evaluate and recommend to the Board, the compensation plan, policies and programmes for Executive Directors and Senior Management Personnel;
- Review of the terms of reference and annually review its own performance and subject it to assessment by the Board;
- Review performance of Whole-time Directors of the Company and the subsidiaries, nominated by the Company on its Board vis-à-vis Key Performance Areas and to recommend the remuneration payable to them from time to time by way of salary, perquisites, commission, allowances, performance bonus, stock options, etc.;
- Approve the policy for quantum of bonus payable to members of the staff;
- Identify persons who may be appointed in senior management in accordance with criteria laid down and recommend to the Board their appointment and removal;
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, regarding remuneration for the Directors, Key Managerial Personnel and other employees;
- Formulate criteria for evaluation of Independent Directors and the Board;
- Devise a policy on Board diversity;
- To frame/modify the Employees Stock Options Scheme and recommend granting of stock options to the staff and whole-time directors of the Company and the group companies and
- Make recommendations to the Board in respect of the incentive compensation plans.

The Composition of the Committee as on March 31, 2017 was as under:

<b>Director</b>	<b>Position</b>
Dr. Shashank Desai	Chairman
Mr. Ashok Shah	Member
Ms. Sarojini Dikhale	Member

The Committee met twice during the year 2016-17 on June 20, 2016 and August 11, 2016.

Meetings attended during the year:

<b>Director</b>	<b>Number of Meetings held during the tenure of the Director as a Member of the Committee</b>	<b>Number of Meetings Attended</b>
Dr. Shashank Desai	2	2
Mr. Ashok Shah	2	2
Ms. Sarojini Dikhale	2	1

All the Members of the Committee are Non-Executive Directors with majority being Independent Directors. The Chairman of the Committee is an Independent Director. The Chairman of the Board is a Member of the Committee but does not chair the Committee.

**d. Corporate Social Responsibility (CSR) Committee**

As required under Section 135 of the Act, the Board, at its meeting held on May 2, 2014, constituted a Committee for looking exclusively into the CSR initiatives of the Company.

The terms of reference of the CSR Committee inter alia include:

- Consider and formulate the Company's value and strategy with regard to CSR, develop and review the Company's CSR policies and recommend the amount of expenditure to be incurred on activities indicated

in the said CSR policies;

- Identify CSR issues and related risks and opportunities relevant to the Company's operations and incorporate the issues or factors into the Company's existing risk management;
- Monitor and oversee the implementation of the Company's CSR policies and practices to ensure compliance with the applicable legal and regulatory requirements;
- Evaluate and enhance the Company's CSR performance and make recommendation to the Board for improvement;
- Review and endorse the Company's annual CSR report for the Board's approval for public disclosure and
- Monitor the CSR Policy of the Company from time to time.

The composition of the Committee as on March 31, 2016 was as under:

Director	Position
Mr. Ashok Shah	Chairman
Ms. Sarojini Dikhale	Member
Mr. Madhivanan Balakrishnan*	Member

\*Resigned during the year

The Committee was re-constituted by appointing Mr. Padmanabhan Iyer as a Member of this Committee on August 11, 2016 pursuant to resignation of Mr. Madhivanan Balakrishnan.

The composition of the Committee as on March 31, 2017 was as under:

Director	Position
Mr. Ashok Shah	Chairman
Ms. Sarojini Dikhale	Member
Mr. Padmanabhan Iyer	Member

During the year, the Committee met once on August 11, 2016. This meeting was attended by all the Members of the Committee as on that date.

### III. GENERAL MEETINGS

#### Details of the Annual General Meetings (AGMs) held in the last three years

Year	Date and Time	Venue	Special Resolutions passed
2015-16	December 7, 2016 at 4:00 p.m.	Arya Samaj Hall, Plot No. 6, Sector 9A, Vashi, Navi Mumbai – 400 703	1. Appointment of Mr. Padmanabhan Iyer (DIN-05282942) as Managing Director and Global CEO 2. Issue of equity shares to SREI Alternative Investment Managers Limited - Vision India Fund ("SAIML-VIF") against conversion of a portion of outstanding debt.
2014-15	September 23, 2015 at 4:00 p.m.		1. Appointment of Mr. Ashok Shah (DIN-01194846) as an Independent Director for a period of 5 years effective October 1, 2015 2. Approval for payment of remuneration to Mr. Madhivanan Balakrishnan (DIN-01426902) as the Managing Director & CEO for a period of 2 years effective July 1, 2015
2013-14	September 16, 2014 at 11:30 a.m.		None

**Attendance of the Directors at the last Annual General Meeting held on December 7, 2016**

Mr. Ashok Shah (Chairman of the Board and Chairman- Stakeholders Relationship Committee and Corporate Social Responsibility Committee);

Ms. Sarojini Dikhale, Non-Executive Director;

Dr. Shashank Desai (Chairman - Audit Committee and Nomination and Remuneration Committee) and

Mr. Padmanabhan Iyer, Managing Director & Global CEO.

Apart from Directors, Mr. R.P. Baradiya, Partner from Lodha & Company, Statutory Auditor and Mr. Prakash Pandya, Scrutinizer and Partner from BNP & Associates, Company Secretaries- Secretarial Auditor were also present at the last Annual General Meeting.

**No Extraordinary General Meeting was held during the last three years.****Resolutions passed through Postal Ballot**

During the year 2016-17 and till the date of this Report, the Company sought the approval of the Members by way of Postal Ballot pursuant to Section 110 of the Companies Act, 2013 (the "Act") read with the rules thereunder, the details of which are given below:

Date of the Notice	Last date for receipt of Postal Ballot Forms	Date of Result	Name of the Scrutinizer	Special Resolutions passed
March 28, 2016	May 11, 2016	May 13, 2016	Mr. Jatin S. Popat, Partner, BNP & Associates	<ol style="list-style-type: none"><li>1. Increase in Authorised Share Capital of the Company and consequent amendment to the Memorandum of Association of the Company;</li><li>2. Amendment to the Articles of Association of the Company;</li><li>3. (i) Issue, as part of the proposed restructuring of the outstanding USD 125,356,000 5 per cent convertible bonds due 2017 (the "5% Bonds") and USD 2,435,000 4.75 per cent convertible bonds due 2017 (the "4.75% Bonds", and together with the 5% Bonds, the "Existing Bonds"), new foreign currency convertible bonds to the holders of the Existing Bonds in exchange for the Existing Bonds, and (ii) amend the terms of the outstanding Existing Bonds (to the extent not exchanged) including extension of the maturity and reduction of the rate of interest and</li><li>4. Issue of equity shares against conversion of a portion of the outstanding amounts due to the Lenders.</li></ol>

Date of the Notice	Last date for receipt of Postal Ballot Forms	Date of Result	Name of the Scrutinizer	Special Resolutions passed
April 6, 2017	May 21, 2017	May 24, 2017	Mr. B. Narasimhan, Partner, BNP & Associates	<ol style="list-style-type: none"> <li>1. Renewal of the resolution passed by the Members on March 18, 2016 in relation to issue of Equity Shares against conversion of a portion of the outstanding amounts due to the DRS Lenders and ratifications of the actions taken pursuant thereto and</li> <li>2. Issue of Equity Shares against conversion of a portion of the outstanding amounts due to the Non-CDR Lenders.</li> </ol>

Pursuant to Section 110 of the Act read with rules thereunder, notice of the Postal Ballot was sent through electronic form to all those shareholders whose e-mail ids were registered with the Depository Participant (DP) and Postal Ballot forms along with the notice were sent through courier/speed post to those who held shares in physical form.

The Results of the Postal Ballots, details of which are given under, were also displayed at the Registered Office of the Company and on its website:

**a) Postal Ballot Result declared on May 13, 2016**

Particulars	Number of Shares Held	Number of Votes polled	Percentage of Votes polled on outstanding shares	Number of Votes - in favour	Number of Votes – against	Percentage of Votes in favour on votes polled	Percentage of Votes against on votes polled
Resolution No. 1	640,803,928	178,729,172	27.89	161,256,653	17,472,519	90.22	9.78
Resolution No. 2	640,803,928	178,711,201	27.89	161,242,399	17,468,802	90.23	9.77
Resolution No. 3	640,803,928	178,700,141	27.89	161,231,838	17,468,303	90.22	9.78
Resolution No. 4	640,803,928	178,718,209	27.89	161,243,980	17,474,229	90.22	9.78

**b) Postal Ballot Result declared on May 24, 2017**

Particulars	Number of Shares Held	Number of Votes polled	Percentage of Votes polled on outstanding shares	Number of Votes - in favour	Number of Votes – against	Percentage of Votes in favour on votes polled	Percentage of Votes against on votes polled
Resolution No. 1	1,183,651,403	551,021,398	46.5527	550,942,018	79,380	99.9856	0.0144
Resolution No. 2	1,183,651,403	550,949,922	46.5466	550,875,952	73,970	99.9866	0.0134

#### IV. DISCLOSURE REQUIREMENTS

**a) Related party transactions**

There were no materially significant transactions with related parties. The details of related party transactions entered into between the Company and its Promoters, Subsidiaries, Directors or their Relatives, etc. have been presented in Notes to Accounts in the Annual Report.

The Board has approved a policy for related party transactions which has been uploaded on the Company website at the following link:

<http://www.3i-infotech.com/content/investors/-2/> under Corporate Governance

**b) Details of non-compliance, penalties, etc.**

In terms of Regulation 33 of SEBI LODR, BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) had imposed penalty of ₹77,88,996/- and ₹ 67,73,039/- respectively for non-compliance under Regulation 33 of SEBI LODR since the Company could not submit the Financial Results for quarter and year ended March 31, 2016 within 60 days from the end of the financial year. Further, the Company has paid the penalty so imposed and also submitted Audited Financials for the quarter and year ended March 31, 2016 on August 11, 2016. In 2014-15, a penalty of ₹ 50,000/- was imposed on the Company by NSE and BSE respectively for failure to appoint a Woman Director on the Board of the Company on or before March 31, 2015 in terms of Clause 49 of the Listing Agreement and Section 149 of the Act. The Company had paid the penalty to NSE and BSE and had appointed Woman Director effective July 28, 2015. Except for the above, no other penalties or strictures were imposed on the Company by Stock Exchanges, SEBI or any statutory or other authority on any matters relating to capital markets during the last three financial years.

**c) Whistle Blower Policy/Vigil Mechanism**

The Company has put in place a Whistle Blower Policy and has established the necessary vigil mechanism to enable the employees and Directors to report concerns on unethical behavior.

Under the Policy, employees and Directors of the Company and its subsidiaries are free to communicate any matters of concern in areas of accounts, finance, management, operations, employment and other affairs of the Company and its subsidiaries and discuss the same in terms of this Policy. Since this Policy came into effect, no employee has been denied access to the Audit Committee.

The Policy is put up on the website of the Company at the following link

<http://www.3i-infotech.com/content/investors/-2/> under Corporate Governance.

**d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**

The Company has complied with all the mandatory requirements.

The Company has also adopted the following non-mandatory requirements:

**i. The Board**

The Company arranges for reimbursement of expenses incurred by Non-Executive Chairman of the Company for his official duties.

**ii. Separate Posts of Chairman and CEO**

Mr. Ashok Shah is the Chairman of the Company and Mr. Padmanabhan Iyer is the Managing Director and Global CEO of the Company. The Company has complied with the requirement of having separate persons for the post of Chairman and CEO.

**e) Other disclosure requirements**

**1. Training of Board Members**

A new Director, on being inducted to the Board, is familiarized with the Company's Corporate Profile, Code of Conduct for Directors and Senior Management, Insider Trading Code and the Company's Policy for Unfair Trading Practices in Securities. The details of the familiarisation program have been uploaded on the Company website at the following link:

<http://www.3i-infotech.com/content/investors/-2/> under Corporate Governance

**2. Policy for determining material subsidiaries of the Company**

The policy is available on the website of the Company at the following link:

<http://www.3i-infotech.com/content/investors/-2/> under Corporate Governance.

**3. Management Discussion & Analysis**

A detailed Management Discussion and Analysis along with risks and concerns is given in a separate section of the Annual Report.

## V. MEANS OF COMMUNICATION - QUARTERLY / HALF YEARLY RESULTS, ETC.

The Company's periodic financial results, factsheets and official news releases made to the investors and analysts are displayed on the website of the Company at [www.3i-infotech.com](http://www.3i-infotech.com). Financial results are also published in The Financial Express (English) and Mumbai Lakshadeep (regional newspaper).

The Company has an Investor Grievance cell to address the grievances/queries of the shareholders. In order to enable the shareholders to raise queries and grievances, the Company has a separate email ID: [investors@3i-infotech.com](mailto:investors@3i-infotech.com).

## VI. GENERAL SHAREHOLDER INFORMATION

### a) Details of ensuing AGM

Day and Date	Time	Venue
Wednesday, September 6, 2017	4:00 p.m.	Arya Samaj Hall, Plot No.6, Sector 9A, Vashi, Navi Mumbai - 400 703

### b) Schedule of the Board Meetings for consideration of Financial Results

Quarter Ended	Date*
June 30, 2017	July 22, 2017
September 30, 2017	October 14, 2017
December 31, 2017	January 25, 2018
March 31, 2018	May 4, 2018

\*Above dates are tentative and subject to change

### c) Financial Year: April 1 - March 31

### d) Date of Book Closure: Wednesday, August 30, 2017 to Wednesday, September 6, 2017 (Both days inclusive)

### e) Listing

The Equity Shares are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Annual Listing Fees have been paid to both these Stock Exchanges.

### f) Stock Exchanges Codes and ISIN (International Securities Identification Number)

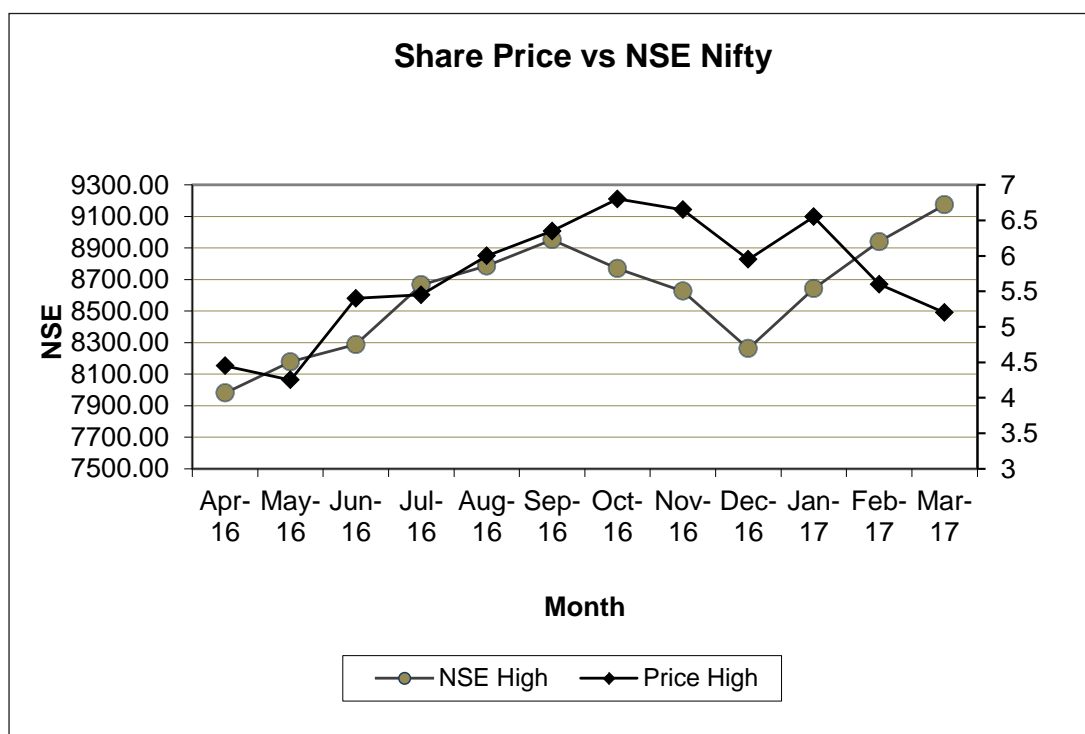
Stock Exchange	NSE	BSE
Exchange Code	3IINFOTECH	532628
Temporary ISIN in National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) pending receipt of trading approvals from exchanges	IN8748C01011	
Permanent ISIN in National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) for credit of shares upon receipt of trading approvals from exchanges	INE748C01020	

**g) Stock Market Data**

Monthly highs, lows and trading volume for 2016-17:

Month	National Stock Exchange			Bombay Stock Exchange			Total Quantity Traded
	High	Low	Trade Quantity	High	Low	Trade Quantity	
April-16	4.45	4.15	1,97,70,922	4.46	4.19	55,28,123	2,52,99,045
May-16	4.25	3.80	2,25,07,363	4.25	3.85	61,55,767	2,86,63,130
June-16	5.4	3.80	6,80,86,410	5.39	3.79	1,83,29,942	8,64,16,352
July-16	5.45	4.95	4,88,89,833	5.47	4.96	1,67,41,777	6,56,31,610
August-16	6.00	4.90	10,65,26,862	6.02	4.91	2,46,90,467	13,12,17,329
September-16	6.35	5.05	7,98,00,142	6.37	5.08	1,97,95,452	9,95,95,594
October-16	6.80	5.7	7,91,84,265	6.81	3.33	2,05,91,786	9,97,76,051
November-16	6.65	5	4,95,67,516	6.65	5.02	1,02,29,445	5,97,96,961
December-16	5.95	5.35	2,70,46,641	5.94	5.34	64,39,009	3,34,85,650
January-17	6.55	5.60	5,50,74,015	6.55	5.59	1,27,64,416	6,78,38,431
February-17	5.60	5.1	4,61,22,590	5.62	5.14	81,82,904	5,43,05,494
March-17	5.20	4.7	4,43,34,910	5.24	4.73	94,12,442	5,37,47,352

**h) 3i Infotech share prices versus the NSE Nifty**



**i) Registrar and Transfer Agent**

The Company is a SEBI Registered, Category I Share Transfer Agent and handles all Registrar and Transfer Agents' work in-house. The Company has adequate infrastructure to service its Shareholders.

**j) Share transfer system**

The Company, as SEBI Registered R&T agent, has expertise and effective systems for share transfers.



**k) Distribution of Holdings as on March 31, 2017**

Share holding of nominal value of (₹)	Shareholders		Share Amount	
	Number	Percentage to total (%)	(₹)	Percentage to total (%)
Upto 5000	103,752	65.95	17,480,715	1.48
5001-10000	19,669	12.50	17,054,141	1.44
10001-20000	12,547	7.98	20,203,754	1.71
20001-30000	5,508	3.50	14,525,596	1.23
30001-40000	2,604	1.66	9,541,380	0.81
40001-50000	3,261	2.07	15,766,900	1.33
50001-100000	4,814	3.06	37,354,378	3.16
100001 and above	5,168	3.28	1,051,724,539	88.84
<b>Total</b>	<b>157,323</b>	<b>100.00</b>	<b>1,183,651,403</b>	<b>100.00</b>

**l) Shareholding Pattern as on March 31, 2017**

Category	Shares	Percentage (%)
Promoter- (IDBI Trusteeship Services Limited (ICICI Strategic Investments Fund))	-	-
Government Financial Institutions	21,687,921	1.83
Nationalized Banks	144,509,554	12.21
Financial Institutional Investors (FIIs)	40,449,902	3.42
Overseas Corporate Bodies (OCBs)	-	-
Foreign Banks / Companies	238,934,052	20.19
Non-Residents	70,950,829	5.99
Mutual Funds	-	-
Bodies Corporate	81,615,315	6.90
Other Banks	217,276,380	18.36
Resident Indians	343,387,689	29.00
NBFCs Registered with RBI	24,839,761	2.10
Provident Fund-Pension Fund	-	-
<b>TOTAL</b>	<b>1,183,651,403</b>	<b>100.00</b>
<b>Number of Shareholders</b>	<b>157,323</b>	

**m) Dematerialization of shares and liquidity**

On March 31, 2017, all the shares of the Company were held in dematerialized mode, except 74,983,739 shares, which were held in physical mode.

**n) Unclaimed Shares lying in Demat Suspense Account**

The Company has a separate demat suspense account (no. IN302902/47834376) as per the requirements of Regulation 39 read with Schedule VI of SEBI LODR (previously SEBI Circular No. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009 amending the erstwhile listing agreement).

The details of shares held in the said demat suspense account are as under:

Particulars	Number of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account at the beginning of the year	4	532
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Number of holders to whom shares were transferred from suspense account during the year	-	-
Aggregate number of shareholders and the outstanding shares lying in suspense account as on March 31, 2017	4	532

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**o) Transfer to Investor Education and Protection Fund**

As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs on September 7, 2016, the Company is required to file (with the Registrar of Companies (ROC)) details of unclaimed/unpaid dividend lying with the Company which would be transferred to Investor Education and Protection Fund (IEPF) after a period of seven years of its declaration with the Registrar of Companies (ROC) and to display the details on the website of the Company. Accordingly, the details of unclaimed/unpaid dividend were filed with ROC and they are also displayed on the website of the Company.

Shareholders who have not claimed their dividend are hereby advised to claim their unclaimed/ unpaid amount due to them by making a request to the Company giving their particulars before the same are transferred to the IEPF. Once unclaimed dividend is transferred to the IEPF, no claim in respect thereof shall lie with the Company.

Further, the unclaimed dividend of ₹590,488/- pertaining to year 2008-09 was transferred to IEPF, as required by the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

**p) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity**

The details of the outstanding Foreign Currency Convertible Bonds as on March 31, 2017 are given below:

Particulars	USD 125.356 Million 2.5% Convertible Bonds due 2025	USD 100 Million 2.5% Convertible Bonds due 2025	USD 42.44175 Million 2.5% Convertible Bonds due 2025
ISIN	XS0769181982	XS0308551166	XS1423751418
Outstanding Amount	USD 3.07925 Million	USD 0.48375 Million	USD 16.32305 Million
Coupon/Yield (payable at semi-annual intervals)	2.5% p.a.	2.5% p.a.	2.5% p.a.
Conversion Price	₹16.50	₹165.935	₹10 for the portion of Bonds subject to automatic conversion ₹12.50 for the portion of Bonds not subject to automatic conversion
Fixed Exchange Rate	1 USD = ₹50.7908	1 USD = ₹40.81	1USD = ₹66.3260
Maturity Date	March 31, 2025	March 31, 2025	March 31, 2025
Redemption Price	100% of the principal amount	100% of the principal amount	100% of the principal amount
Expected number of shares to be issued	9,478,640	118,973	86,611,409

The Company has successfully restructured its Foreign Currency Convertible Bonds (FCCBs) outstanding as on March 31, 2016. As per restructuring terms, the bondholders have given their consent for a haircut of 35% of the outstanding principal amount and conversion of 40% of the outstanding principal amount into equity shares and the balance 25% of the outstanding principal amount due to bondholders would continue under the current FCCB issues with amended terms or as a new issue of bonds, depending on whether the bondholder has consented to exchange his existing bonds for new ones or chosen to get the terms of his existing bonds amended. The bondholders at their meetings held on July 27, 2016 and August 10, 2016 granted their approval for amendment of the terms of restructuring of their bonds as mentioned above (i.e. by way of exchange or amendment of terms) and exchange of bonds as per the Debt Realignment Scheme (DRS) proposal submitted to them.

**q) Plant Locations**

As the Company is engaged in Information Technology industry, it does not have any plant. The Company operates from various offices in India and abroad.

**r) Address for correspondence**

**COMPLIANCE OFFICER**

Company Secretary & Compliance Officer  
3i Infotech Limited  
(CIN : L67120MH1993PLC074411)  
Tower # 5, 5<sup>th</sup> Floor, International Infotech Park,  
Vashi, Navi Mumbai 400 703,  
Maharashtra (India)  
Ph: (91-22) 7123 8000  
Fax: (91-22) 7123 8310  
Email: [co@3i-infotech.com](mailto:co@3i-infotech.com)

**SHARE DEPARTMENT**

3i Infotech Limited  
Tower # 5, 3<sup>rd</sup> Floor, International Infotech Park,  
Vashi Railway Station Commercial Complex,  
Vashi, Navi Mumbai 400 703,  
Maharashtra (India)  
Ph: (91-22) 7123 8015/8062  
Fax: (91-22) 7123 8099  
Email: [investors@3i-infotech.com](mailto:investors@3i-infotech.com)

**Navi Mumbai, July 22, 2017**

## **CERTIFICATE FROM MANAGING DIRECTOR & GLOBAL CEO FOR COMPLIANCE OF CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT**

This is to certify that 3i Infotech Limited has put in place the Code of Conduct for the Board of Directors and Senior Management. This Code is applicable to all the Directors of the Company and the Members of Senior Management, who are one level below the Executive Directors, including all the functional heads and heads of Business Geographies. The Directors and Members of Senior Management have affirmed compliance with the Code of Conduct for the Board of Directors and Senior Management for the financial year ended March 31, 2017.

**Padmanabhan Iyer,**  
**Managing Director & Global CEO,**  
**3i Infotech Limited**

**July 22, 2017 at Navi Mumbai**

---

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of conditions of Corporate Governance by 3i INFOTECH LIMITED (hereinafter referred as 'the Company'), for the year ended 31 March, 2017 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

### **Management Responsibility**

We state that compliance of conditions of corporate governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### **Auditors Responsibility**

Our examination was limited to a review of the procedures and implementations thereof, adopted by the company, for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and management, we certify that the Company has complied with in all material aspects, the conditions of Corporate Governance as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraph C and D of Schedule V of the Listing Regulations.

We further state that such compliance is neither an assurance as to the further viability of the company nor the efficiency and effectiveness with which the management has conducted the affairs of the company.

This certificate is issued solely for the purpose of complying with Listing Regulations and may not be suitable for any other purpose.

### **For LODHA & Company**

Chartered Accountants

**Firm Registration No: 301051E**

**Sd/-**

**(R. P. Baradiya)**

**Partner**

**Membership No. 44101**

**July 22, 2017**

### **For GMJ & Company**

Chartered Accountants

**Firm Registration No: 103429W**

**Sd/-**

**(Sanjeev Maheshwari)**

**Partner**

**Membership No: 38755**

**FORM NO. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2017  
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

CIN	L67120MH1993PLC074411
Registration Date	October 11, 1993
Name of the Company	3i Infotech Limited
Category / Sub-Category of the Company	Public Company / Limited by shares
Address of the Registered Office and contact details	Tower #5, 3 <sup>rd</sup> to 6 <sup>th</sup> Floor, International Infotech Park, Vashi, Navi Mumbai – 400 703 Ph: +91-22-7123 8000
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	The Company has an in-house Share Department at the registered office address. Contact details – email: <a href="mailto:investors@3i-infotech.com">investors@3i-infotech.com</a> Ph: +91-22-7123 8000

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Computer programming, consultancy and related activities	620	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	Country	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Professional Access Software Development Private Limited	India	U72200TN2002PTC048799	Subsidiary	100	2(87)
2	3i Infotech BPO Limited	India	U74899DL1990PLC039478	- do -	100	2(87)
3	3i Infotech Consultancy Services Limited	India	U72900MH2007PLC176323	- do -	100	2(87)
4	Locuz Enterprise Solutions Limited	India	U72200TG1999PLC032881	- do -	74	2(87)
5	IFRS Cloud Solutions Limited (formerly known as "3i Infotech Outsourcing Services Limited")	India	U74999MH2011FLC215259	- do -	100	2(87)
6	3i Infotech Inc.	USA	N.A.	- do -	100	2(87)
7	3i Infotech (UK) Limited	UK	N.A.	- do -	100	2(87)
8	3i Infotech Asia Pacific Pte. Limited	Singapore	N.A.	- do -	100	2(87)
9	3i Infotech (Thailand) Limited	Thailand	N.A.	- do -	100	2(87)
10	3i Infotech Services SDN BHD	Malaysia	N.A.	- do -	100	2(87)
11	3i Infotech (Western Europe) Holdings Limited	UK	N.A.	- do -	100	2(87)

Sr. No.	Name and Address of the Company	Country	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
12	3i Infotech (Western Europe) Group Limited	UK	N.A.	- do -	100	2(87)
13	Rhyme Systems Limited	UK	N.A.	- do -	100	2(87)
14	3i Infotech Holdings Private Limited	Mauritius	N.A.	- do -	100	2(87)
15	3i Infotech Saudi Arabia LLC	KSA	N.A.	- do -	100	2(87)
16	3i Infotech Financial Software Inc	USA	N.A.	- do -	100	2(87)
17	3i Infotech (Africa) Limited	Kenya	N.A.	- do -	100	2(87)
18	Black-Barret Holdings Limited	Cyprus	N.A.	- do -	100	2(87)
19	3i Infotech (Middle East) FZ LLC	UAE	N.A.	- do -	100	2(87)
20	3i Infotech SDN BHD	Malaysia	N.A.	- do -	100	2(87)
21	Elegon Infotech Limited	China	N.A.	- do -	100	2(87)
22	3i Infotech (South Africa) (Pty) Limited	RSA	N.A.	- do -	100	2(87)
23	Locuz Inc.	USA	N.A.	- do -	74*	2(87)
24	Process Central Limited	Nigeria	N.A.	Associate	47.5	2(6)

\*Locuz Inc is the wholly owned subsidiary of Locuz Enterprise Solutions Limited in which the Company holds 74% stake.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Please refer *Annexure IIA*.

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	515.65	310.13	-	825.78
ii) Interest due but not paid	11.00	12.03	-	23.03
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>526.65</b>	<b>322.16</b>	<b>-</b>	<b>848.81</b>
<b>Change in Indebtedness during the Financial Year</b>				
<b>Principal Addition</b>				
- On account of Debt Restructuring Scheme	-	-	-	-
- Others	0.02	7.22	-	7.24
<b>Interest – Addition</b>				
- On account of Debt Restructuring Scheme (net)	0.93	-	-	0.93
- Others	47.21	4.52	-	51.73
<b>Principal – (Reduction)</b>				
- On account of Debt Restructuring Scheme (net)	(31.97)	-	-	(31.97)
- Others	(8.62)	(30.58)	-	(39.20)



	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Interest – (Reduction)</b>				
- On account of Debt Restructuring Scheme (DRS)	-	-	-	-
- Others	(52.65)	(3.19)	-	(55.84)
<b>Net Change</b>	(45.08)	(22.03)	-	(67.11)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	475.08	286.77	-	716.85
ii) Interest due but not paid	6.49	13.36	-	19.85
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	481.57	300.13	-	781.70

Notes :

- 1) The transaction movements reflected in the above table exclude the effects of fair valuation of financial instruments, which have been accounted in ' Borrowings' consequent to implementation of Ind AS.
- 2) Addition/Reduction on account of DRS represents the effects accounted consequent to crystallization during the year of final exposure amounts of borrowings of certain lenders.

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Please refer *Annexure IIB*.

#### VII. PENALTIES /PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalties / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any ( give details)
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

#### Other Officers in Default

Type	Section of the Companies Act, 1956	Brief Description	Details of Penalties / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give details)
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

**ANNEXURE II A**
**I. SHAREHOLDING PATTERN ( EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**

SI No.	Category of shareholders	No. of Shares held at the beginning of the year April 1, 2016				No. of Shares held at the end of the year March 31, 2017				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A</b>	<b>Promoters</b>									
(1)	Indian									
a)	Individual / HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	-	-	-	-	-	-	-	-
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any Other - Trust	3,05,60,488	-	3,05,60,488	4.77	-	-	-	-	(4.77)
	<b>Sub-total (A) (1) :-</b>	<b>3,05,60,488</b>	<b>-</b>	<b>3,05,60,488</b>	<b>4.77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4.77)</b>
(2)	Foreign				-				-	-
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other - Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3,05,60,488</b>	<b>-</b>	<b>3,05,60,488</b>	<b>4.77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4.77)</b>
<b>B</b>	<b>Public Shareholding</b>				-				-	-
(1)	Institutions				-				-	-
a)	Mutual Funds / UTI-II	-	-	-	-	-	-	-	-	-
b)	Banks /FI	13,27,66,853	-	13,27,66,853	20.72	33,38,70,652	2,79,15,282	36,17,85,934	30.57	9.85
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	2,24,18,772	-	2,24,18,772	3.50	2,16,87,921	-	2,16,87,921	1.83	(1.67)
g)	FIs	2,93,398	-	2,93,398	0.05	33,398	4,04,16,504	4,04,49,902	3.42	3.37
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Other (specify)	-	-	-	-	-	-	-	-	-
	Foreign Banks	5,69,83,883	-	5,69,83,883	8.89	19,52,45,241	-	19,52,45,241	16.50	7.60
	<b>Sub-total (B) (1) :-</b>	<b>21,24,62,906</b>	<b>-</b>	<b>21,24,62,906</b>	<b>33.16</b>	<b>55,08,37,212</b>	<b>6,83,31,786</b>	<b>61,91,68,998</b>	<b>52.31</b>	<b>19.15</b>
(2)	Non-Institutions		-		-		-		-	-
a	Bodies Corporate									
i	Indian	3,93,50,413		3,93,50,413	6.14	10,64,55,076	-	10,64,55,076	8.99	2.85
ii	Overseas	-	-		-	-	-		-	-

SI No.	Category of shareholders	No. of Shares held at the beginning of the year April 1, 2016				No. of Shares held at the end of the year March 31, 2017				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b	Individuals				-				-	-
i	Individual shareholders holding nominal share capital upto ₹1 lakh	13,08,38,678	29,486	13,08,68,164	20.42	12,97,71,926	30,666	12,98,02,592	10.97	(9.46)
ii	Individual shareholders holding nominal share capital excess of ₹1 lakh	22,32,17,302	35,001	22,32,52,303	34.84	27,79,14,639	66,21,287	28,45,35,926	24.04	(10.80)
c	Others (specify)		-	-	-		-	-	-	-
	Foreign Companies	43,09,654	-	43,09,654	0.67	4,36,88,811	-	4,36,88,811	3.69	3.02
	Foreign Bodies	-	-	-	-	-	-	-	-	-
	NRI	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B) (2) :-</b>	<b>39,77,16,047</b>	<b>64,487</b>	<b>39,77,80,534</b>	<b>62.08</b>	<b>55,78,30,452</b>	<b>66,51,953</b>	<b>56,44,82,405</b>	<b>47.69</b>	<b>(14.39)</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B) (2)</b>	<b>61,01,78,953</b>	<b>64,487</b>	<b>61,02,43,440</b>	<b>95.23</b>	<b>1,10,86,67,664</b>	<b>7,49,83,739</b>	<b>1,18,36,51,403</b>	<b>100.00</b>	<b>4.77</b>
d	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>64,07,39,441</b>	<b>64,487</b>	<b>64,08,03,928</b>	<b>100.00</b>	<b>1,10,86,67,664</b>	<b>7,49,83,739</b>	<b>1,18,36,51,403</b>	<b>100.00</b>	<b>-</b>

## II. SHAREHOLDING OF PROMOTERS

SI. No	Shareholder's Name	Shareholding at the beginning of the year April 1, 2016			Shareholding at the end of the year March 31, 2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	IDBI Trusteeship Services Limited (ICICI Strategic Investments Funds)	3,05,60,488	4.77	-	-	-	-	(4.77)
	<b>Total</b>	<b>3,05,60,488</b>	<b>4.77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4.77)</b>

## III. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

SI. No.	Particulars	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc):			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of Shares	Reason for change	Date of Change	No. of shares	% of total shares of the Company
	At the beginning of the year	3,05,60,488	2.64	(10,00,000)	Sale	27-Jan-17	2,95,60,488	2.56
		-	-	(7,25,000)	Sale	30-Jan-17	2,88,35,488	2.49

Sl. No.	Particulars	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc):			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of Shares	Reason for change	Date of Change	No. of shares	% of total shares of the Company
		-	-	(5,00,000)	Sale	31-Jan-17	2,83,35,488	2.45
		-	-	(7,87,224)	Sale	1-Feb-17	2,75,48,264	2.38
		-	-	(30,00,000)	Sale	3-Feb-17	2,45,48,264	2.12
		-	-	(10,00,000)	Sale	6-Feb-17	2,35,48,264	2.04
		-	-	(8,98,027)	Sale	7-Feb-17	2,26,50,237	1.96
		-	-	(10,00,000)	Sale	8-Feb-17	2,16,50,237	1.87
		-	-	(9,39,134)	Sale	9-Feb-17	2,07,11,103	1.79
		-	-	(5,00,000)	Sale	10-Feb-17	2,02,11,103	1.75
		-	-	(8,00,000)	Sale	13-Feb-17	1,94,11,103	1.68
		-	-	(6,00,000)	Sale	15-Feb-17	1,88,11,103	1.63
		-	-	(4,50,000)	Sale	15-Feb-17	1,83,61,103	1.59
		-	-	(17,40,000)	Sale	17-Feb-17	1,66,21,103	1.44
		-	-	(19,51,321)	Sale	21-Feb-17	1,46,69,782	1.27
		-	-	(10,73,606)	Sale	23-Feb-17	1,35,96,176	1.18
		-	-	(14,00,000)	Sale	27-Feb-17	1,21,96,176	1.06
		-	-	(12,65,000)	Sale	1-Mar-17	1,09,31,176	0.95
		-	-	(4,60,000)	Sale	2-Mar-17	1,04,71,176	0.91
		-	-	(7,45,000)	Sale	8-Mar-17	97,26,176	0.84
		-	-	(19,47,500)	Sale	10-Mar-17	77,78,676	0.67
		-	-	(12,86,000)	Sale	15-Mar-17	64,92,676	0.56
		-	-	(14,92,676)	Sale	17-Mar-17	50,00,000	0.43
		-	-	(11,10,617)	Sale	21-Mar-17	38,89,383	0.34
		-	-	(33,39,355)	Sale	23-Mar-17	5,50,028	0.05
		-	-	(5,50,028)	Sale	24-Mar-17	-	-
	At the End of the year	-	-	-			-	-
				<b>Total</b>	<b>(3,05,60,488)</b>			

#### IV. SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)

Sl No	For Each of the top 10 Shareholders during the year	Shareholding at the beginning of the year (i.e. on April 1, 2016)		Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc):			Cumulative Shareholding during the year		Shareholding at the end of the year (i.e. on March 31, 2017)	
		No.of Shares	% of total shares of the Company				No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
1	IDBI Bank Limited	4,21,17,513	3.64	10,32,81,773	CDR allotment	29-Sep-16	14,53,99,286	16.18	14,53,99,286	12.28
2	Standard Chartered Bank	4,00,13,264	3.46	10,82,89,063	CDR allotment	2-Jan-17	14,83,02,327	12.83	14,83,02,327	12.53
3	IDBI Trusteeship Services Limited (ICICI Strategic Investments Funds)	3,05,60,488	2.64	(10,00,000)	Sale	27-Jan-17	2,95,60,488	2.56		

SI No	For Each of the top 10 Shareholders during the year	Shareholding at the beginning of the year (i.e. on April 1, 2016)		Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc):			Cumulative Shareholding during the year		Shareholding at the end of the year (i.e. on March 31, 2017)	
		No.of Shares	% of total shares of the Company				No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
				(7,25,000)	Sale	30-Jan-17	2,88,35,488	2.49		
				(5,00,000)	Sale	31-Jan-17	2,83,35,488	2.45		
				(7,87,224)	Sale	1-Feb-17	2,75,48,264	2.38		
				(30,00,000)	Sale	3-Feb-17	2,45,48,264	2.12		
				(10,00,000)	Sale	6-Feb-17	2,35,48,264	2.04		
				(8,98,027)	Sale	7-Feb-17	2,26,50,237	1.96		
				(10,00,000)	Sale	8-Feb-17	2,16,50,237	1.87		
				(9,39,134)	Sale	9-Feb-17	2,07,11,103	1.79		
				(5,00,000)	Sale	10-Feb-17	2,02,11,103	1.75		
				(8,00,000)	Sale	13-Feb-17	1,94,11,103	1.68		
				(6,00,000)	Sale	15-Feb-17	1,88,11,103	1.63		
				(4,50,000)	Sale	15-Feb-17	1,83,61,103	1.59		
				(17,40,000)	Sale	17-Feb-17	1,66,21,103	1.44		
				(19,51,321)	Sale	21-Feb-17	1,46,69,782	1.27		
				(10,73,606)	Sale	23-Feb-17	1,35,96,176	1.18		
				(14,00,000)	Sale	27-Feb-17	1,21,96,176	1.06		
				(12,65,000)	Sale	1-Mar-17	1,09,31,176	0.95		
				(4,60,000)	Sale	2-Mar-17	1,04,71,176	0.91		
				(7,45,000)	Sale	8-Mar-17	97,26,176	0.84		
				(19,47,500)	Sale	10-Mar-17	77,78,676	0.67		
				(12,86,000)	Sale	15-Mar-17	64,92,676	0.56		
				(14,92,676)	Sale	17-Mar-17	50,00,000	0.43		
				(11,10,617)	Sale	21-Mar-17	38,89,383	0.34		
				(33,39,355)	Sale	23-Mar-17	5,50,028	0.05		
				(5,50,028)	Sale	24-Mar-17	-	-	-	-
4	Life Insurance Corporation of India	2,13,17,921	1.84	-	-	-	-	-	2,13,17,921	1.80
5	Canara Bank-Mumbai	1,73,81,792	1.50	-	-	-	-	-	1,73,81,792	1.47
6	DBS Bank Limited	1,69,70,618	1.47	2,99,72,295	CDR allotment	29-Sep-16	4,69,42,913	5.22	4,69,42,913	3.97
7	Allahabad Bank	1,51,44,676	1.31	3,49,82,000	CDR allotment	29-Sep-16	5,01,26,676	5.58	5,01,26,676	4.23
8	MACSF Epargne Retraite	-	-	4,04,16,504	FCCB conversion allotment	12-Dec-16	4,04,16,504	3.86	4,04,16,504	3.41
9	LIPL IPO Escrow Account	-	-	3,20,85,344	FCCB conversion allotment	12-Dec-16	3,20,85,344	3.06	3,20,85,344	2.71

SI No	For Each of the top 10 Shareholders during the year	Shareholding at the beginning of the year (i.e. on April 1, 2016)		Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc):			Cumulative Shareholding during the year		Shareholding at the end of the year (i.e. on March 31, 2017)	
		No.of Shares	% of total shares of the Company				No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
10	Linden Capital L P	-	-	2,95,44,319	FCCB conversion allotment	12-Dec-16	2,95,44,319	2.82	2,95,44,319	2.50
11	HDFC Bank Ltd	52,69,818	0.46	2,06,26,000	CDR allotment	29-Sep-16	2,58,95,818	2.88	2,58,95,818	2.19
12	Reliance Capital Limited	-	-	2,46,80,693	CDR allotment	29-Sep-16	2,46,80,693	2.75	2,46,80,693	2.09
13	Bank of India	89,33,208	0.77	1,25,80,000	CDR allotment	31-Mar-17	2,15,13,208	1.82	2,15,13,208	1.82
14	Sony Sebastian	1,48,07,972	1.28	1,57,595	Purchase	13-May-16	1,49,65,567	2.34		
				500	Purchase	3-Jun-16	1,49,66,067	2.34		
				1000	Purchase	17-Jun-16	1,49,67,067	2.34		
				4,23,300	Purchase	24-Jun-16	1,53,90,367	2.40		
				100	Purchase	8-Jul-16	1,53,90,467	2.40		
				1,85,000	Purchase	15-Jul-16	1,55,75,467	2.43		
				3,66,100	Purchase	22-Jul-16	1,59,41,567	2.49		
				1,84,000	Purchase	29-Jul-16	1,61,25,567	2.51		
				6,40,638	Purchase	12-Aug-16	1,67,66,205	2.61		
				78,850	Purchase	2-Sep-16	1,68,45,055	2.63		
				5,111	Purchase	9-Sep-16	1,68,50,166	2.63		
				12,500	Purchase	23-Sep-16	1,68,62,666	2.63		
				95,500	Purchase	7-Oct-16	1,69,58,166	1.89		
				9,000	Purchase	14-Oct-16	1,69,67,166	1.89		
				87,000	Purchase	21-Oct-16	1,70,54,166	1.90		
				23,000	Purchase	28-Oct-16	1,70,77,166	1.90		
				3,12,400	Purchase	4-Nov-16	1,73,89,566	1.93		
				1,17,777	Purchase	11-Nov-16	1,75,07,343	1.95		
				2,27,000	Purchase	9-Dec-16	1,77,34,343	1.97		
				81,000	Purchase	23-Dec-16	1,78,15,343	1.70		
				300	Purchase	30-Dec-16	1,78,15,643	1.70		
				3,47,000	Purchase	20-Jan-17	1,81,62,643	1.57		
				1,50,023	Purchase	10-Feb-17	1,83,12,666	1.58		
				10,000	Purchase	17-Feb-17	1,83,22,666	1.59		
				3,00,000	Purchase	24-Feb-17	1,86,22,666	1.61		
				5,17,000	Purchase	3-Mar-17	1,91,39,666	1.66		
				94,650	Purchase	17-Mar-17	1,92,34,316	1.66		
				22,000	Purchase	24-Mar-17	1,92,56,316	1.67	1,92,56,316	1.63

SI No	For Each of the top 10 Shareholders during the year	Shareholding at the beginning of the year (i.e. on April 1, 2016)		Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc):			Cumulative Shareholding during the year		Shareholding at the end of the year (i.e. on March 31, 2017)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
15	Narasimha Ravi Gannavaram	93,36,800	0.81	2,31,100	Purchase	22-Apr-16	95,67,900	1.49	9,704,790	0.82
				26,100	Purchase	17-Jun-16	95,94,000	1.50		
				2,700	Purchase	1-Jul-16	95,96,700	1.50		
				1,08,000	Purchase	29-Jul-16	97,04,700	1.51		
				90	Purchase	10-Feb-17	97,04,790	0.84		
16	Axis Bank Limited	-	-	1,91,29,505	CDR allotment	29-Sep-16	1,91,29,505	2.13	1,91,29,505	1.62
17	The Jammu and Kashmir Bank Ltd	37,80,654	0.33	1,13,88,000	CDR allotment	31-Mar-17	1,51,68,634	1.28	1,51,68,654	1.28
18	Oriental Bank of Commerce	71,78,003	0.62	-	-	-	-	-	71,78,003	0.61
19	Indian Overseas Bank	63,19,600	0.55	-	-	-	-	-	63,19,600	0.53

Note: The shares of the Company are traded on a daily basis. Hence, the date-wise increase/decrease has been indicated only for instances where the Company has allotted shares or where the Company has any information on the date of increase/decrease in shareholding. In all other cases, the change in shareholding has been derived on the basis of analysis of weekly benpos data provided by the depositories and the date of benpos is assumed to be the of change in shareholding.

#### V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

SI No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc):	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Ashok Shah	-	-	-	-	-	-	-
2	Dr. Shashank Desai	-	-	-	-	-	-	-
3	Mr. Shantanu Prasad	-	-	-	-	-	-	-
4	Ms. Sarojini Dikhale	-	-	-	-	-	-	-
5	Mr. Madhivanan Balakrishnan	34,588	0.01	-	-	N.A	N.A	-
6	Mr. Shanti Lal Jain	-	-	-	-	-	-	-
7	Mr. Padmanabhan Iyer	1,920	0.00	-	-	1920	0.00	-
8	Mr. Rajeev Limaye	-	-	-	-	-	-	-



**Annexure II B**
**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

In ₹

Sr. No	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Madhivanan Balakrishnan <sup>^</sup>	Padmanabhan Iyer <sup>*</sup>	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,80,97,130	2,63,14,985	4,44,12,115
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	1,79,040	1,75,026	3,54,066
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	10,50,000	16,30,000	26,80,000
3	Sweat Equity	-	-	-
4	Commission - as a % of profit - others, specify	-	-	-
5	Others: PF and Pension Fund contribution	1,84,907	5,39,772	7,24,679
	<b>Total (A) <sup>§</sup></b>	<b>1,84,61,077</b>	<b>2,70,29,783<sup>#</sup></b>	<b>4,54,90,860</b>
	<b>Ceiling as per the Act</b>	As per Schedule V, Part II of the Companies Act, 2013		

<sup>^</sup> Resigned with effect from June 7, 2016

<sup>\*</sup>Appointed on August 11, 2016

<sup>§</sup> Including retention incentive for FY 2015-16

<sup>#</sup> Also includes retention incentive for FY 2016-17

**B. Remuneration to other directors**

In ₹

Sr. No.	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission	Others, please specify	Total Amount
1	<b>Independent Directors</b>				
	Dr. Shashank Desai	828,000	-	-	828,000
	Mr. Ashok Shah	783,000	-	-	783,000
	<b>Total (1)</b>	<b>16,11,000</b>			<b>16,11,000</b>
2	<b>Other Non-Executive Directors</b>				
	Mr. Shantanu Prasad <sup>#</sup>	657,000	-	-	657,000
	Ms. Sarojini Dikhale <sup>#</sup>	409,500	-	-	409,500
	Mr. Shanti Lal Jain <sup>#</sup>	-	-	-	-
	<b>Total (2)</b>	<b>10,66,500</b>	-	-	<b>10,66,500</b>
	<b>Total (B) = (1+2)</b>	<b>26,77,500</b>	-	-	<b>26,77,500</b>
	<b>Total Managerial Remuneration(A+B)</b>	-	-	-	<b>4,81,68,360</b>
	<b>Overall Ceiling as per the Act</b>	₹100,000 for attending each Board Meeting			

<sup>#</sup> The sitting fees in respect of these Directors are paid to their respective employers as per their terms of appointment.

**C. Remuneration to Key Managerial Personnel other than MD/WTM/Manager**

In ₹

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Padmanabhan Iyer, CEO & CFO <sup>#</sup>	Mr. Rajeev Limaye, Company Secretary *	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	26,314,985	2,062,930	28,377,915
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	175,026	-	175,026
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	1,630,000	-	1,630,000
3	Sweat Equity	-	-	-
4	Commission - as a % of profit - others, specify	-	-	-
5	Others: PF and Pension Fund contribution	539,772	54,634	5,94,406
	<b>Total</b>	<b>27,029,783</b>	<b>2,117,564</b>	<b>2,91,47,347</b>

\*Appointed on July 5, 2016

<sup>#</sup> Including retention incentive for FY 2015-16 and 2016-17

**EMPLOYEES STOCK OPTION SCHEMES (ESOS)**
**Employees Stock Option Schemes**

The Company has two Employees Stock Option Schemes (ESOS) instituted in the fiscal years 2000 and 2007 to enable the employees and Directors of the Company and its subsidiaries to participate in the future growth and financial success of the Company. The options granted under these schemes vest in a graded manner over a three year period, with 20%, 30% and 50% of the grants vesting in each year, commencing one year from the date of grant. Options can be exercised within 10 years from the date of grant or five years from the date of vesting, whichever is later. The price of the options granted after the IPO was lower of the face value or the closing market price on the stock exchange which recorded the highest trading volume preceding the date of grant of the options. The pricing of the stock options is in line with SEBI guidelines.

During the year, 400,000 stock options were granted under existing ESOS Scheme 2007 to one of the employees.

- a. The particulars of the options granted and outstanding up to March 31, 2017 are as under:

Particulars	ESOS 2000	ESOS 2007
Options granted	26,363,426	48,752,000
Options vested	2,206,300	12,236,290
Options exercised	3,480,412	-
Number of shares allotted pursuant to exercise of options	3,480,412	-
Options forfeited / lapsed	20,591,264	26,162,500
Extinguishment or modification of options	-	-
Total number of options in force	2,291,750	22,589,500
Amount realized by exercise of options (₹)	-	-

- b. Diluted Earnings Per Share (EPS) pursuant to issue of Equity Shares on exercise of options calculated in accordance with Accounting Standard 20 (AS-20)

**In 3 years prior to IPO**

Financial Year	Diluted EPS (in ₹)
2002-03	(0.09)
2003-04	0.17
2004-05	2.18

**Last 5 years**

Financial Year	Diluted EPS (in ₹)
2012-13	(5.92)
2013-14	(7.78)
2014-15	(18.25)
2015-16	(17.08)
2016-17	0.27

The details of stock options granted during the year are as follows

Date of Grant	Number of options granted	Grant Price (in ₹)
March 30, 2017	400,000	10
<b>Total</b>	<b>400,000</b>	<b>10</b>

- c. The number of stock options held by the Directors as on March 31, 2017 are as below

Name of Director	Number of options	Average Exercise Price (in ₹)
Mr. Ashok Shah	NIL	N. A.
Ms. Sarojini Dikhale	NIL	N.A.
Dr. Shashank Desai	NIL	N.A.
Mr. S. L .Jain	NIL	N.A.
Mr. Shantanu Prasad	NIL	N.A.
Mr. Madhivanan Balakrishnan*	0	10
Mr. Padmanabhan Iyer <sup>#</sup>	1,630,000	10

\* Resigned on June 7, 2016 and hence, options lapsed as per policy.

<sup>#</sup> Appointed on August 11, 2016.

- d. Details related to Employees Stock Options Scheme (ESOS)

Particulars	ESOS Scheme 2000	ESOS Scheme 2007
Date of shareholders' approval	January 28, 2000 further amended on July 22, 2005	July 25, 2007
Total number of options approved under ESOS	13,261,213	74,915,513
Vesting Requirements	The options granted vest in a phased manner over three years	
Exercise price or pricing formula	₹10/-	₹10/-
Maximum term of options granted	10 years from the date of grant or 5 years from the date of vesting of options whichever is later	
Source of shares (primary, secondary or combination)	Primary	
Variation in terms of options	As per ESOS Scheme, 2000, the limit for grant of maximum number of Options to any Eligible Employee in a financial year was not in excess of 5% of the issued equity shares of the Company at the time of grant of the Options. The aggregate limit of all such Options granted to all the Eligible Employees was upto 25% of the aggregate number of issued equity shares of the Company as at the time of grant of the options.	As per ESOS Scheme, 2007, the aggregate limit of all Options granted to all the Eligible Employees was upto 25% of the aggregate number of issued equity shares of the Company as at the time of grant of the options from time to time subject to a maximum of 50 million shares of ₹10/- each (excluding the stock options granted as on July 25, 2007), which shall increase or decrease proportionately in the ratio of any further split, consolidation, bonus issue of shares or any other corporate action that has the effect of alteration of the share capital from time to time.
Method used to account for ESOS	Intrinsic Value Method	

e. Movement for each ESOS during the year

Particulars	ESOS Scheme 2000	ESOS Scheme 2007
Number of options outstanding at the beginning of the period	4,249,900	29,384,290
Number of options granted during the year	-	4,00,000
Number of options forfeited / lapsed during the year	1,975,900	7,184,790
Number of options vested during the year	-	9,192,880
Number of options exercised during the year	-	-
Number of shares arising as a result of exercise of options during the year	-	-
Money realized by exercise of options (INR), if scheme is implemented directly by the company	-	-
Loan repaid by the Trust during the year from exercise price received	-	-
Number of options outstanding at the end of the year	2,274,000	22,599,500
Number of options exercisable at the end of the year	-	9,192,880

f. Employee Wise Details of options granted to-

Sr. No.	Name	Number of options granted during the year	Exercise Price (in ₹)	Designation
	<b>Senior Managerial Personnel</b>			
1	Mohua Sengupta	400,000	10	Executive Vice President
	<b>Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and</b>			
	None			
	<b>Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant</b>			
	None			

**DETAILS RELATING TO REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)****i. Ratio of the remuneration of each director to the median employees remuneration**

Name of Director	Designation	Ratio of remuneration to median employees remuneration for FY 2015-16
Madhivanan Balakrishnan <sup>^</sup>	Managing Director & Global CEO	31 <sup>#</sup>
Padmanabhan Iyer <sup>@</sup>	Managing Director & CFO, Global CEO	46 <sup>*</sup>

<sup>^</sup> Resigned on June 7, 2016<sup>@</sup> Appointed as Managing Director and Global CEO on August 11, 2016<sup>\*</sup> Including retention incentive for FY 2015-16 and 2016-17<sup>#</sup> Including retention incentive for FY 2015-16**ii. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year**

Name of Director	Designation	Percentage increase / (decrease) in remuneration
Madhivanan Balakrishnan <sup>^</sup>	Managing Director & Global CEO	-52% <sup>#</sup>
Padmanabhan Iyer <sup>@</sup>	Managing Director & CFO, Global CEO	124% <sup>*</sup>
Rajeev M Limaye	Company Secretary	Not comparable with last year since appointment was made during the financial year

<sup>^</sup> Resigned on June 7, 2016<sup>@</sup> Appointed as Managing Director and Global CEO on August 11, 2016<sup>\*</sup> Including retention incentive for FY 2015-16 and 2016-17<sup>#</sup> Including retention incentive for FY 2015-16

The ex-Managing Director and Global CEO & the current Managing Director and Global CEO had received the retention incentive of INR 1.50 crores and INR 0.83 crores respectively over the period of 12 months in FY 2016-17.

**iii. The percentage increase in the median remuneration of employees in the financial year**

The percentage increase in the median remuneration of employees in the financial year is 16% on a like to like basis. The median remuneration for FY 2016-17 includes applicable performance bonus for the previous year.

**iv. The number of permanent employees on the rolls of company**

The number of permanent employees on the rolls of the Company as at March 31, 2017 was 1927.

**v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

On an average, employees received an annual increase of 5.6%. The individual increments varied from 5% to 10% based on individual performance. The average decrease in the remuneration of the KMP is 23%.

**vi. The key parameters for any variable component of remuneration availed by the directors**

The key parameters for deciding the variable component availed by the Directors was based on the Company performance as reflected by Revenue & EBITDA achievements.

**vii. Affirmation that the remuneration is as per the remuneration policy of the company**

Remuneration is as per the remuneration policy of the Company.

**Report on Corporate Social Responsibility (CSR) activities**

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Kindly refer the Corporate Social Responsibility Policy as stated therein below on the Company's website at following link: <a href="http://3i-infotech.com/content/investors-2/">http://3i-infotech.com/content/investors-2/</a>			
The Composition of the CSR Committee as on March 31, 2017	1. Mr. Ashok Shah - Chairman 2. Ms. Sarojini Dikhale - Member 3. Mr. Padmanabhan Iyer - Member			
Average net profits of the Company for last three financial years	Particulars	FY 15-16	FY 14-15	FY 13-14
	Net Profit / (Loss) before tax (₹ in crores)	(448.00)	(1,034.18)	(453.77)
	Average Net Profit / (Loss) before tax for last 3 years = (₹645.32 crores) [(448.00 + 1034.18 + 453.77) / 3]			
Prescribed CSR expenditure (two percent of the amount as in item 3 above)	As per Section 135 of the Companies Act, 2013, the Company does not meet the applicability threshold. Hence, the provisions of the said section are not applicable during the current financial year.			
Details of CSR spent during the financial year : a) Total amount to be spent for the financial year b) Amount unspent, if any c) Manner in which the amount spent during the financial year as given below:				

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct expenditure on projects or programs (2) Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
	-	-	-	-	-	-	-

5. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

Not applicable

6. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.

**For 3i Infotech Limited**

Sd/-

**Ashok Shah**  
Chairman - CSR Committee

Navi Mumbai, July 22, 2017

Sd/-

**Padmanabhan Iyer**  
Member



## SECRETARIAL AUDIT REPORT

For the financial year ended 31<sup>st</sup> March, 2017

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members

**3i Infotech Limited**

3<sup>rd</sup> to 6<sup>th</sup> Floors, Tower # 5,

International Infotech Park,

Vashi Railway Station Commercial Complex,

Navi Mumbai - 400703

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **3i Infotech Limited** (hereinafter called 'Company') for the audit period covering the financial year ended on 31<sup>st</sup> March 2017 ('Audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, and subject to our separate letter attached as Annexure I; we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - (g) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India related to meetings and minutes.
- (ii) The Listing Agreement entered into by the Company with the Stock Exchanges.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review, provisions of the following Act/ Regulations were not applicable to the Company:

- i. The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

#### **We further report that -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

- a. An Amendment Agreement to the Master Restructuring Agreement has been executed for reconversion of foreign currency facilities to INR denominated facilities.
- b. A Supplemental Agreement to the Master Restructuring Agreement has been executed for implementing the Debt Realignment Scheme (DRS) package of the Company.
- c. An Amendment Agreement to the Master Restructuring Agreement has been executed for assignment of debt by ICICI Bank Limited to SREI Alternative Investment Manager Ltd.-Vision India Fund.
- d. During the year, the Company had proposed an exchange offer to its FCCB holders under the Debt Realignment Scheme (DRS) Package of the Company. FCCB holders opting for the exchange offer were given new FCCBs in exchange for their existing FCCBs. Terms of FCCBs of the remaining FCCB holders were amended as per resolutions passed at the meetings of the FCCB holders. As per terms of new FCCBs and the amended FCCBs, a portion of the FCCBs underwent automatic conversion into equity shares against which the following allotments were made to the FCCB holders on December 12, 2016:
  - a) 1,90,356 Equity Shares of face value of ₹10/- each were allotted at a premium of ₹155.935/- per share to the holders of existing FCCBs held under ISIN XS0308551166;
  - b) 1,51,65,824 Equity Shares of face value of ₹10/- each were allotted at a premium of ₹6.50/- per share to the holders of existing FCCBs held under ISIN XS0769181982 and
  - c) 13,32,09,406 Equity Shares of face value of ₹10/- each were allotted at par to the holders of new FCCBs held under ISIN XS1423751418.
- e. The Company has as per the terms of DRS scheme, allotted Equity and 0.10% Cumulative Non-Convertible Redeemable Preference Shares (Class B Preference Shares) to DRS lenders, the details of which are as follows:

<b>Date of allotment</b>	<b>No. of Equity Shares</b>	<b>No. of Preference Shares (Class B)</b>
September 29, 2016	257,440,351	434,431,627
January 2, 2017	10,82,89,063	18,95,05,860
March 22, 2017	-	2,14,76,000
March 31, 2017	2,79,15,282	4,78,57,000
	<b>39,36,44,696</b>	<b>69,32,70,487</b>

**For BNP & Associates**  
 Company Secretaries  
**[Firm Regn. No. P2014MH037400]**

Place: Mumbai  
 Date : July 22, 2017

**Prakash Karunashankar Pandya**  
**Partner**  
 FCS No. 3901  
 CP No. 2311

**Annexure I to the Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2017**

To,

**The Members,**

**3i Infotech Limited**

3<sup>rd</sup> to 6<sup>th</sup> Floors, Tower # 5,

International Infotech Park,

Vashi Railway Station Commercial Complex,

Navi Mumbai – 400703

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **3i Infotech Limited** (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For BNP & Associates**

Company Secretaries

**[Firm Regn. No. P2014MH037400]**

Place: Mumbai

Date: July 22, 2017

**Prakash Karunashankar Pandya**

**Partner**

FCS No. 3901 / CP No. 2311

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Global IT Services

As per Gartner, driven by growth in software and IT services worldwide IT spending is forecast to reach \$3.5 trillion in 2017, a 1.3% increase from 2016. The largest and dominant region for total IT spends in 2017 remains North America, with a spend of \$1.20 trillion. However, the fastest-growing region is emerging Asia Pacific, with 2017 constant-currency growth of 8.1%. Devices spending is projected to total \$645 billion by the end of 2017. Spending in the IT services market is expected to increase 2.2%, totaling \$917 billion. The fastest growth will be in Enterprise software, a 5.7% increase to \$351 billion.

Information Technology industry association NASSCOM, projects India's IT exports to grow at a sustained pace of 7-8%, for the financial year 2018. The domestic market is expected to grow faster at 10-11% driven by enterprise digital adoption. NASSCOM underlined that growth will come from adoption of new technologies such as SaaS applications, cloud platforms, business intelligence, cognitive and embedded analytics as enterprises modernise their operations and scale digital projects. To eventually build India as a digital innovation hub, it is imperative to catalyse the digital revolution by accelerating the technology skilling and reskilling of new and existing talent, create digital ecosystems by connecting startups with enterprises, create partnerships for domestic technology adoption, create Centres of Excellence for IoT, Design, Data Sciences and Cyber Security and reach out to new markets with focused digital solutions.

### Overview

3i Infotech is a global Information Technology company based out of Mumbai, India. A comprehensive set of 20+ IP based software solutions, coupled with a wide range of IT services, uniquely positions the Company to address the dynamic requirements of a variety of industry verticals, predominantly Banking, Insurance, Capital Markets, Asset & Wealth Management (BFSI). The Company also provides solutions for other verticals such as Government, Manufacturing, Distribution, Telecom and Healthcare. 3i Infotech has over 1,000 customers, in more than 50 countries across 4 continents.

In the ever evolving technology landscape, the IT Services offerings of the Company, which is a big part of our business, is poised to ride on digital transformation offerings as a key focus area for Banking, Financial Services, Insurance, Healthcare, Enterprise and Government, including Consulting, recommending appropriate solutions and partnering with the customers in building, testing & maintaining them. The combination of our Products & Services portfolio offers a one stop shop for all our active customers globally.

The Company's quality certifications include ISO 9001:2008 Quality Management System for BPO, ADMS, e-Governance, Business Intelligence and Infrastructure Management Services along with ISO/IEC 27001:2013 Information Security Management System for its Data Centre Operations.

The Company's Global Delivery Model provides for optimal resources to be drawn from its vast talent pool across the globe, to offer best fit solutions, by integrating its products and services to create customized solutions facilitating customers to undertake technology-based business transformation that enables reorganization in line with today's dynamic digital business environment. The Company, which has won many awards and recognitions globally, operates in two main business lines viz. IT solutions and Transaction services.

IT Solutions segment includes sale of IT products developed by 3i Infotech and IT services to varied companies on an outsourcing business model. IT product business includes packaged applications for the BFSI space and an ERP suite. IT services include customized software development & maintenance, system integration, IT consulting and offshore & onsite support through its BPO operations. Through IT service offerings, 3i Infotech provides clients with application development and maintenance, IT infrastructure services, e-governance services, business intelligence, document management service, business process management and data warehousing. Our Services are being strengthened with digital transformation offerings including Consulting, recommending appropriate solutions and partnering with the customers in building, testing & maintaining them.

On the products front, the Company has reputed products covering a spectrum of business applications including Anti- Money Laundering / Financial Crime Detection and Management (AMLOCK<sup>®</sup>/ FCDMS), Investment Management (MFund<sup>®</sup>), Corporate and Retail Lending (Kastle<sup>®</sup> ULS), Life Insurance (Premia Life), General Insurance (Premia General Insurance) and Enterprise Resource Planning (Orion<sup>®</sup>). The Company also packages its general purpose products such as Data Scanning (DataScan) and Data Management (DataFlow) products along with the aforementioned products to suit specific customer requirements. Each of the aforementioned products is well established in its respective area of application and is being used by a large number of customers satisfactorily.

On the services front, the Company has well known customers, both in India as well as abroad, for whom the Company is a vendor of choice, offering a range of services, including application development and maintenance services, testing and compliance, infrastructure management services, business intelligence and enterprise application solutions, which is possible due to the spectrum of domain and technology skills that the Company possesses. The Company also carries out Staff Augmentation business, with a major contribution to its revenues from the US market. Bespoke application development and maintenance as well as Testing are also services which are the forte of the Company.

Transaction Services segment covers management of back office operations for BFSI clients. Through transaction service offerings, the Company provides clients with services such as remittance, cheque processing, human resources and payroll management services, account origination, printing and mail room services, collection services, record management, registrar and transfer agent services, securitization and contact center services. The transaction service offerings cover the banking, insurance, capital markets, healthcare, energy, utilities and telecommunications industries. The Company's major thrust in the Transaction Services space is in the activities of Digitization, Customer On-boarding, Credentials Validation and Payment Management.

The Company was conferred with the "Award for Excellence in IT Products - Large Enterprise Category", by the IMC Chamber of Commerce & Industry. The Company got featured by CIO Review in the 20 Most Promising ERP Solution Providers and by APAC CIO Outlook in the 10 Most Promising ERP Solution Providers. The Company was also featured by Insight Success in the 10 fastest growing Banking Solution Provider Companies.

IT Solutions business contributes to 95% of total operating revenue and Transaction Services contribute 5% of the total operating revenue.

### **Vision and Strategies**

FY2017 has been a significant milestone year for the Company. After reporting losses for the past 5 years, the Company has achieved turnaround and declared a profit for the year FY2017. 3i Infotech remained passionately focused on business efficiency and sustainable long term growth, spearheading a bouquet of innovative solutions that dovetail with its domain led core competence. The company re-organized itself into four business units – Banking Products, Insurance & Financial Services Products, ERP Products & IT Services across BFS, IHC, Government and Enterprise, to drive profound customer connect. This restructuring gave the organization the nimbleness and flexibility to quickly grasp opportunities and implement decisions with stringent turn around time. The Company's business model of a good spread between developed and emerging markets, as well as a range between IT products and IT services continued to remain intact. Strong measures to improve delivery also yielded positive results.

While the Company continues to enhance its brand in the Domestic and International markets, ongoing cost reduction and delivery synergy steps helped sustain favorable benefits on the performance of the Company. These measures combined with comprehensive restructuring of its debt resulted in the Company declaring net profit after reporting losses for 5 consecutive years.

The Company has initiated steps to ensure that its offerings come up the curve quickly to cater to both its traditional markets as well as the new markets it plans to penetrate. Product upgrades are being done, with the latest technology stack embedded within a modular approach and offered on cloud environments. Equally important, Services which is a big part of our business, rides on digital transformation offerings as a key focus area for Banking, Financial Services, Insurance, Healthcare, Enterprise and Government, including Consulting, recommending appropriate solutions and partnering with the customers in building, testing & maintaining them.

Digital landscape is changing the way business is conducted and is now a hard reality. It has become a growth engine for companies to survive and thrive in both B2B & B2C. Emergence of new business models are facilitating customer acquisitions and servicing through automation. Strategic long term customer engagements combined with a strong partner led approach, have significantly rejuvenated the company's relationships & thereby help drive larger wallet share from active customer accounts.

To ensure it is ahead of the curve, the company undertook ongoing measures to build confidence amongst its customers through proactive communication. Sustained measures to improve delivery as well as significant cost reduction by optimizing resources and synergizing operations, yielded positive results. More importantly, the Company increased investment on R&D for its products and services. With these measures, the company successfully mined existing customers and acquired new customers. There is a renewed focus on Banking, Financial Services, Insurance, Manufacturing, Retail & Distribution and Government with specialized offerings covering Islamic requirements, process streamlining, integration of distribution channels and regulatory requirements. The Company has also taken steps to rationalize as well as strengthen its talent pool in a focused manner to give an added thrust to its business growth. The Company is leveraging on its new mantra "Consistently invest in nurturing our global workforce to drive an intense culture of innovation, thereby render effective domain led business solutions catering to our targeted industry verticals".

Revitalizing as a future-ready IT enterprise of 2020, the Company is concentrating on –

- **People:** Nurturing and cherishing the talent, the company is heavily investing in true Digital experts while incorporating numerous employee enrichment initiatives across geographies. Learning interventions, reward programs, certification programs etc. are also being introduced.
- **Business Verticals:** The Company's current focused verticals are Banking & Financial Services, Insurance & Healthcare, Government and Enterprise. By 2020 the company plans to mature in these verticals and augment the customer wallet share, by offering truly differentiated offerings to the customers.



- **New Products & Solutions:** Digital transformation is the theme for the company's end-to-end solution stack & consulting frameworks. While evolving and serving as a true transformation partner to the customers, the company is focusing on customer experience and customer value management, Cloud migration, Analytics, IoT, SMAC, Telematics, RPA, AI, Machine Learning, Cybersecurity and Blockchain to facilitate expansion of market reach of its customers. 3i Infotech is also geared culturally & operationally to collaborate with fintechs and leverage their solutions to fill gaps and offer composite next generation solutions to its customers and prospects.
- **Growth Markets:** 3i Infotech's immediate focus is India, Africa, APAC, Middle East and US. The company plans to scale-up its footprint across all active regions and focus on UK & Europe later in the financial year.

3i Infotech's core strength lies in strategic engagement with customers as a true business partner offering comprehensive IT solutions predominantly IPR based products & value added services bundled with deep domain expertise catering to constantly evolving industry landscape. Close attention to its operating markets, deep domain understanding and business driven technological solutions are ingrained in the fabric of 3i Infotech. The core values practiced by the company are:

- **Innovation** – tradition of pursuit of excellence and constant enhancement in solutions and services rendered to our customers, consequently contributing to delight of their end customers
- **Insight** – the deep domain knowledge that the Company brings to its engagements, partnering in its customers' success and growth journey and thereby earning their trust
- **Integrity** – strong talent pool with a culture of adherence to commitments in all aspects of its association with customers and high standards of quality and reliability

Enrichment of the complete solutions suite across Banking, Financial Services, Insurance, ERP and IT Services, for our customers across target markets, will position 3i Infotech as a constant trendsetter to cater to next-generation enterprises technological needs.

#### Operations during the year

The table below shows the Profit and Loss account of the Group for the year ended March 31, 2017:

	₹ in Crores	
Particulars	2016-17	2015-16
<b>REVENUE</b>		
I. Revenue from operations (net)	1,003.79	1,125.58
II. Other income	52.12	7.10
<b>III. Total Revenue (I + II)</b>	<b>1,055.91</b>	<b>1,132.68</b>
<b>IV. EXPENSES</b>		
Employee benefits expense	572.33	639.23
Cost of third party products and services	160.57	199.33
Finance costs	92.97	175.29
Depreciation and amortization expense	13.50	203.04
Other expenses	113.96	185.52
<b>Total Expenses</b>	<b>953.33</b>	<b>1,402.41</b>
<b>V. Profit/(loss) before exceptional items and tax (III-IV)</b>	<b>102.58</b>	<b>(269.73)</b>
VI. Exceptional Items - Income / (Expenses)	-	(168.87)
<b>VII. Profit/(loss) before tax (V+VI)</b>	<b>102.58</b>	<b>(438.60)</b>
VIII. Tax expense	8.51	113.15
<b>IX. Profit/(loss) for the Year (VII - VIII)</b>	<b>94.07</b>	<b>(551.75)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:		
Remeasurement of gain/(losses) on defined benefit plans	7.01	(1.79)
Income tax effects	(0.43)	0.02
<b>Other Comprehensive income for the year, net of tax</b>	<b>6.58</b>	<b>(1.77)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b>100.65</b>	<b>(553.52)</b>

The Company made a profit of ₹ 100.65 crore for the year ending March 31, 2017 as against a loss of ₹ 553.52 crores for the year ending March 31, 2016.

### Revenue from operations, Employee Benefit expenses and Cost of Third Party

Reduction in Revenue from operations from ₹ 1,125.58 crores in FY 2016 to ₹ 1,003.79 crores in FY 2017 has been largely on account of discontinuance of certain services which were provided to ICICI Bank.

The reduction in employee benefit expenses and cost of third party products and services pertain to discontinuance of certain services provided to ICICI Bank

### Finance Cost

The reduction in finance cost from ₹ 175.29 crores in FY 2016 to ₹ 92.97 crores in FY 2017 is on account of implementation of Debt restructuring scheme in FY 2017.

### Depreciation and amortisation expenses

These expenses stand reduced from ₹ 203.04 crores in FY 2016 to ₹ 13.50 crores in FY 2017. The reduction in depreciation is on account of the right sized asset base consequent to the restructuring and impacts thereof effected in the financials for FY 2016.

### Other Costs

The breakup of the other costs is given in the table below :

#### Other expenses

Particulars	₹ in Crores	
	2016-17	2015-16
Rent	26.32	33.32
Travel	33.16	27.47
Outsourced cost	18.68	23.51
Communication	5.03	5.84
Foreign exchange loss (net)	-	51.46
Utilities	16.14	18.95
Others	14.63	24.97
<b>Total</b>	<b>113.96</b>	<b>185.52</b>

There has been an overall reduction in FY 2017 in Other expenses of ₹ 71.56 crores, from ₹ 185.52 crores in FY 2016 to ₹ 113.96 crores.

Out of this, the reduction to the extent of ₹ 51.46 crores is in respect of Foreign Exchange in FY 2016 against which there has been a foreign exchange gain of ₹ 33.33 crores in FY 2017 (shown under Other Income).

Other reduction of ₹ 20.10 crores in FY 2017 in other expenses has been on account of discontinuance of certain services provided to ICICI Bank and cost reduction measures taken by the Company.

Profit before depreciation and interest, excluding Other Income (Operating EBITDA) for the current financial year was at ₹ 163.94 crores as compared to ₹ 151.82 crores for the previous year.



**Analysis of Balance Sheet:**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Equity share capital	1,183.65	640.80
Non Controlling Interest	2.81	3.46
Other Equity	(1,006.20)	(529.52)
Borrowings	926.73	919.32
Trade payables and other Liabilities	259.81	308.40
	<b>1,366.80</b>	<b>1,342.46</b>
<b>II. ASSETS</b>		
Goodwill arising on consolidation	435.06	435.06
Non current investments	0.16	0.16
Property , Plant and Equipment and Intangible Assets	371.33	379.63
Deferred tax asset	3.07	4.02
Long-term loans and advances and other non current assets	142.25	179.15
Current Investment	-	12.50
Cash and bank balances	123.62	51.78
Inventories	0.92	0.82
Trade receivables and other Assets	290.39	279.34
	<b>1,366.80</b>	<b>1,342.46</b>

**Equities and Liabilities**
**1. Equity Share Capital:**

The Authorised capital of the Company is ₹ 3,155 crores divided into 2,200,000,000 Equity shares of ₹ 10 each, 200,000,000 Non Convertible Cumulative Redeemable Preference shares (Class A Preference Shares) of ₹ 5 each, 1,500,000,000 Non Convertible Cumulative Redeemable Preference shares (Class B Preference Shares) of ₹ 5 each, 1,050,000,000 Non Convertible Cumulative Redeemable Preference shares (Class C Preference Shares) of ₹ 1 each.

The issued, subscribed and paid-up capital stood at ₹ 1,183.65 crores as at March 31, 2017 as compared to ₹ 640.80 crores as at March 31, 2016.

**2. Other Equity**

The Reserves and Surplus declined to ₹(1,006.20) crores as at March 31, 2017 from ₹ (529.52) crores as at March 31, 2016. The increase of ₹ 476.68 crores is on account of issue of shares to lenders pertaining to the amount shown under Share application money pending allotment.

**3. Borrowings**

There has been a marginal increase of ₹ 7.41 crores in FY 2017 from ₹ 919.32 crores as at March 31, 2016 to ₹ 926.73 crores as at March 31, 2017. This is primarily on account of reconciliation of accounts with lenders.

**4. Trade payables and other liabilities**

Trade payables and other current liabilities consist of trade liabilities, short term provisions for employee benefits and other liabilities.

## Assets

### 1. Goodwill on consolidation

Goodwill on consolidation represents the excess of purchase consideration over the net asset value on the date of such acquisitions. The Company annually carries out an impairment analysis of its Cash Generating Units / Long term investments, in order to ascertain the extent of impairment, if any, in their carrying values. There is no impairment for FY 2017.

### 2. Non-Current Investments

Non-current investments consist of unquoted / non-trade long term investments.

### 3. Property, Plant and Equipment and Intangible Assets

As at March 31, 2017, the Property, Plant and Equipment and Intangible Assets of the Company stood at ₹ 371.33 crores as compared to ₹ 379.63 crores in FY 2016.

### 4. Deferred Tax Asset / liability

Deferred tax asset primarily comprises of deferred taxes on fixed assets and other expenses allowable on payments. The likelihood that the deferred tax asset will be recovered from future taxable income is assessed annually.

### 5. Loans & Advances and other Non-current assets

There is a decrease in long term loans & advances and other non current assets, the amount reduced from ₹179.15 crores as at March 31, 2016 to ₹ 142.25 crores as at March 31, 2017.

### 6. Cash and Bank balance

The bank balance includes current accounts maintained in India and abroad.

### 7. Inventories

Inventories consist of hardware and supplies and are stated at cost or net realizable value, whichever is lower.

### 8. Trade receivables and Other assets

Other assets include unbilled revenue, other financials assets and current assets.

## Internal Control Systems

The Company exercises internal controls through a formalized process of an authorization matrix approved by the Board. The adherence to these controls is periodically reviewed by the internal audit process. The Company's budgeting process at various levels monitors performance by business, delivery and support groups.

## Enterprise Risk Management

The Enterprise Risk Management (ERM) at 3i Infotech encompasses practices relating to identification, assessment, monitoring and mitigation of various risks to our business. Our ERM seeks to facilitate mitigation of risks that may affect the achievement of our business objectives and impact stakeholder value. Risk management is an integral part of our business model. The business practices at 3i Infotech are oriented to leverage the risk management to generate maximum reward while keeping risks below a defined level.

Major risks identified include geographic and client concentration, attrition, managing of contractual obligations, etc. To address these risks, the Company has increased its diversification across geographies, enlarged the basket of offerings and is considering various steps for employee retention.

## Safe Harbour

Certain statements made in the Management Discussion and Analysis report relating to the Company's objectives, projections, outlook, expectations, estimates, etc. may constitute "forward - looking-statements" within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections, etc. whether expressed or implied. Several factors could make a significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, natural calamities, etc. over which the Company does not have any direct control.

# **Consolidated Financial Statements**

## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
3i Infotech Limited

### Report on the Consolidated Indian Accounting Standards ('Ind AS') Financial Statements

We have audited the accompanying consolidated financial statements of 3i Infotech Limited ("the Parent Company"), its subsidiaries and a jointly controlled entity (collectively referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Ind AS Financial Statements').

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated financial of the Group as at March 31, 2017 and its consolidated financial performance (including other comprehensive income), its consolidated cash flows and its consolidated statement of changes in equity for the year ended on that date.

### Emphasis of Matter

Remuneration paid/provided of ₹ 1.23 crores for the financial year 2016-17 in respect of the Managing Director and Global CEO of the Company which is in excess of the limits prescribed under section 198 of the Act and subject to the approval of the Central Government. As explained by Management, the Company is in the process of filling an application with Central Government for obtaining approval thereof (Refer Note 35 to the Consolidated Ind AS Financial Statements).

Our opinion is not qualified for above matter

### Other Matters

- (i) The comparative financial information of the group for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the

previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the one of the Joint Auditor's whose report for the year ended March 31, 2016 dated August 11, 2016 expressed unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the group on transition to the Ind AS, which have been jointly audited by us.

- (ii) We did not audit the financial statement of three subsidiaries and jointly controlled entity included in the consolidated Ind AS financial statements, whose financial statements reflect total assets of ₹ 1.56 crores as at March 31, 2017 and total revenues of ₹ 3.21 crores for the year ended March 31, 2017 respectively. Financial information of these entities are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiaries and a jointly controlled entity is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the financial statements / financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements
  - (ii) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
  - (iii) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - (iv) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
  - (v) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2017 taken on record by the Board of Directors of the Parent Company and subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (vi) With respect to the adequacy of the internal financial controls over financial reporting of Parent Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (vii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Group has disclosed the impact of pending litigations on the consolidated financial position in the aforesaid consolidated Ind AS financial statements. Refer Note 32 to the consolidated Ind AS financial statements.
    - ii. The Group has made provision as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts.
    - iii. There has been no delay in amounts required to be transferred to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies incorporated in India.
    - iv. The Parent Company has provided requisite disclosures in its Consolidated Ind AS Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 and these are in accordance with the books of account maintained by the Group. Refer Note 43 to the Consolidated Ind AS Financial Statements

**For GMJ & Company**  
 Chartered Accountants  
 Firm Registration No: 103429W

**S. Maheshwari**  
 Partner  
 Membership No. 38755

Place: Navi Mumbai  
 Date: April 30, 2017

**For LODHA & Company**  
 Chartered Accountants  
 Firm Registration No: 301051E

**R.P. Baradiya**  
 Partner  
 Membership No. 44101

Place: Navi Mumbai  
 Date: April 30, 2017

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of 3i Infotech Limited (hereinafter referred to as “the Parent Company”) and its subsidiary companies, which are incorporated in India.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Parent Company, its subsidiary companies, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Parent Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For GMJ & Company**

Chartered Accountants

Firm Registration No:103429W

### **S. Maheshwari**

Partner

Membership No. 38755

Place: Navi Mumbai

Date: April 30, 2017

### **For LODHA & Company**

Chartered Accountants

Firm Registration No: 301051E

### **R.P. Baradiya**

Partner

Membership No. 44101

Place: Navi Mumbai

Date: April 30, 2017



### 3i INFOTECH LIMITED

### CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

₹ in Crores

Particulars	Notes	March 31, 2017	March 31, 2016	April 1, 2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment	4	143.75	151.43	258.28
(b) Capital Work-in-Progress	4	-	0.01	0.03
(c) Goodwill	5	435.06	435.06	710.56
(d) Other Intangible Assets	5	227.58	228.20	972.33
(e) Financial Assets				
(i) Investments	6	0.16	0.16	25.16
(ii) Other Financial Assets	6	16.43	10.23	15.59
(f) Deferred Tax Asset (Net)	12	3.07	4.02	93.30
(g) Income Tax Asset		118.63	161.15	161.48
(h) Other Non-Current Assets	11	7.19	7.77	8.89
		<b>951.87</b>	<b>998.03</b>	<b>2,245.62</b>
<b>Current assets</b>				
(a) Inventories	7	0.92	0.82	1.44
(b) Financial Assets				
(i) Investments	6	-	12.50	-
(ii) Trade Receivables	8	203.03	180.12	179.19
(iii) Cash and Cash Equivalents	9	119.05	48.23	14.80
(iv) Bank Balances Other than (iii) above	10	4.57	3.55	7.72
(v) Loans	6	0.09	0.03	1.00
(vi) Other Financial Assets	6	62.94	65.99	108.71
(c) Other Current Assets	11	24.33	33.19	56.08
		<b>414.93</b>	<b>344.43</b>	<b>368.94</b>
<b>TOTAL</b>		<b>1,366.80</b>	<b>1,342.46</b>	<b>2,614.56</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	13	1,183.65	640.80	603.75
(b) Other Equity	14	(1,006.20)	(529.52)	(952.19)
<b>Equity attributable to equity holders of the parent</b>		<b>177.45</b>	<b>111.28</b>	<b>(348.44)</b>
Non Controlling Interest		2.81	3.46	6.23
<b>Total Equity</b>		<b>180.26</b>	<b>114.74</b>	<b>(342.21)</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	16	902.94	872.83	1,848.89
(ii) Other Financial Liabilities	17	-	0.02	0.82
(b) Provisions	20	17.93	25.96	15.04
		<b>920.87</b>	<b>898.81</b>	<b>1,864.75</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	16	23.80	46.49	165.50
(ii) Trade Payables	18			
Micro, Small and Medium Enterprises		-	-	-
Others		119.49	157.66	214.99
(iii) Other Financial Liabilities	17	32.96	13.88	591.08
(b) Other Current Liabilities	19	83.40	102.57	106.48
(c) Provisions	20	6.02	8.31	13.97
		<b>265.67</b>	<b>328.91</b>	<b>1,092.02</b>
<b>TOTAL</b>		<b>1,366.80</b>	<b>1,342.46</b>	<b>2,614.56</b>

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements

1 to 45

As per our report of even date attached  
For GMJ & CO  
Chartered Accountants  
F.R.No. 103429W

For LODHA & CO  
Chartered Accountants  
F.R.No. 301051E

For and on behalf of the board

Padmanabhan Iyer  
CFO, Managing Director and Global CEO  
(DIN: 05282942)

Shashank Desai  
Director  
(DIN: 00143638)

S. Maheshwari  
Partner  
M.No.: 38755

R.P. Baradiya  
Partner  
M.No.: 44101

Rajeev Limaye  
Company Secretary  
(M.No.: A17168)  
Navi Mumbai  
Date: April 30, 2017

Navi Mumbai  
Date: April 30, 2017

Navi Mumbai  
Date: April 30, 2017



**3i INFOTECH LIMITED**
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

₹ in Crores

Particulars	Notes	2016-17	2015-16
<b>REVENUE</b>			
Revenue from operations (net)	21	1,003.79	1,125.58
Other income	22	52.12	7.10
<b>Total Revenue (I)</b>		<b>1,055.91</b>	<b>1,132.68</b>
<b>EXPENSES</b>			
Employee benefits expense	24	572.33	639.23
Cost of third party products and services	23	160.57	199.33
Finance costs	25	92.97	175.29
Depreciation and amortization expense	26	13.50	203.04
Other expenses	27	113.96	185.52
<b>Total Expenses (II)</b>		<b>953.33</b>	<b>1,402.41</b>
<b>Profit/(loss) before exceptional items and tax (I-II)</b>		<b>102.58</b>	<b>(269.73)</b>
Exceptional Items	28	-	168.87
<b>Profit/(loss) before tax</b>		<b>102.58</b>	<b>(438.60)</b>
<b>Tax expense:</b>			
Current tax		5.84	5.96
Adjustment of tax relating to earlier periods		2.40	25.66
Deferred tax		0.27	81.53
<b>Profit/(loss) for the year</b>		<b>94.07</b>	<b>(551.75)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>			
Remeasurement of gains/(losses) on defined benefit plans		7.01	(1.79)
Income tax effect		(0.43)	0.02
<b>B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods</b>			
Other Comprehensive income for the year, net of tax		6.58	(1.77)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>100.65</b>	<b>(553.52)</b>
<b>Profit for the year attributable to:</b>			
Equity holders of the parent		94.73	(548.96)
Non-controlling interests		(0.66)	(2.79)
<b>Other comprehensive income for the year attributable to:</b>			
Equity holders of the parent		6.58	(1.77)
Non-controlling interests		-	-
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the parent		101.31	(550.73)
Non-controlling interests		(0.66)	(2.79)
<b>Earnings per share for profit attributable to equity shareholders</b>	29		
Basic EPS		0.77	(8.85)
Diluted EPS		0.77	(8.85)

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements 1 to 45

As per our report of even date attached

For GMJ & CO  
Chartered Accountants  
F.R.No. 103429W

For LODHA & CO  
Chartered Accountants  
F.R.No. 301051E

For and on behalf of the board

Padmanabhan Iyer  
CFO, Managing Director and Global CEO  
(DIN: 05282942)

Shashank Desai  
Director  
(DIN: 00143638)

S. Maheshwari  
Partner  
M.No.: 38755

R.P. Baradiya  
Partner  
M.No.: 44101

Rajeev Limaye  
Company Secretary  
(M.No.: A17168)  
Navi Mumbai  
Date: April 30, 2017

Navi Mumbai  
Date: April 30, 2017

Navi Mumbai  
Date: April 30, 2017

### 3i INFOTECH LIMITED

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

₹ in Crores

Particulars	2016-17	2015-16
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Profit/(Loss) before income tax from:</b>	102.58	(269.73)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	13.50	203.04
Employee share-based payment expense	0.38	0.65
Gain on disposal of property, plant and equipment	0.10	(0.14)
Other income	(6.23)	(3.81)
Remeasurement of Employee Benefit Obligation	7.01	(1.79)
Allowance for doubtful debts	9.17	13.24
Interest income classified as investing cash flows	(12.67)	(0.77)
Finance costs	92.97	175.29
Net foreign exchange differences	(33.33)	47.97
<b>Change in operating assets and liabilities:</b>		
(Increase)/Decrease in trade receivables	(18.61)	151.42
(Increase)/Decrease in inventories	(0.10)	0.62
Increase/(decrease) in trade payables	(49.69)	(163.28)
(Increase) in other financial assets	(1.01)	44.76
(Increase)/decrease in other non-current assets	0.58	1.24
Increase/(decrease) in other non-current Financial Liabilities	(0.02)	-
(Increase)/decrease in other current assets	1.66	26.82
Increase/(decrease) in provisions	(10.32)	5.25
Increase/(decrease) in other current liabilities	(4.48)	(5.66)
<b>Cash generated from operations</b>	<b>91.49</b>	<b>225.12</b>
Less: Income taxes paid/(Refund)	37.91	(26.06)
<b>Net cash inflow from operating activities</b>	<b>129.40</b>	<b>199.06</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for property, plant and equipment	(5.68)	(4.99)
Loans to employees	(0.22)	0.19
Proceeds from sale of subsidiary	-	1.96
Proceeds from sale of investments	12.50	-
Proceeds from sale of property, plant and equipment	0.04	7.31
Repayment of loans by employees	0.16	(0.16)
Interest received	8.81	0.47
<b>Net cash outflow from investing activities</b>	<b>15.61</b>	<b>4.78</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from/(Repayment of) borrowings	(14.62)	(119.49)
Interest paid	(59.18)	(50.92)
Dividends paid	(0.32)	-
Dividend distribution tax paid	(0.07)	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>(74.19)</b>	<b>(170.41)</b>
Net increase (decrease) in cash and cash equivalents	70.82	33.43
Cash and Cash Equivalents at the beginning of the financial year	48.23	14.80
<b>Cash and Cash Equivalents at end of the year</b>	<b>119.05</b>	<b>48.23</b>

**3i INFOTECH LIMITED**
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

₹ in Crores

Particulars	2016-17	2015-16
Cash and cash equivalents as per above comprise of the following:		
Balances with banks:		
- On current accounts	35.17	44.11
- On deposit accounts	83.87	3.94
Cash on hand	0.01	0.18
<b>Balances per statement of cash flows</b>	<b>119.05</b>	<b>48.23</b>

**Notes :**

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 on "Statement of Cash Flows" notified by the Companies Act, 2013.
- Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements 1 to 45

As per our report of even date attached

 For GMJ & CO  
 Chartered Accountants  
 F.R.No. 103429W

 For LODHA & CO  
 Chartered Accountants  
 F.R.No. 301051E

For and on behalf of the board

 Padmanabhan Iyer  
 CFO, Managing Director and Global CEO  
 (DIN: 05282942)

 Shashank Desai  
 Director  
 (DIN: 00143638)

 S. Maheshwari  
 Partner  
 M.No.: 38755

 R.P. Baradiya  
 Partner  
 M.No.: 44101

 Rajeev Limaye  
 Company Secretary  
 (M.No.: A17168)  
 Navi Mumbai  
 Date: April 30, 2017

 Navi Mumbai  
 Date: April 30, 2017

 Navi Mumbai  
 Date: April 30, 2017

**3i INFOTECH LIMITED****STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2017****A Equity Share Capital**

₹ in Crores

Particulars	Balance at the Beginning of the year	Changes in Equity share capital during the year	Balance at the end of the year
<b>March 31, 2016</b>			
Numbers	603,750,947	37,052,981	<b>640,803,928</b>
Amount	603.75	37.05	<b>640.80</b>
<b>March 31, 2017</b>			
Numbers	640,803,928	582,868,676	<b>1,223,672,604</b>
Amount	640.80	582.87	<b>1,223.67</b>

**B Other Equity**

Particulars	Share Application money pending allotment	Equity Component of Compound financial instruments	Reserves and Surplus					₹ in Crores			
			Securities Premium Reserve	Share Based Payment Reserve	Retained Earnings	Property, Plant and Equipment Reserve	Share Suspense account - Equity Shares	Shares held in abeyance	Total other equity attributable to parent	Non Controlling Interest	Total
As at April 1, 2015	33.50	99.71	852.03	0.88	(2,062.90)	124.59	-	-	(952.19)	6.23	(945.96)
Profit for the year					(548.96)				(548.96)	(2.79)	(551.75)
Other comprehensive income					(1.77)	-			(1.77)	-	(1.77)
Total comprehensive income for the year											
Issue of equity shares	33.50	99.71	852.03	0.88	(2613.63)	124.59	-	-	(1502.92)	3.44	(1499.48)
Transaction cost	(33.50)		29.58						(3.92)		(3.92)
FCCB's # Converted during the year		(6.26)			(3.28)				(3.28)		(3.28)
Impact on reissue of FCCB's under DRS*		(62.66)			15.13				8.87		8.87
Deferred Tax on Equity component of FCCB's		(10.66)			5.01				(57.65)		(57.65)
Transfer from PPE Reserve		-			-	(2.76)			(10.66)		(10.66)
Share Based Payment		-		0.65	2.76				-		-
Equity Shares to be issued under DRS		-			31.11		1,009.55		1,009.55		1,009.55
Reinstatement of FCMITDA**					(1.27)	-			31.11	0.02	31.11
Others									(1.27)		(1.25)
As at March 31, 2016	-	20.13	881.61	1.53	(2564.17)	121.83	1,009.55	-	(529.52)	3.46	(526.06)
Profit for the year					94.73				94.73	(0.66)	94.07
Other comprehensive income					6.58				6.58		6.58
Total comprehensive income for the year											
Transfer from PPE Reserve	-	20.13	881.61	1.53	(2,462.86)	121.83	1,009.55	-	(428.21)	2.80	(425.41)
Share Based Payment				0.38	2.76	(2.76)			-		-
Issue of equity shares		-	13.24				(595.06)		0.38		0.38
Equity Shares issued but not allotted								40.02	(581.82)		(581.82)
Reinstatement of FCMITDA**					(31.11)				40.02		40.02
Others					(5.46)				(31.11)	0.01	(31.11)
As at March 31, 2017	-	20.13	894.85	1.91	(2,496.67)	119.07	414.49	40.02	(1,006.20)	2.81	(1,003.39)

\* Debt Restructuring Scheme (DRS)

\*\* Foreign currency monetary item translation difference account (FCMITDA)

# Foreign Currency convertible bonds (FCB's)

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements

1 to 45

As per our report of even date attached

For GMJ &amp; CO

Chartered Accountants

F.R.No. 103429W

For and on behalf of the board

For LODHA &amp; CO

Chartered Accountants

F.R.No. 301051E

S. Maheshwari

Partner

M.No.: 38755

Navi Mumbai

Date: April 30, 2017

Padmanabhan Iyer

CFO, Managing Director and Global CEO

(DIN: 05282942)

Navi Mumbai

Date: April 30, 2017

Shashank Desai

Director

(DIN: 00143638)

Rajeev Limaye

Company Secretary

(M.No.: A17168)

### **3i INFOTECH LIMITED**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

### **1 Corporate Information**

The consolidated financial statements comprise financial statements of 3i Infotech Limited (the Company) and its subsidiaries (collectively referred as 'the Group') for the year ended March 31, 2017

the Company is a public limited Company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The address of its registered office is at International Infotech Park, Tower No.5, 3rd to 6th floors, Vashi, Navi Mumbai-400703.

The consolidated financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on April 30, 2017.

### **2 Significant Accounting Policies**

#### **a) Statement of compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted with effect from April 1, 2016 Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act 2013. These consolidated financial statements for the year ended March 31, 2017 are the first; the Group has prepared in accordance with Ind AS. Previous periods have been restated to Ind AS. (Refer to Note 3 for information on how the Group adopted Ind AS.)

#### **b) Basis of preparation**

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### **c) Principles of consolidation and equity accounting**

##### **(i) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

##### **(ii) Associates**

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

**(iii) Joint arrangements**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has both joint operations and joint ventures.

**Joint ventures**

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

**(iv) Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in below.

**(v) Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit and loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to statement of profit and loss where appropriate.

**d) Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:



- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in statement of profit and loss or Other Comprehensive Income (OCI), as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in statement of profit and loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash- generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.



**e) Group companies**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

**f) Use of estimates and judgments**

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

**(i) Impairment of investments**

The Group reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**(ii) Useful lives of property, plant and equipment**

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**(iii) Valuation of deferred tax assets**

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note (i)

**(iv) Provisions and Contingent liabilities**

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the consolidated financial statements. A contingent asset in neither recognised nor disclosed in the consolidated financial statements.

**g) Revenue Recognition**

The Group earns primarily from providing services of IT solutions and Transaction services.

**(i) Revenue from IT solutions**

The Group earns revenue from IT solutions comprises of revenue from the sale of software products, providing IT services and sale of hardware and third party software.

- Revenue from Software Products is recognized on delivery/installation, as per the predetermined/ laid down policy across all geographies or a lower amount as considered appropriate in terms of the contract. Maintenance revenue in respect of products is deferred and recognized ratably over the period of the underlying maintenance agreement.

- 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. Provisions 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.
- Revenue from Supply of Hardware/Other Material and Sale of Third Party Software License/Term License/Other Materials incidental to the aforesaid services is recognized based on delivery/installation, as the case may be. Recovery of incidental expenses is added to respective revenue.

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 “advance from customer/unearned revenue” and included in other liabilities.

**(ii) Revenue from Transaction Services:**

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

**(iii) Revenue from Sharing of Infrastructure Facilities:**

- Revenue from sharing of infrastructure facilities is recognised based on usage of facilities.

**h) Interest / Dividend Income**

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

**i) Leases**

**(i) Finance lease**

Assets taken on lease by the Group in its capacity as a lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at the lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

**(ii) Operating lease**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

**j) Cost recognition**

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Group are broadly categorised in employee benefit expenses, cost of third party products and services, finance costs, depreciation and amortisation and other expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Cost of third party products and services mainly include purchase of software licenses and products, fees to external consultants, cost of running its facilities, cost of equipment and other operating expenses. Finance cost includes interest and other borrowing cost. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, printing and stationery, communication, repairs and maintenance etc.

**k) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is entity's functional and presentation currency.

## **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

## **I) Income taxes**

### **Current income taxes**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Advance taxes and provisions for current income taxes are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

### **Deferred income taxes**

Deferred income tax is recognised using the Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future economic tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Group recognises interest levied and penalties related to income tax assessments in finance costs.

## m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### (i) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### (ii) Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

##### - Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

##### - Debt instrument at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

##### - Debt instrument at fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). the Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- **Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. the Group makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows.

**(iii) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

the Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- **Financial Liabilities at fair value through profit and loss**

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. the Group has not designated any financial liability as at fair value through profit and loss.

- **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### **(vi) Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. the Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. the Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **(v) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **n) Compound financial instruments**

Compound financial instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the compound financial instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the compound financial instruments based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.



**o) Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives adopted by Group

Category of Assets	Useful lives adopted by Company	Useful Lives prescribed under Schedule II of the Act
Computers	1-6 years	3-6 years
Plant and Machinery, Electrical Installation	5 years	15 years
Office Equipment	1-5 years	5 years
Furniture and Fixtures	3-10 years	10 years
Vehicles	3-8 years	10 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other gains/(losses).

**p) Intangible assets**

**(i) Goodwill**

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

**(ii) Software Products - Meant for sale**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits

- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

**(iii) Software Products-Others**

Purchased software meant for in house consumption and significant upgrades thereof which have a probable economic benefit exceeding one year are capitalized at the acquisition price.

**(iv) Patents, copyrights , Business commercial rights and other rights**

Separately acquired patents and copyrights are shown at historical cost. Patents, copyrights and non-compete acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

**(v) Research and development**

Research expenditure and development expenditure that do not meet the criteria specified above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

**Amortisation methods and periods**

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Category of Assets	Useful lives adopted by Company
Goodwill	5 years
Business Commercial rights	10 years
Software others	5 years or as per license period

**Intangible Assets with indefinite useful lives**

Based on the analysis of product life cycle studies, market and competitive trends, it is assessed that the 'Software products meant for sale' would generate net cash flows for an indefinite period.

**q) Impairment**

**(i) Financial assets (other than at fair value)**

The Group assesses at each date of Balance sheet whether a financial asset or a Group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. the Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk or the financial asset has increased significantly since initial recognition.

**(ii) Non-financial assets**

**Tangible and intangible assets**

Property, plant and equipment and intangible assets within finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.



**r) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.
- (c) superannuation contribution plans.

**- Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than ₹, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**- Defined contribution plans**

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**- Superannuation contribution plan**

Certain employees of the Company are also participants in a defined superannuation contribution plan. The Company contributes to the scheme with Life Insurance Corporation of India on a monthly basis. The Company has no further obligations to the scheme beyond its monthly contributions.

#### **(iv) Employee Benefits in Foreign Subsidiaries and Foreign Branch**

In respect of employees in foreign subsidiaries and foreign branch, necessary provisions are made based on the applicable local laws. Gratuity and leave encashment/entitlement as applicable for employees in foreign branch are provided on the basis of actuarial valuation and based on estimates.

#### **(v) Share-based payments**

Share-based compensation benefits are provided to employees via the Employee Option Plan.

##### **Employee options plan**

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

#### **s) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **t) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

#### **u) Provisions**

##### **General**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### **v) Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**w) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**x) Earnings per share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

**(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**y) Current/non current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period the Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. the Group has identified twelve months as its operating cycle.

**z) Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

**Hardware and Supplies**

Carried at lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**aa) Rounding of amounts**

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

### 3. FIRST TIME ADOPTION OF IND AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the consolidated financial statements for the year ended March 31, 2017, the comparative information presented in these consolidated financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013 Read with Rule 7 of the Companies (Accounts) Rules 2014 as amended and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### i. Cumulative translation differences

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired. The Group elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

Ind AS 101 also permits to continue the accounting policy adopted under Indian GAAP for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. The Group has elected to continue with the adopted policy for accounting of exchange differences on long term foreign currency monetary items existing at the period ending March 31, 2016.

##### ii. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets covered by Ind AS 38 - Intangible Assets as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

##### iii. Estimates

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation.

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as at March 31, 2016.

##### iv. Compound financial instruments

When the liability component of a compound financial instrument is no longer outstanding at the date of transition to Ind AS, a first-time adopter may elect not to apply Ind AS 32 retrospectively to split the liability and equity components of the instrument.

##### v. Extinguishing financial liabilities with equity instruments

Appendix D to Ind AS 109 addresses accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability. It broadly requires that equity instruments issued to a creditor to extinguish all or part of a financial liability is treated as consideration paid and measured at their fair value at the date of extinguishment. The difference between the carrying amount of the financial liability and the consideration paid (including any cash or other financial asset) should be recognised in statement of profit and loss. The consideration amount is the fair value of the equity shares issued, and if that is not reliably measurable, the fair value of the liability that is being redeemed. A first-time adopter may apply these requirements either retrospectively or from the date of transition to Ind AS. Therefore the Group elects to apply these requirement prospectively from the date of transition to IND AS.

#### vi. Share based payment transactions

A first-time adopter is encouraged, but not required, to apply Ind AS 102 Share-based Payment to equity instruments that were vested on or before the date of transition to Ind AS. However, if a first-time adopter elects to apply Ind AS 102 to such equity instruments, it may do so only if the entity has disclosed publicly the fair value of those equity instruments determined at the measurement date as defined in Ind AS 102.

Therefore, Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2015.

#### vii. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

### B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

#### i. Reconciliation of equity as at date of transition (April 1, 2015)

₹ in Crores				
Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment		258.28	-	258.28
(b) Capital Work-in-Progress		0.03	-	0.03
(c) Goodwill		710.56	-	710.56
(d) Other Intangible Assets		972.33	-	972.33
(e) Financial Assets				
(i) Investments		25.16	-	25.16
(ii) Other Financial Assets		15.72	(0.13)	15.59
(f) Deferred Tax Asset (Net)	6	125.83	(32.53)	93.30
(g) Income Tax Asset (Net)		161.35	0.13	161.48
(h) Other Non-Current Assets		8.89		8.89
		<b>2,278.15</b>	<b>(32.53)</b>	<b>2,245.62</b>
<b>Current assets</b>				
(a) Inventories		1.44	-	1.44
(b) Financial Assets				
(i) Trade Receivables		179.19	-	179.19
(ii) Cash and Cash Equivalents		14.80	-	14.80
(iii) Bank Balances Other than (ii) above		7.72	-	7.72
(iv) Loans		1.00	-	1.00
(v) Other Financial Assets		108.71	-	108.71
(c) Other Current Assets		56.08	-	56.08
		<b>368.94</b>	<b>-</b>	<b>368.94</b>
<b>TOTAL</b>		<b>2,647.09</b>	<b>(32.53)</b>	<b>2,614.56</b>

₹ in Crores

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		603.75		603.75
(b) Other Equity <sup>#</sup>	1,8,9	(954.48)	2.29	(952.19)
<b>Equity attributable to equity holders of the parent</b>		<b>(350.73)</b>	<b>2.29</b>	<b>(348.44)</b>
Non Controlling Interest		6.23	-	6.23
<b>Total Equity</b>		<b>(344.50)</b>	<b>2.29</b>	<b>(342.21)</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	1,2,3	1,860.43	(11.54)	1,848.89
(ii) Other Financial Liabilities	1,2	12.52	(11.70)	0.82
(b) Provisions		15.04	-	15.04
		<b>1,887.99</b>	<b>(23.24)</b>	<b>1,864.75</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		165.50	-	165.50
(ii) Trade Payables				
Micro, Small and Medium Enterprises		-	-	-
Others		214.99	-	214.99
(iii) Other Financial Liabilities		602.66	(11.58)	591.08
(b) Other Current Liabilities		106.48	-	106.48
(c) Provisions		13.97	-	13.97
		<b>1,103.60</b>	<b>(11.58)</b>	<b>1,092.02</b>
<b>TOTAL</b>		<b>2,647.09</b>	<b>(32.53)</b>	<b>2,614.56</b>

<sup>#</sup> includes Preference Share Capital of ₹ 65 crores reclassified under 'Non-Current Borrowings'.

## ii. Reconciliation of equity as at March 31, 2016

₹ in Crores

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment		151.43	-	151.43
(b) Capital Work-in-Progress		0.01	-	0.01
(c) Goodwill		435.06	-	435.06
(d) Other Intangible Assets		228.20	-	228.20
(e) Financial Assets				
(i) Investments		0.16	-	0.16
(ii) Other Financial Assets		10.32	(0.09)	10.23
(f) Deferred Tax Asset (Net)		4.02	-	4.02
(g) Income Tax Asset (Net)		161.07	0.08	161.15
(h) Other Non-Current Assets		7.77	-	7.77
		<b>998.04</b>	<b>(0.01)</b>	<b>998.03</b>
<b>Current assets</b>				
(a) Inventories		0.82	-	0.82
(b) Financial Assets				
(i) Investments		12.50	-	12.50
(ii) Trade Receivables		180.12	-	180.12
(iii) Cash and Cash Equivalents		48.23	-	48.23

₹ in Crores

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
(iv) Bank Balances Other than (iii) above		3.55	-	3.55
(v) Loans		0.03	-	0.03
(vi) Other Financial Assets		65.99	-	65.99
(c) Other Current Assets		33.19	-	33.19
		<b>344.43</b>	-	<b>344.43</b>
<b>TOTAL</b>		<b>1,342.47</b>	<b>(0.01)</b>	<b>1,342.46</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		640.80		640.80
(b) Other Equity <sup>#</sup>	1,8,9	(331.23)	(198.29)	(529.52)
<b>Equity attributable to equity holders of the parent</b>		<b>309.57</b>	<b>(198.29)</b>	<b>111.28</b>
Non Controlling Interest		3.37	0.09	3.46
<b>Total Equity</b>		<b>312.94</b>	<b>(198.20)</b>	<b>114.74</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	1,2,3	670.25	202.58	872.83
(ii) Other Financial Liabilities		0.02	-	0.02
(b) Provisions		25.96	-	25.96
		<b>696.23</b>	<b>202.58</b>	<b>898.81</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		46.49	-	46.49
(ii) Trade Payables				
Micro, Small and Medium Enterprises				
Others		157.66	-	157.66
(iii) Other Financial Liabilities	2	18.27	(4.39)	13.88
(b) Other Current Liabilities		102.57	-	102.57
(c) Provisions		8.31	-	8.31
		<b>333.30</b>	<b>(4.39)</b>	<b>328.91</b>
<b>TOTAL</b>		<b>1,342.47</b>	<b>(0.01)</b>	<b>1,342.46</b>

<sup>#</sup> includes Preference Share Capital of ₹ 65 crores reclassified under 'Non-Current Borrowings'.

### iii. Reconciliation of total comprehensive income for the year ended March 31, 2016

₹ in Crores

Particulars	Notes	IGAAP	Adjustments	IND AS Balance
<b>REVENUE</b>				
Revenue from operations (net)		1,125.58	-	1,125.58
Other income	3,7	4.51	2.59	7.10
<b>Total Revenue (I)</b>		<b>1,130.09</b>	<b>2.59</b>	<b>1,132.68</b>
<b>EXPENSES</b>				
Employee benefits expense	4,5	640.38	(1.15)	639.23
Cost of third party products and services		199.33	-	199.33
Finance costs	1,2,3	151.45	23.84	175.29
Depreciation and amortization expense		203.04	-	203.04
Other expenses	2,3	185.72	(0.20)	185.52
<b>Total Expenses (II)</b>		<b>1,379.92</b>	<b>22.49</b>	<b>1,402.41</b>



₹ in Crores				
Particulars	Notes	IGAAP	Adjustments	IND AS Balance
<b>Profit/(loss) before exceptional items and tax (I-II)</b>		<b>(249.83)</b>	<b>(19.90)</b>	<b>(269.73)</b>
Exceptional Items	1,2,3	656.15	(487.28)	168.87
<b>Profit/(loss) before tax</b>		<b>(905.98)</b>	<b>467.38</b>	<b>(438.60)</b>
<b>Tax expense:</b>				
Current tax		5.96	-	5.96
Adjustment of tax relating to earlier periods		25.66	-	25.66
Deferred tax	6	121.68	(40.15)	81.53
<b>Profit/(loss) for the year</b>		<b>(1,059.28)</b>	<b>507.53</b>	<b>(551.75)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>				
Remeasurement of gains (losses) on defined benefit plans		-	(1.79)	(1.79)
Income tax effect		-	0.02	0.02
<b>B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods</b>		-	-	-
<b>Other Comprehensive income for the year, net of tax</b>		-	(1.77)	(1.77)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>(1,059.28)</b>	<b>505.76</b>	<b>(553.52)</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

#### iv. Reconciliation of total equity as at March 31, 2016 and April 1, 2015

₹ in Crores			
Particulars	Note	March 31, 2016	April 1, 2015
<b>Total equity (shareholder's funds) as per previous GAAP</b>		<b>312.94</b>	<b>(344.50)</b>
<b>Equity as per previous GAAP attributable to:</b>			
Equity holders of the Company		309.57	(350.74)
Non-controlling interest		3.37	6.24
<b>Adjustments:</b>			
Reclassification from equity to financial liabilities	1	(725.17)	(65.00)
Fair valuation of financial instruments	1,2,3	498.17	34.76
Employee stock options expenses recognized based on fair value method	4	(0.65)	-
Deferred tax effects	6	29.52	32.53
Other adjustments	7	(0.07)	-
Total		(198.20)	2.29
<b>Total Equity as per Ind AS attributable to</b>		<b>114.74</b>	<b>(342.21)</b>
Equity holders of the company		111.28	(348.45)
Non-controlling Interest		3.46	6.24



**v. Reconciliation of total comprehensive income for the year ended March 31, 2016**
**₹ in Crores**

Particulars	Note	March 31, 2016
<b>Profit after tax as per previous GAAP attributable to:</b>		<b>(1,059.28)</b>
Equity holders of the Company		(1,056.41)
Non-controlling interest		(2.87)
<b>Adjustments:</b>		
Fair valuation of financial instruments	1, 2, 3	466.23
Employee stock options expense recognized based on fair value method	4	(0.65)
Actuarial (gain)/loss on employee defined benefit expense recognized in Other Comprehensive Income	5	1.80
Deferred tax effects	6	40.15
<b>Total</b>		<b>507.53</b>
<b>Profit after tax as per Ind AS</b>		<b>(551.75)</b>
Other comprehensive income - employee defined benefit expense		(1.77)
<b>Total comprehensive income as per Ind AS attributable to :</b>		<b>(553.52)</b>
Equity holders of the company		(550.73)
Non-controlling Interest		(2.79)

**vi. Reconciliation of statement of cash flows:**

There are no material adjustments to the Statement of Cash flows as reported under the previous GAAP.

**C. Notes to first-time adoption:**
**Note 1: Redeemable preference shares**

The Group has issued non convertible redeemable preference shares. The preference shares carry fixed cumulative dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit.

Under Ind AS, non convertible redeemable preference shares are classified as financial liability as per Ind AS 32 and accounted at fair value. Interest on financial liability is recognised using the effective interest method.

**Note 2: Convertible foreign currency bonds**

The Group has issued foreign currency convertible bonds. The bonds carry fixed interest rate. Under Indian GAAP, the bonds were classified as liability and interest payable on principal amount was treated as interest expense.

Under Ind AS, convertible bonds are separated into liability and equity component based on the terms of the contract. Interest on liability component is recognised using the effective interest method

**Note 3: Fair valuation of other financial instruments**

Under Indian GAAP, interest free borrowing is initially measured at the transaction value at the time of initial measurement without any adjustments in regard to the fair value. Under Ind AS, interest free borrowings is to be initially measured at fair value. Subsequently these liabilities are measured at amortised cost.

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

Under Indian GAAP, interest free security deposit given is measured at the transaction value at the time of initial measurement without any adjustments in regard to the fair value. Under Ind AS, interest free security deposit is to be initially measured at fair value. As at the date of transition, the interest free security deposit has been recognised at fair value based on the facts and circumstances which existed at the date of initial measurement by giving corresponding effect to retained earnings for the period from initial measurement to the date of transition and to other current assets (pre-paid expense) for the remaining period of deposit post the date of transition.

---

**Note 4: Employee stock option expense**

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

**Note 5: Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

**Note 6: Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

**Note 7: Other adjustment**

These represent adjustments on realigning of accounting policies due to Ind AS.

**Note 8: Retained earnings**

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

**Note 9: Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit. The concept of other comprehensive income did not exist under previous GAAP.

#### 4. PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Hardwares	Leasehold Improvements	Asset on Finance Lease	Total
<b>GROSS CARRYING VALUE</b>										
As at April 1, 2015	0.40	140.47	0.29	2.71	0.99	2.00	9.28	4.76	97.38	258.28
Additions	-	-	0.46	0.74	-	0.75	1.81	1.22	-	4.98
Disposals	-	-	-	(1.56)	(0.34)	(2.28)	(1.49)	-	(1.16)	(6.83)
Other Adjustments	(0.05)	-	(0.01)	0.02	(0.10)	2.25	(0.60)	(1.20)	1.54	1.85
<b>As at March 31, 2016</b>	<b>0.35</b>	<b>140.47</b>	<b>0.74</b>	<b>1.91</b>	<b>0.55</b>	<b>2.72</b>	<b>9.00</b>	<b>4.78</b>	<b>97.76</b>	<b>258.28</b>
Additions	-	-	0.09	0.21	-	0.98	1.00	-	-	2.28
Disposals	-	-	-	(0.13)	(0.28)	(0.07)	(0.04)	(0.24)	-	(0.76)
Other Adjustments	0.35	-	(0.09)	0.87	0.20	1.06	(0.67)	(0.83)	-	0.89
<b>As at March 31, 2017</b>	<b>0.70</b>	<b>140.47</b>	<b>0.74</b>	<b>2.86</b>	<b>0.47</b>	<b>4.69</b>	<b>9.29</b>	<b>3.71</b>	<b>97.76</b>	<b>260.69</b>
<b>ACCUMULATED DEPRECIATION/IMPAIRMENT</b>										
As at April 1, 2015	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	3.12	0.17	0.71	0.45	0.83	5.95	1.42	62.42	75.07
Impairment Loss for the year	-	-	-	-	-	-	-	-	-	-
Discontinued operations (Note 44)	-	-	-	-	-	-	-	-	-	-
Acquisition through business combinations	-	-	-	-	-	-	-	-	-	-
Deductions/Adjustments during the year	0.02	(0.02)	(0.01)	0.36	(0.18)	-	(1.56)	(1.26)	34.42	31.77
<b>As at March 31, 2016</b>	<b>0.02</b>	<b>3.10</b>	<b>0.16</b>	<b>1.07</b>	<b>0.27</b>	<b>0.83</b>	<b>4.39</b>	<b>0.16</b>	<b>96.84</b>	<b>106.84</b>
Depreciation for the year	0.58	3.11	0.20	0.25	0.16	0.76	2.58	0.27	0.42	8.33
Impairment Loss for the year	-	-	-	-	-	-	-	-	-	-
Discontinued operations (Note 44)	-	-	-	-	-	-	-	-	-	-
Acquisition through business combinations	-	-	-	-	-	-	-	-	-	-
Deductions/Adjustments during the period	(0.27)	-	(0.10)	0.79	(0.07)	1.49	(0.07)	(0.01)	-	1.77
<b>As at March 31, 2017</b>	<b>0.33</b>	<b>6.21</b>	<b>0.26</b>	<b>2.11</b>	<b>0.36</b>	<b>3.10</b>	<b>6.90</b>	<b>0.42</b>	<b>97.26</b>	<b>116.94</b>
<b>Net Carrying value as at March 31, 2017</b>	<b>0.37</b>	<b>134.26</b>	<b>0.48</b>	<b>0.75</b>	<b>0.11</b>	<b>1.59</b>	<b>2.39</b>	<b>3.29</b>	<b>0.50</b>	<b>143.75</b>
<b>Net Carrying value as at March 31, 2016</b>	<b>0.33</b>	<b>137.37</b>	<b>0.58</b>	<b>0.84</b>	<b>0.28</b>	<b>1.89</b>	<b>4.61</b>	<b>4.62</b>	<b>0.92</b>	<b>151.43</b>
<b>Net Carrying value as at April 1, 2015</b>	<b>0.40</b>	<b>140.47</b>	<b>0.29</b>	<b>2.71</b>	<b>0.99</b>	<b>2.00</b>	<b>9.28</b>	<b>4.76</b>	<b>97.38</b>	<b>258.28</b>

**Notes:****i. Leased Assets**

Property, Plant and Equipment includes the following amounts where the company is a lessee under finance lease :

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Land</b>			
Cost	0.40	0.40	0.40
Accumulated Depreciation	(0.03)	(0.07)	-
<b>Net carrying amount</b>	<b>0.37</b>	<b>0.33</b>	<b>0.40</b>
<b>Building</b>			
Cost	140.47	140.47	140.47
Accumulated Depreciation	(6.21)	(3.10)	-
<b>Net carrying amount</b>	<b>134.26</b>	<b>137.37</b>	<b>140.47</b>
<b>Computers</b>			
Cost	191.80	191.80	195.14
Accumulated Depreciation	(191.80)	(191.80)	(126.38)
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>	<b>68.76</b>
<b>Plant and Equipment/Electrical Installation</b>			
Cost	0.32	0.32	0.32
Accumulated Depreciation	(0.32)	(0.32)	(0.19)
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>	<b>0.13</b>
<b>Furniture and Fixtures</b>			
Cost	65.23	65.23	65.48
Accumulated Depreciation	(65.23)	(65.23)	(41.03)
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>	<b>24.45</b>
<b>Leasehold Improvements</b>			
Cost	11.39	11.39	10.67
Accumulated Depreciation	(11.14)	(10.72)	(6.63)
<b>Net carrying amount</b>	<b>0.25</b>	<b>0.67</b>	<b>4.04</b>

Refer to Note 32 for lease term and options available for lessee and lessor and options

**ii. Property, Plant and Equipment pledged as security against borrowings by the Company**

Refer to Note 39 for information on property, plant and equipment pledge as security by the Company

**iii. Additional Depreciation on Leased Assets**

On physical verification of 'Tangible Assets under Finance Lease', the management on consideration of their wear and tear has decided to provide additional depreciation of ₹ 35.21 crores during the previous year and the same had been included under 'Exceptional Items'.

**iv. Contractual Obligations**

Refer to Note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

## 5. INTANGIBLE ASSETS

₹ in Crores

Particulars	Goodwill	Software Products - Meant for sale	Software Products - Others	Business and Commercial Rights	Total
<b>GROSS CARRYING VALUE</b>					
<b>As at April 1, 2015</b>	710.56	943.26	21.56	7.51	1,682.89
Additions	-	58.60	-	-	58.60
Deletions	(33.69)	-	(10.18)	(1.07)	(44.94)
Other Adjustments	-	(0.02)	(5.06)	-	(5.08)
<b>As at March 31, 2016</b>	<b>676.87</b>	<b>1,001.84</b>	<b>6.32</b>	<b>6.44</b>	<b>1,691.47</b>
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
Other Adjustments	-	-	0.06	-	0.06
<b>As at March 31, 2017</b>	<b>676.87</b>	<b>1,001.84</b>	<b>6.38</b>	<b>6.44</b>	<b>1,691.53</b>
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>					
<b>As at April 1, 2015</b>	-	-	-	-	-
Amortisation for the year	-	110.04	17.52	0.41	127.97
Impairment	241.81	668.13	(15.73)	6.03	900.24
Deductions\Adjustments during the year	-	-	-	-	-
<b>As at March 31, 2016</b>	<b>241.81</b>	<b>778.17</b>	<b>1.79</b>	<b>6.44</b>	<b>1,028.21</b>
Amortisation for the year	-	-	5.57	-	5.57
Deductions\Adjustments during the year	-	-	(4.89)	-	(4.89)
<b>As at March 31, 2017</b>	<b>241.81</b>	<b>778.17</b>	<b>2.48</b>	<b>6.44</b>	<b>1,028.89</b>
<b>Net Carrying value as at March 31, 2017</b>	<b>435.06</b>	<b>223.67</b>	<b>3.91</b>	<b>-</b>	<b>662.64</b>
<b>Net Carrying value as at March 31, 2016</b>	<b>435.06</b>	<b>223.67</b>	<b>4.53</b>	<b>-</b>	<b>663.26</b>
<b>Net Carrying value as at April 1, 2015</b>	<b>710.56</b>	<b>943.26</b>	<b>21.56</b>	<b>7.51</b>	<b>1,682.89</b>

### i. Significant Estimate : Useful life of Intangible Assets

Refer to sub note (p) of Note 2 'Significant Accounting policies'

### ii. Intangible Assets with indefinite useful lives

The Group provides IT based software solutions to variety of industry verticals which includes softwares meant for Banking industry, Insurance industry, Enterprise Resource Planning (ERP) softwares and softwares meant for financial service industry. These softwares have been capitalised as 'Software Products - meant for sale' category under intangible assets. The Group based on the analysis of product life cycle studies, market and competitive trends assesses that the 'Software Products - meant for sale' products will generate net cash flows for an indefinite period.

### iii. Impairment testing of goodwill and intangible assets with indefinite lives

#### (a) Software Products - meant for sale

Software Products - meant for sale with indefinite lives have been allocated to the CGUs below forming part of IT Solution segment which is Company's operating and reportable segment, for impairment testing:

- Banking
- Insurance
- ERP
- Financial Services

**Carrying amount of goodwill and other intangible assets with indefinite life allocated to each of the CGUs:**

₹ in Crores

Intangible Assets	March 31, 2017	March 31, 2016	April 1, 2015
<b>Software meant for sale</b>			
- Banking	104.99	104.99	435.70
- Insurance	56.63	56.63	242.47
- ERP	47.64	47.64	200.22
- Financial Services	14.41	14.41	64.87
	<b>223.67</b>	<b>223.67</b>	<b>943.26</b>

The Group tests whether softwares have suffered any impairment periodically. The recoverable amount of a cash generating unit (CGU) is determined based on value in use of the underlying asset. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

The recoverable amount of CGUs (business units) based on value in use as at December 31, 2016 ₹ 1,034 crore (December 31, 2015: ₹ 1,100 crore, December 31, 2014: ₹ 1,275 crore). The recoverable amounts represents the fair value of the business of the software products over the period of budgeted five years.

Based on estimates of the management, though the fair valuation of the product businesses are much higher than the carrying amount of the software products, these intangibles are carried at amounts which the management estimates to be the residual value of the development costs.

**(b) Goodwill**

Goodwill acquired through business combinations has been allocated to the operations of below mentioned subsidiaries in which the businesses were acquired, which are considered as CGUs for impairment testing :

- 3i Infotech Inc
- 3i Infotech Financial Software Inc
- Others

**Carrying amount of goodwill allocated to each of the CGUs:**

₹ in Crores

Intangible Assets	March 31, 2017	March 31, 2016	April 1, 2015
<b>Goodwill</b>			
3i Infotech Inc	258.11	258.11	412.12
3i Infotech Financial Software Inc	42.85	42.85	42.85
Others	134.10	134.10	255.59
	<b>435.06</b>	<b>435.06</b>	<b>710.56</b>

The Group tests whether goodwill has impaired periodically. The recoverable amount of a cash generating unit (CGU) is determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

The recoverable amount of CGUs (the Subsidiaries) based on value in use as at December 31, 2016 ₹ 1,570 crore (December 31, 2015: ₹ 1,602 crore, December 31, 2014: ₹ 1,815 crore). The recoverable amounts represent the aggregate fair value of the business of the subsidiaries over the period of budgeted five years.

However, having regard to the complexities involved and uncertainties envisaged with respect to the businesses of subsidiaries, the management; as a prudent measure has been writing down the goodwill amounts and has reflected these at carrying values, which have been lower than the aggregate recoverable amounts derived from respective Value in Use of these subsidiary companies.

## 6. FINANCIAL ASSETS

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>(A) INVESTMENTS</b>			
<b>Non Current</b>			
<b>Investments carried at fair value through Profit and Loss</b>			
<b>Unquoted</b>			
<b>(a) Investments in Equity Instruments</b>			
200,000 Equity Shares of Sri Lankan Rupee 10 each fully paid up of First Capital Asset Management Co.Ltd.(as at March 31, 2016 - 200,000 shares), (as at April 01, 2015 - 200,000 shares)	0.10	0.10	0.10
55,000 equity shares of ₹ 10 each fully paid up of Vashi Railway Station Commercial Complex Limited ( as at March 31, 2016 - 55,000 shares),( as at April 01, 2015 - 55,000 shares)	0.06	0.06	0.06
37,500 Equity Shares of Egyptian Pounds 100 each fully paid up of Nile Information Technology. (as at March 31, 2016 - 37,500 shares),(as at April 01, 2015 - 37,500 shares)	2.91	2.91	2.91
Less: Impairment Allowance	(2.91)	(2.91)	(2.91)
8% holding in Four Seasons Software LLC, a 'S' corporation, Connecticut, USA.	2.10	2.10	2.10
Less: Impairment Allowance	(2.10)	(2.10)	(2.10)
<b>(b) Investments in Preference Shares</b>			
250,00,000 Redeemable Non Convertible Zero Coupon Preference Shares of ₹ 10 each fully paid up of eMudhra Ltd (as at March 31, 2016 - 2,50,00,000 shares) (as at April 01, 2015 - 2,50,00,000 shares)	-	25.00	25.00
Less: Reclassified as other receivables#	-	(12.50)	-
Less : Reclassified as Current Investments#	-	(12.50)	-
<b>Total</b>	<b>0.16</b>	<b>0.16</b>	<b>25.16</b>
Aggregate amount of quoted investments	-	-	-
Market value of quoted investments	-	-	-
Aggregate amount of unquoted investments	0.16	0.16	25.16
Aggregate amount of impairment in the value of investments	(5.01)	(5.01)	(5.01)
<b>Investments carried at amortised cost</b>	-	-	-
<b>Investments carried at fair value through other comprehensive income</b>	-	-	-
<b>Investments carried at fair value through profit and loss</b>	<b>0.16</b>	<b>0.16</b>	<b>25.16</b>
<b>Investments carried at cost</b>	-	-	-
<b>Current</b>			
<b>Investments carried at fair value through Profit and Loss</b>			
<b>Unquoted</b>			
<b>Investments in Equity Instruments</b>			
12,500,000 Redeemable Non Convertible Zero Coupon Preference Shares of ₹ 10 each fully paid up of eMudhra Limited#	-	12.50	-
<b>Total</b>	<b>-</b>	<b>12.50</b>	<b>-</b>

# in terms of the settlement agreement, the same was purchased by the promoters of investee company on October 31, 2016



₹ in Crores			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>(B) LOANS</b>			
<b>Current</b>			
<b>Unsecured, considered good unless otherwise stated</b>			
Loans to Employees	0.09	0.03	1.00
<b>Total</b>	<b>0.09</b>	<b>0.03</b>	<b>1.00</b>
<b>(C) OTHER FINANCIAL ASSETS</b>			
<b>Non Current</b>			
<b>Financial assets carried at amortised cost</b>			
Security Deposits	16.43	10.23	11.76
Unbilled Revenue	-	-	3.83
<b>Total</b>	<b>16.43</b>	<b>10.23</b>	<b>15.59</b>
<b>Current</b>			
<b>Financial assets carried at amortised cost</b>			
Security Deposits	6.84	9.55	10.72
Unbilled Revenue	55.28	54.91	97.99
Interest Accrued but not due	0.82	-	-
Other financial assets	-	1.53	-
<b>Total</b>	<b>62.94</b>	<b>65.99</b>	<b>108.71</b>

## 7. INVENTORIES

₹ in Crores			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>(Valued at lower of Cost and Net Realisable value)</b>			
Hardware and Supplies	0.92	0.82	1.44
<b>Total</b>	<b>0.92</b>	<b>0.82</b>	<b>1.44</b>

## 8. TRADE RECEIVABLES

₹ in Crores			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>			
Trade Receivables from customers	203.03	180.12	179.19
	<b>203.03</b>	<b>180.12</b>	<b>179.19</b>
<b>Breakup of Security details</b>			
Unsecured, considered good	203.03	180.12	179.19
Doubtful	48.39	56.66	50.15
	<b>251.42</b>	<b>236.78</b>	<b>229.34</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>			
Unsecured, considered Doubtful	-	-	-
Doubtful	48.39	56.66	50.15
	<b>48.39</b>	<b>56.66</b>	<b>50.15</b>
	<b>203.03</b>	<b>180.12</b>	<b>179.19</b>

Trade or Other Receivable due from directors or other officers of the Company either severally or jointly with any other person amounted to ₹ Nil (Previous year ₹ Nil)

Trade or Other Receivable due from firms or private companies respectively in which any director is a partner, a director or a member amounted to ₹ Nil (Previous year ₹ Nil)

## 9. CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Balances with banks:</b>			
- On current accounts	35.17	44.11	11.04
- On deposit accounts	83.87	3.94	3.33
Cash on hand	0.01	0.18	0.43
	<b>119.05</b>	<b>48.23</b>	<b>14.80</b>

## 10. OTHER BANK BALANCES

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks to the extent held as margin money	2.26	3.02	3.07
Deposits with banks to the extent held as margin money	0.57	-	0.13
<b>Other Balances with banks</b>			
- in Dividend accounts	0.32	0.32	0.37
- in Escrow accounts	1.42	0.21	4.15
	<b>4.57</b>	<b>3.55</b>	<b>7.72</b>

## 11. OTHER ASSETS

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non Current</b>			
Capital Advances	0.01	0.34	-
Other Advances	-	-	0.14
Others			
- Prepaid expenses	3.19	7.43	8.40
- Balances with Statutory, Government Authorities	3.99	-	0.35
<b>Total</b>	<b>7.19</b>	<b>7.77</b>	<b>8.89</b>
<b>Current</b>			
<b>Advances other than Capital advances</b>			
- Advances to creditors	3.20	-	-
- Other Advances	4.51	22.59	48.11
<b>Others</b>			
- Prepaid expenses	4.20	10.60	7.96
- Balances with Statutory, Government Authorities	1.71	-	-
- Other current assets	10.71	-	-
<b>Total</b>	<b>24.33</b>	<b>33.19</b>	<b>56.07</b>

## 12. INCOME TAX

### Deferred Tax

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Deferred tax relates to the following:</b>			
Depreciation for tax purposes	(100.11)	(93.12)	3.20
Temporary difference due of foreign exchange fluctuation accounted in FCMITDA	(3.80)	9.90	(7.52)
Gratuity	4.71	7.00	-
Expenses allowable on payment basis	1.03	1.76	44.80
Temporary differences in carrying amount of financials instruments	-	-	(20.62)
Convertible Preference shares			
Losses available for offsetting against future taxable income	245.30	233.79	73.44
Fixed Assets ( Amortization / Depreciation )			
Leave Encashment	0.38	-	-
Loss Allowance on Financial Assets	7.66	7.57	-
Other Ind AS adjustments	(152.10)	(162.88)	-
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>3.07</b>	<b>4.02</b>	<b>93.30</b>

### Movement in deferred tax liabilities/assets

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
<b>Opening balance as of April 1</b>	4.02	93.30
Tax income/(expense) during the period recognised in profit or loss	(1.38)	(81.53)
Tax income/(expense) during the period recognised in OCI	0.43	(0.02)
Tax income/(expense) during the period recognised in Equity	-	(7.73)
<b>Closing balance as at March 31</b>	<b>3.07</b>	<b>4.02</b>

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Unrecognised deferred tax assets</b>			
Deductible temporary differences	282.41	296.63	239.69
Unrecognised tax losses	659.98	689.69	565.66
Unrecognised tax credits	55.76	55.76	55.76

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Tax losses which arose in India of ₹ 949.66 Crores (Previous year ₹ 973.51 Crores) that are available for offsetting for eight years against future taxable profits of the company. Majority of these losses will expire in March 2021.

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of tax losses carried forward by the Group.

**Major Components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are as follows:**

#### i. Income tax recognised in profit or loss

₹ in Crores

Particulars	2016-17	2015-16
Current income tax charge	5.84	5.96
Adjustment in respect of current income tax of previous year	2.40	25.66
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	0.27	81.53
<b>Income tax expense recognised in profit or loss</b>	<b>8.51</b>	<b>113.15</b>

**ii. Income tax recognised in OCI**

₹ in Crores

Particulars	2016-17	2015-16
Net loss/(gain) on remeasurements of defined benefit plans	(0.43)	0.02
<b>Income tax expense recognised in OCI</b>	<b>(0.43)</b>	<b>0.02</b>

**iii. Amounts recognised directly in equity**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
Aggregate current and deferred tax arising in the reporting period and not recognised in profit or loss or other comprehensive income but directly debited/(credited) to equity	-	(10.66)

**Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2017 and March 31, 2016**

₹ in Crores

Particulars	2016-17	2015-16
<b>Accounting profit before income tax</b>	<b>100.66</b>	<b>(440.39)</b>
Enacted tax rate in India	34.61%	34.61%
<b>Income tax on accounting profits</b>	<b>34.84</b>	<b>(152.41)</b>
<b>Effect of</b>		
Loss credit forward to next year	0.27	271.70
Utilisation of previously unrecognised tax losses	(8.26)	-
Depreciation	(7.28)	42.09
Accounting Income not assessable for tax purpose	(27.92)	(118.72)
Adjustment for current tax of prior period	2.40	25.66
Other non taxable income	(0.02)	(161.39)
<i>Non-deductible expenses for tax purposes:</i>		
Accounting expenses not deductible for tax purpose	14.60	340.56
Other non deductible expenses	1.13	1.99
Share based payment expenses not deductible for tax purposes	0.13	0.22
<i>Allowable expenses for tax purposes:</i>		
Expenditure allowable on payment basis	(2.46)	(0.46)
Tax impact on Intercompany transaction	(14.51)	(110.32)
Difference in rate consider for standalone and Console	15.59	(25.77)
<b>Tax at effective income tax rate</b>	<b>8.51</b>	<b>113.15</b>

**13. SHARE CAPITAL**
**i. Authorised Share Capital**

₹ in Crores

Particulars	Equity Share (₹ 10 Each)		Non Convertible Cumulative Redeemable Preference Share (Class A) (₹ 5 Each)	
	Number	Amount	Number	Amount
<b>At April 1, 2015</b>	<b>1,100,000,000</b>	<b>1,100</b>	200,000,000	100
Increase/(decrease) during the year	900,000,000	900	-	-
<b>At March 31, 2016</b>	<b>2,000,000,000</b>	<b>2,000</b>	<b>200,000,000</b>	<b>100</b>
Increase/(decrease) during the year	200,000,000	200	-	-
<b>At March 31, 2017</b>	<b>2,200,000,000</b>	<b>2,200</b>	<b>200,000,000</b>	<b>100</b>

Particulars	₹ in Crores			
	Non Convertible Cumulative Redeemable Preference Share (Class B) (₹ 5 Each)		Non Convertible Cumulative Redeemable Preference Share (Class C) (₹ 1 Each)	
	Number	Amount	Number	Amount
<b>At April 1, 2015</b>	-	-	-	-
Increase/(decrease) during the year	1,500,000,000	750	1,050,000,000	105
<b>At March 31, 2016</b>	<b>1,500,000,000</b>	<b>750</b>	<b>1,050,000,000</b>	<b>105</b>
Increase/(decrease) during the year	-	-	-	-
<b>At March 31, 2017</b>	<b>1,500,000,000</b>	<b>750</b>	<b>1,050,000,000</b>	<b>105</b>

#### Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 each. 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 of preferential amounts in proportion to their shareholding.

#### Terms/rights attached to preference shares

The terms of Class A Preference Shares having face value of ₹ 5 each, had been amended in financial year 2015-2016 and these were made redeemable on March 15, 2026, dividend premium payable on redemption; which would have provided the preference share holder an internal rate of return @ 6% per annum would no longer be payable.

Contingent liability in respect of arrears of dividend on these preference shares as at March 31, 2016 would be ₹ 0.03 crores (₹ 0.02 crores as at March 31, 2015).

Class B Preference Shares of face value of ₹ 5 each are redeemable on March 15, 2026 and would carry a dividend of 0.10 % per annum.

Class C Preference Shares of face value of ₹ 1 each with a premium of ₹ 4 each and would carry a dividend of 0.10 % per annum.

#### ii. Issued Capital

##### Equity Shares

Particulars	₹ in Crores	
	Number	Amount
<b>Equity shares of ₹ 10 each issued, subscribed and fully paid</b>		
<b>At April 1, 2015</b>	<b>603,750,947</b>	<b>603.75</b>
Issued during the period		
Shares issued towards conversion of FCCB	20,082,363	20.08
Shares issued under CDR	16,970,618	16.97
<b>At March 31, 2016</b>	<b>640,803,928</b>	<b>640.80</b>
Issued during the period		
Shares issued towards conversion of FCCB	637,193	0.64
Shares issued under CDR	582,231,483	582.23
<b>At March 31, 2017</b>	<b>1,223,672,604</b>	<b>1,223.67</b>

Issued, Subscribed and paid up Equity Share Capital as at March 31, 2017 is ₹ 1,183.65 crores; ₹ 40.02 crores (40,021,201 equity shares are held in abeyance) and shown under 'Other Equity'.

## Preference Shares

₹ in Crores

Particulars	Non Convertible Cumulative Redeemable Preference Share (Class A) of ₹ 5 each issued and fully paid		Non Convertible Cumulative Redeemable Preference Share (Class B) of ₹ 5 each issued and fully paid	
	Number	Amount	Number	Amount
<b>At April 1, 2015</b>	130,000,000	-	-	-
Issued during the period	-	-	-	-
<b>At March 31, 2016</b>	<b>130,000,000</b>	-	-	-
Issued during the period	-	-	693,270,487	-
<b>At March 31, 2017</b>	<b>130,000,000</b>	-	<b>693,270,487</b>	-

This note covers the number of preference shares issued by the company. Since the preference shares are non convertible redeemable shares, it is reflected in financial liabilities

### iii. Paid up Capital

₹ in Crores

Particulars	Number	Amount
<b>Equity shares of ₹ 10 each</b>		
<b>At April 1, 2015</b>		
Issued Capital	603,750,947	603.75
Paid up Capital	<b>603,750,947</b>	<b>603.75</b>
<b>At March 31, 2016</b>		
Issued Capital	640,803,928	640.80
Paid up Capital	<b>640,803,928</b>	<b>640.80</b>
<b>At March 31, 2017</b>		
Issued Capital	1,223,672,604	1,223.67
Less : Shares held in abeyance	(40,021,201)	(40.02)
Paid up Capital	<b>1,183,651,403</b>	<b>1,183.65</b>

### iv. Shares held by holding/ ultimate holding company and / or their subsidiaries / associates

The company does not have a holding company or ultimate holding company

### v. Details of shareholders holding more than 5% shares in the company

₹ in Crores

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	Number	% holding	Number	% holding
<b>Equity shares of ₹ 10/- each fully paid</b>				
Standard Chartered Bank	148,302,327	12.53	40,013,264	6.24
IDBI Bank Limited	145,399,286	12.28	42,117,513	6.57
<b>Non Convertible Cumulative Redeemable Preference Share (Class A) of ₹ 5 each issued and fully paid</b>				
IDBI Trusteeship Services Limited (ICICI Strategic Investments Fund)	130,000,000	100	130,000,000	100
<b>Non Convertible Cumulative Redeemable Preference Share (Class B) of ₹ 5 each issued and fully paid</b>				
Standard Chartered Bank	189,505,860	27.34	-	-
IDBI Bank Limited	180,743,103	26.07	-	-
Allahabad Bank	53,676,000	7.74	-	-
DBS Bank Limited	52,451,516	7.57	-	-
Reliance Capital Limited	41,839,000	6.04	-	-

**vi. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

	March 31, 2017 Number	March 31, 2016 Number	March 31, 2015 Number	March 31, 2014 Number	March 31, 2013 Number
Conversion of Convertible instruments	637,193	20,082,363	29,661,822	704,914	97,111,993
Shares issued under CDR	582,231,483	16,970,618	1,444,747	384,498	282,456,424

**vii. Shares reserved for issue under options**

For details of shares reserved for issue under the Share based payment plan of the company, please refer note 32

For details of shares reserved for issue on conversion of Foreign Currency Convertible Bonds , please refer note 16 related to terms of conversion/ redemption of Foreign Currency Convertible Bonds.

**viii. Shares issued / to be issued under DRS**

Appendix D 'Extinguishing Financial Liabilities with Equity Instruments' of Ind AS 109 on Financial Instruments requires to measure equity shares issued on extinguishment of liabilities at fair value on the date of extinguishment. Accordingly, fair value of equity shares issued under DRS scheme is the consideration paid against settlement of liabilities and the difference between the fair value of consideration and liability settled is to be charged to statement of profit and loss.

On the date of extinguishment of liability, which is the date of implementation of DRS scheme, the fair value of equity shares is below face value. Therefore as per Ind AS 109, the difference between the liability settle and fair value of equity shares issued is required to be charged to statement of profit and loss.

However, as per Section 53 of the Companies Act, 2013, a company shall not issue shares at a discount. Therefore, for the purpose of compliance of Companies Act, 2013, the company has considered face value of shares issued as consideration paid towards extinguishment of liabilities and no impact is given in the statement of profit and loss.

**14. OTHER EQUITY**

**i. Reserves and Surplus**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Securities Premium Reserve	894.85	881.61	852.03
Share Based Payment Reserve	1.91	1.53	0.88
Retained Earnings	(2,496.67)	(2,564.17)	(2,062.90)
Property , Plant and Equipment Reserve	119.07	121.83	124.59
	<b>(1,480.84)</b>	<b>(1,559.20)</b>	<b>(1,085.40)</b>

**(a) Securities Premium Reserve**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
Opening balance	881.61	852.03
Add/(Less):	-	-
Allotment of equity shares under FCCB conversion	0.41	13.05
Allotment of equity shares under Corporate Debt Restructuring (CDR) of year 2011-12	-	16.53
Allotment of equity shares under Debt Restructuring Scheme	12.83	
<b>Closing balance</b>	<b>894.85</b>	<b>881.61</b>

The amount received in excess of face value of the equity shares is recognised in Share Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

**(b) Share Based Payment Reserve**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
Opening balance	1.53	0.88
Add/(Less):	-	-
Employee Stock Option Expense recognised	0.38	0.65
<b>Closing balance</b>	<b>1.91</b>	<b>1.53</b>



The Company has three share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees.

The Share based payment reserve is used to recognise the value of equity settled share based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 31 for further details of these plans.

**(c) Retained Earnings**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
<b>Opening balance</b>	(2,564.17)	(2,062.90)
Net Profit/(Loss) for the period	94.73	(548.96)
Add/(Less):		
Transfer from PPE Reserve	2.76	2.76
FCCB's Converted during the year	-	15.13
Impact on reissue of FCCB's under DRS*	-	5.01
Transaction cost	-	(3.28)
Reinstatement of FCMITDA*	(31.11)	31.11
Others	(5.46)	(1.27)
Items of Other Comprehensive Income directly recognised in Retained Earnings		
Remeasurement of post employment benefit obligation, net of tax	6.58	(1.77)
<b>Closing balance</b>	<b>(2,496.67)</b>	<b>(2,564.17)</b>

**(d) Property, Plant and Equipment Reserve**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
Opening balance	121.83	124.59
Add/(Less):	-	-
Transfer to Retained Earnings	(2.76)	(2.76)
<b>Closing balance</b>	<b>119.07</b>	<b>121.83</b>

Property, Plant and Equipment Reserve represents reserve created on revaluation of leasehold building and it is non distributable reserve.

**ii. Other Components of Equity**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Share Application money pending allotment	-	-	33.50
Equity Component of Compound financial instruments	20.13	20.13	99.71
Share Suspense account - Equity Shares	414.49	1,009.55	-
Shares held in abeyance	40.02	-	-
<b>Total</b>	<b>474.64</b>	<b>1,029.68</b>	<b>133.21</b>

**15. DISTRIBUTION MADE AND PROPOSED**

**Cash dividends**

₹ in Crores

Particulars	2016-17	2015-16
<b>Cash dividends on Preference shares declared and paid:</b>		
Dividend for the year ended on March 31, 2016: ₹ Nil per share (March 31 2015: ₹ Nil per share)	0.35	-
DDT on final dividend	0.07	-
	<b>0.42</b>	<b>-</b>

The amount of cumulative preference dividends not recognised as at reporting date is ₹ 0.06 crore (DDT ₹ 0.01 crore) [As at March 31, 2016 : ₹ 0.03 crore (DDT ₹ 0.01 crore)].

## 16. BORROWINGS

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non Current Borrowings</b>			
<b>Secured</b>			
(a) Term Loans			
From Banks	460.54	439.96	1,522.23
From Others	31.36	53.82	-
<b>Unsecured</b>			
(a) Liability Component of Foreign Currency Convertible Bonds	101.22	100.64	482.86
(b) Long term maturity of Finance Lease Obligations	-	-	208.52
(c) Cumulative Non Convertible Redeemable Preference Shares	311.70	283.68	52.70
	904.82	878.10	2,266.32
<b>Current Maturity of Non Current Borrowings</b>			
<b>Secured</b>			
(a) Term Loans			
From Banks	1.88	3.90	268.40
<b>Unsecured</b>			
(a) Liability Component of Foreign Currency Convertible Bonds	-	1.37	-
(b) Long term maturity of Finance Lease Obligations	-	-	149.02
	1.88	5.27	417.43
<b>Total</b>	<b>902.94</b>	<b>872.83</b>	<b>1,848.89</b>
<b>Current Borrowings</b>			
<b>Secured</b>			
(a) Loans repayable on demand			
From Banks	23.59	46.15	50.51
From Other Parties	0.21	0.34	66.16
(b) Bills Accepted	-	-	47.99
(c) Others	-	-	0.84
<b>Total</b>	<b>23.80</b>	<b>46.49</b>	<b>165.50</b>

₹ in Crores

Particulars	Coupon / Interest Rate	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non Current Borrowings</b>				
<b>Secured</b>				
<b>(a) Term Loans</b>				
<b>From Banks</b>				
Rupee Loan	10	460.54	439.96	-
Rupee Loan	13	-	-	2.29
Rupee Loan	6.75	31.36	53.82	282.54
Rupee Loan	3.5	-	-	24.66
Foreign Currency Loan	Libor + 6 to Libor + 6.5	-	-	1,212.62
Vehicle Loan	11.75	-	-	0.13
<b>Unsecured</b>				
(a) Liability Component of Foreign Currency Convertible Bonds	2.5	101.22	100.64	482.86
(b) Long term maturity of Finance Lease Obligations		-	-	208.52
(c) Cumulative Non Convertible Redeemable Preference Shares	0.01 to 0.10	311.70	283.68	52.70
<b>Gross Non Current Borrowings</b>		<b>904.82</b>	<b>878.10</b>	<b>2,266.32</b>
Less: Current maturity		(1.88)	(5.27)	(417.43)
<b>Net Non Current Borrowings (as per Balance sheet)</b>		<b>902.94</b>	<b>872.83</b>	<b>1,848.89</b>

For Maturity Date, Terms of Repayment and coupon / interest rate Refer to Note 16 Debt Restructuring Scheme.

#### Convertible Bonds

For details of convertible bonds, repayable terms, coupon rate, conversion rate, etc refer to Note 16 Part B Summary of Amended terms and conditions of 'Existing FCCBs' and terms and conditions of New FCCBs

₹ in Crores

	March 31, 2017	March 31, 2016	April 1, 2015
Face value of bonds issued	131.44	131.44	454.18
Transaction Cost	(1.38)	(1.38)	-
Equity component of convertible bonds - value of conversion rights#	(30.79)	(30.79)	(120.33)
Interest expense*	7.48	-	144.82
Interest paid	(3.26)	-	(62.72)
Foreign Exchange Loss / (Gain)	(2.27)	-	66.91
<b>Non Current Borrowings</b>	<b>101.22</b>	<b>99.27</b>	<b>482.86</b>

\* Interest expense is calculated by applying the effective interest rate of 7.5% to the liability component

# The equity component of convertible bonds has been presented under other equity net of deferred tax of ₹ 20.13 crores (March 31, 2016: ₹ 20.13 crores, April 01, 2015: ₹ 99.71 crores)

#### Non Convertible Redeemable Preference Shares

The terms of Class A Preference Shares having face value of ₹ 5 each, had been amended in FY 16-17 and these were made redeemable on March 15, 2026 and the premium payable on redemption; which would have provided the preference share holder an internal rate of return @6% per annum would no longer be payable and would carry a dividend of 0.10 % per annum.

Class B Preference Shares of face value of ₹ 5 each are redeemable on March 15, 2026 and would carry a dividend of 0.10 % per annum.

Class C Preference Shares of face value of ₹ 1 each with a premium of ₹ 4 each and would carry a dividend of 0.10 % per annum.

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Value of preference shares issued ( Old )	65.00	65.00	65.00
Value of preference shares issued (under DRS)	660.17	660.17	-
Transaction Cost	(0.94)	(0.94)	-
Fair Valuation Gain	(440.55)	(440.55)	(27.49)
Interest expense	28.37	-	15.19
Dividend paid	(0.35)	-	-
<b>Non Current Borrowings</b>	<b>311.70</b>	<b>283.68</b>	<b>52.70</b>

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current Borrowings</b>			
Secured			
Loans repayable on demand			
From Banks	23.59	46.15	50.51
From Other Parties	0.21	0.35	66.16

The carrying amounts of financial and non-financial assets pledge as security for current and non current borrowings are disclosed in Note 40

There are no guarantees given by directors

#### Amount and period of default in repayment of borrowings

₹ in Crores

	March 31, 2017		March 31, 2016		April 1, 2015	
	Amount	Period of Default	Amount	Period of Default	Amount	Period of Default
<b>Loans from Banks</b>						
Principal	-		-		101.45	1-17 months
interest	-		-		123.46	1-12 months
<b>Finance Lease</b>						
Principal	-		-		29.99	1-44 months
interest	-		-		6.72	1-44 months
<b>Foreign Currency Convertible Bonds</b>						
Principal	-		-		-	
interest	-		-		14.59	5-8 months

#### DEBT RESTRUCTURING SCHEME

During the previous year, with an objective to serve interests of the lenders in the long term, by offering the possibility of value enhancement, and simultaneously support the growth of the Company, the Company submitted a second scheme herein after called as 'Debt Restructuring Scheme ('DRS')' to its lenders and FCCB holders.

The DRS was approved by the CDR Empowered Group ('CDR EG') at its meeting held on April 27, 2016, and the CDR has issued a letter of approval dated June 14, 2016 approving the said scheme.

The Company also submitted a restructuring proposal for its existing FCCB Holders in respect of the outstanding 5% and 4.75% Bonds due in 2017 (Existing FCCBs). The restructuring proposal envisaged the exchange of Existing FCCBs for new U.S. Dollar denominated 2.5% Foreign Currency Convertible Bonds 2025 ('New FCCBs'), and amendment of the terms and conditions of the Existing FCCBs, which were not tendered for exchange (Amended FCCBs). The restructuring proposal was approved by the Existing FCCB Holders at their meetings held on July 27, 2016 and August 10, 2016 respectively. Subsequent to year end, the Company has executed Supplemental Restructuring Agreement to the Master Restructuring Agreement dated March 30, 2012; with CDR Lenders on June 29, 2016. The approvals to DRS from Reserve Bank of India was received on November 25, 2016 and from SEBI was received on July 28, 2016.

The significant highlights of the said scheme are as under:

- 1 Cut-off date: April 01, 2016.
- 2 Waiver of all unpaid interest dues from April 01, 2014 till March 31, 2016 including Liquidated Damages and Penal Interest.
- 3 If there is any shortfall in servicing of interest/unpaid interest till March 31, 2014, lenders would be allotted equity shares of 3i Infotech Limited ('the Company') at face value towards the shortfall amount/ unpaid amount.
- 4 Existing covenants and terms and conditions as approved by CDR EG to continue; including maintaining of Trust and Receipt account with Monitoring Institution ('MI').
- 5 All lenders participating in DRS shall have pari-passu sharing of cash flows of the Company.
- 6 Foreign Currency Non Resident (Bank) loans /Foreign Currency Loans crystallized and converted into Rupee debt.
- 7 Loans from lenders in subsidiaries are to be recognized in the Company and to be converted into a Rupee debt.
- 8 Waiver of all liquidated damages, penal charges, penal interest or excess interest in excess of documented rate on any facility from Cut-off date till implementation of the package.
- 9 Corporate guarantees and pledge of shares from the offshore and overseas subsidiaries as stipulated in the original CDR package shall be continued to be obtained.
- 10 The terms of existing Class A Preference Shares having face value of ₹ 5 each, have been amended and these are now redeemable on March 15, 2026, dividend premium payable on redemption; which would have provided the preference share holder an internal rate of return @ 6% per annum would no longer be payable.

**A. The financial impacts arising out of the aforesaid scheme; which were accounted in the previous year ended 31 March 2016 and as recalculated after considering the effects on account of Ind AS are as under :**

Particulars	LENDERS		FCCBs		Financial impact	Reference to Note
	%	₹ in Crores	%	₹ in Crores	₹ in Crores	
<b>Total Exposure</b>	<b>100%</b>	<b>1,931.15</b>	<b>100%</b>	<b>525.80</b>	<b>2,456.95</b>	
<b>I. Effects accounted in Balance sheet</b>						
Conversion to 0.10% Non-Conv. Preference Shares	35%	660.17	0%	-	660.17	16
Conversion to Equity	40%	787.55	40%	201.41	988.96	Statement of Changes in 'Other Equity - Share Suspense account - Equity Shares'
Shortfall in servicing of interest - conversion to Equity		20.58		-	20.58	
<b>Exposure carried forward under Non Current Borrowings</b>	<b>25%</b>	<b>483.43</b>	<b>25%</b>	<b>131.44</b>	<b>614.88</b>	16
<b>II. Effects accounted in Statement of Profit and Loss account</b>						
Overdue interest servicing to be waived upto March 31, 2016		(177.72)		(27.39)	(205.11)	28
Additional amortisation arising on restructured FCCBs		-		34.61	34.61	
Write off Unamortised borrowing cost / Prepaid Expenses		7.93		-	7.93	
Additional Liability crystallized under DRS (net)		28.90		(3.18)	25.72	
Debt Restructuring Expenses incurred					5.15	
<b>Disclosed as 'Net write back - Debt Restructuring' under 'Exceptional Items'</b>					<b>(131.70)</b>	
Fair value gain on financial instruments (Preference Share Capital)		(440.55)		-	(440.55)	28
Loss / (Gain) on financial instrument (Interest Free Debt)		(3.78)		-	(3.78)	
Loss / (Gain) on financial instrument (Fair Valued Secured Loans)		(8.93)		-	(8.93)	
Loss on Derecognition of financial instruments (Preference Share Capital)		12.30		-	12.30	
Gain on Derecognition of financial instruments (FCCB)		-		(258.01)	(258.01)	
<b>Disclosed as 'Net Gain on Derecognition of financial instruments' under 'Exceptional Items'</b>		<b>(440.96)</b>		<b>(258.01)</b>	<b>(698.97)</b>	

Particulars	LENDERS		FCCBs		Financial impact	Reference to Note
	%	₹ in Crores	%	₹ in Crores	₹ in Crores	
Terms with respect to continuing debt exposure						
Continue as Debt	25%	483.43	25%	131.44	614.88	16
Interest	10%	Base Rate	2.50%			
Moratorium on Debt Principal	Upto March 31, 2018		Upto March 31, 2019			
Servicing of Interest	Monthly from April 2016		Semi Annual from April 2016			
Repayment of Debt Principal	Monthly over 6 years		Annual over 6 years			
Repayment of Preference Shares	March 31, 2026		Not Applicable			
Other Terms			Conversion of 25% FCCB to Equity @ ₹ 12.50; i.e. Premium of ₹ 2.50 (25%)			

**B. Summary of Amended terms and conditions of 'Existing FCCBs' and terms and conditions of New FCCBs:**

Particulars	Fourth Issue	Fifth Issue	Fourth Issue Amended	Fifth Issue Amended	New Issue
Issue currency	USD	USD	USD	USD	USD
Issue size	2.44 million **	125.36 million	2.43 million **	125.36 million	16.31 million
Issue date	July 26, 2007	April 25, 2012	April 25, 2012	April 25, 2012	December 09, 2016
Maturity date	July 27, 2017	April 26, 2017	March 31, 2025	March 31, 2025	March 31, 2025
Coupon rate	4.75%	5%	2.50%	2.50%	2.50%
Fixed exchange rate of conversion	₹ 40.81	₹ 50.7908	₹ 40.81	₹ 50.7908	₹ 66.326
Conversion price-post bonus	₹ 165.935	₹ 16.50	₹ 165.935	₹ 16.50	₹ 12.5
<b>Writeback – (USD)</b>					
<b>2016-17</b>					
2015-16	(0.93 million)	(27.04 million)	Nil	Nil	Nil
2014-15	Nil	Nil	Nil	Nil	Nil
<b>Conversions/Redemptions – (USD)</b>					
<b>2016-17</b>					
2015-16	Nil	(6.52 million)	Nil	Nil	Nil
2014-15	Nil	(9.64 million)	Nil	Nil	Nil
<b>To be converted into equity – (USD )</b>					
<b>2016-17</b>					
2015-16	(0.93 million)	(30.88 million)	Nil	Nil	Nil
2014-15	Nil	Nil	Nil	Nil	Nil
<b>To be exchanged against new bonds/ amended bonds – (USD)</b>					
<b>2016-17</b>					
2015-16	(0.58 million)	(19.29 million)	0.48 million	3.08 million	16.31 million
2014-15	Nil	Nil	Nil	Nil	Nil
<b>Outstanding as at - (USD )</b>					
<b>March 31, 2017</b>					
March 31, 2016	Nil	0.21 million	0.48 million	3.08 million	16.31 million
April 01, 2015	2.44 million	83.94 million	Nil	Nil	Nil

Particulars	Fourth Issue	Fifth Issue	Fourth Issue Amended	Fifth Issue Amended	New Issue
<b>Outstanding as at - (₹ Crores)</b>					
<b>March 31, 2017</b>					
March 31, 2016	Nil	1.37	3.19	20.35	107.08
April 01, 2015	15.22	524.90	Nil	Nil	Nil

### C. Securities offered consequent to Debt Restructuring

The borrowing from the CDR lenders (excluding certain Specified lenders) together with all interest, default interest, additional interest, commitment fees, all and any other costs, charges, expenses, fees, financing charges/fees/ remuneration shall continue to be secured by the security created in terms of the original Master Restructuring Agreement including the Corporate Guarantee and pledge over the Subject Shares.

Certain Specified lenders referred above/ non CDR lenders shall have pari passu share in the cash flow of the Company.

"Details of 'Security created', 'Corporate Guarantees from Material Subsidiaries' and 'Pledge of share's are as described under:"

#### a) Security created

Sr No.	Security	First Charge to	Second Charge to
1	A charge and mortgage on all the present and future immovable and movable tangible fixed assets (except leased assets) of the Company.	ICICI Bank and IDBI Bank	All CDR Facilities (other than ones of ICICI Bank and IDBI Bank in respect of which the First Charge is created).
2	A charge on all the Trade receivables and stocks of the Company.	IDBI Bank, Oriental Bank of Commerce ('OBC'), State Bank of Travancore ('SBT') and Standard Chartered Bank ('SCB'). First charge shall be pari passu with the existing first charge created in favour of a working capital facility (non fund based) provided by the Development Bank of Singapore (DBS).	All CDR Facilities other than the ones of IDBI Bank, OBC, SBT and SCB in respect of which the First charge is created.
3	A charge on all the present and future current assets (except receivables) of the Company.	SBT First charge shall be pari passu with the existing first charge created in favour of (i) a working capital facility (non fund based) provided by DBS. Further, first ranking pari passu charge has been created over stock in trade consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise of the Company, to secure SCB Facility.	All CDR Facilities other than the one of SBT in respect of which the First charge is created.
4	A charge on all the present and future intellectual property rights (other than in respect of ORION and PREMIA) of the Company.	All CDR Facilities. Intellectual property rights in respect of ORION and PREMIA are charged in favour of SCB on exclusive basis.	Not Applicable



**b) Corporate guarantees from material subsidiaries:**

Corporate guarantees of each of the material subsidiaries guaranteeing the secured obligations ("Corporate Guarantees"), in favour of all the CDR lenders. Each Corporate Guarantee shall be secured/credit enhanced by security interest over assets of the relevant material subsidiary providing the Corporate Guarantee, as permitted under applicable laws in the relevant jurisdictions, as detailed in the table below and shall have the ranking as mentioned against each security.

Sr No.	Security	First Charge to	Second Charge to
<b>Charge on assets of 3i Infotech Inc</b>			
1	A charge on all the present and future movable fixed assets and current assets of 3i Infotech Inc.	ICICI Bank First charge shall be pari passu with the existing first charge created in favour of State Bank of India, California to secure line of credit of US\$ 4.5 million.	All CDR Facilities other than the one of ICICI Bank in respect of which the First charge is created.
<b>Charge on assets of 3i Infotech (Middle East) FZ LLC</b>			
2	A charge on all the present and future movable fixed assets and current assets (except receivables and the collection account) of 3i Infotech (Middle East) FZ LLC.	All CDR Facilities. First ranking pari passu security interest has been created over collection account of 3i Infotech (Middle East) FZ LLC to secure USD 17 million STF facility and guarantee facility by SCB, Dubai.	Not Applicable
3	A charge on all the receivables of 3i Infotech (Middle East) FZ LLC.	Not Applicable	All CDR Facilities
<b>Charge on assets of 3i Infotech Asia Pacific Pte Limited</b>			
4	A charge on all the present and future movable fixed assets and current assets (other than receivables and stocks) of 3i Infotech Asia Pacific Pte Limited.	All CDR Facilities. First ranking pari passu charge has been created over stock in trade consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise of 3i Infotech Asia Pacific Pte Limited, to secure the cash credit facility of USD 2 million provided by SCB Singapore.	Not Applicable
5	A charge on all the receivables and stocks of 3i Infotech Asia Pacific Pte Limited.	Not Applicable First charge has been created to secure the cash credit facility of USD 2 million provided by Standard Chartered Bank, Singapore.	All CDR Facilities.
<b>Charge on assets of 3i Infotech Financial Software Inc, 3i Infotech SDN BHD and 3i Infotech BPO Limited.</b>			
6	A charge on all the present and future movable assets including current assets of 3i Infotech Financial Software Inc, 3i Infotech SDN BHD and 3i Infotech BPO Limited, except current assets of 3i Infotech BPO Limited.	All CDR Facilities	Not Applicable
7	A charge on all the current assets of 3i Infotech BPO Limited	First charge has been created to secure the cash credit facility of Rs.3 crores provided by Development Credit Bank ('DCB')	All CDR Facilities

**b) Pledge of shares:**

Pledge of shares held by the Companies set out in Column I of the Table below in respect of their respective investments set out in Column II and with details of shares mentioned in column III:

<b>Pledgor (I)</b>	<b>Company whose shares have been pledged (II)</b>	<b>Details of shares pledged (III)</b>
3i Infotech Limited	3i Infotech Holdings Private Limited	6,258,371,598 ordinary shares of MUR 1 each
	3i Infotech Asia Pacific Pte Limited	5,346,202 ordinary shares of SGD 1 each
	3i Infotech BPO Limited	100,000 equity shares of ₹ 10 each
3i Infotech Asia Pacific Pte Limited.	3i Infotech SDN BHD	5,000,000 shares of RM 1 each
3i Infotech Holdings Private Limited	3i Infotech Inc	100,138,408 Class A common stock of US\$ 0.30 each and 1,000,000 Class B common stock of US\$ 0.01 each
	3i Infotech Financial Software Inc	280,556 common stock of US\$ 1 each
	3i Infotech (Middle East) FZ LLC	46,174 shares of AED 1000 each

**17. OTHER FINANCIAL LIABILITIES**
**₹ in Crores**

<b>Particulars</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
<b>Non Current</b>			
<b>Financial Liabilities at amortised cost</b>			
Deposits Payables	-	0.02	0.82
<b>Total</b>	<b>-</b>	<b>0.02</b>	<b>0.82</b>
<b>Current</b>			
<b>Financial Liabilities at amortised cost</b>			
Current maturities of long term debts	1.88	3.91	143.16
Current maturities of finance lease obligations	-	-	74.21
Overdue borrowings			
From banks	-	-	125.25
From others	-	1.37	-
Overdue finance lease obligations	-	-	74.81
Interest accrued and due on borrowings	7.17	7.21	173.04
Unclaimed dividends*	0.32	0.32	0.37
Dues to employees	22.30	1.07	0.22
Deposits Payable	1.27	-	-
<b>Others</b>			
Other Payables	0.02	-	0.02
<b>Total</b>	<b>32.96</b>	<b>13.88</b>	<b>591.08</b>

\*there are no amounts which are due to be transferred to Investor Education and Protection Fund

**18. TRADE PAYABLES**
**₹ in Crores**

<b>Particulars</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
<b>Current</b>			
Trade Payables to Others	119.49	157.66	214.99
<b>Total</b>	<b>119.49</b>	<b>157.66</b>	<b>214.99</b>

**19. OTHER LIABILITIES**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>			
Advance received from Customers	56.26	55.63	82.81
Others			
Statutory Liabilities	9.02	21.64	23.67
Others	18.12	25.30	-
<b>Total</b>	<b>83.40</b>	<b>102.57</b>	<b>106.48</b>

**20. PROVISIONS**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non Current</b>			
Provision for employee benefits			
Gratuity (Refer Note 30)	16.99	25.96	15.04
Leave encashment	0.94	-	-
<b>Total</b>	<b>17.93</b>	<b>25.96</b>	<b>15.04</b>
<b>Current</b>			
Provision for employee benefits			
Gratuity (Refer Note 30)	2.02	8.31	13.97
Leave encashment	2.53	-	-
Others Provision for Employee benefits	1.47	-	-
<b>Total</b>	<b>6.02</b>	<b>8.31</b>	<b>13.97</b>

**21. REVENUE FROM OPERATIONS**

₹ in Crores

Particulars	2016-17	2015-16
IT Solutions	949.83	1,062.93
Transaction service	53.96	62.65
<b>Total</b>	<b>1,003.79</b>	<b>1,125.58</b>

**22. OTHER INCOME**

₹ in Crores

Particulars	2016-17	2015-16
Interest income on Others	12.67	0.77
<b>Other Non Operating Income</b>		
Net gain on disposal of property, plant and equipment	(0.10)	0.14
Foreign Exchange Fluctuation Gain	33.33	3.49
Net gain on sale of Investments	-	(0.18)
Rent received	0.25	-
Miscellaneous Income	5.97	2.88
<b>Total</b>	<b>52.12</b>	<b>7.10</b>

### 23. COST OF THIRD PARTY PRODUCTS AND SERVICES

₹ in Crores

Particulars	2016-17	2015-16
Cost of third party products and services	160.57	199.33
<b>Total</b>	<b>160.57</b>	<b>199.33</b>

### 24. EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	2016-17	2015-16
Salaries, wages and bonus	545.92	606.86
Contribution to provident and other funds	18.26	23.01
Staff welfare expenses	5.55	7.12
Recruitment and training expenses	2.22	1.59
Employee Stock Option Expense	0.38	0.65
<b>Total</b>	<b>572.33</b>	<b>639.23</b>

### 25. FINANCE COST

₹ in Crores

Particulars	2016-17	2015-16
Interest expense on debts and borrowings	90.44	170.15
<b>Total Interest Expenses</b>	<b>90.44</b>	<b>170.15</b>
Other borrowing costs	2.53	5.14
<b>Total</b>	<b>92.97</b>	<b>175.29</b>

### 26. DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crores

Particulars	2016-17	2015-16
Depreciation on tangible assets	7.93	75.07
Amortisation on intangible assets	5.57	127.97
<b>Total</b>	<b>13.50</b>	<b>203.04</b>

### 27. OTHER EXPENSES

₹ in Crores

Particulars	2016-17	2015-16
Electric power, fuel and water	7.07	6.93
Repairs and maintenance	4.71	5.00
Insurance	5.99	6.93
Legal and professional fees	18.68	23.51
Rates and taxes	3.09	5.08
Rent	21.60	28.32
Telephone and internet expenses	5.03	5.84
Travelling & conveyance expenses	33.16	27.47
Allowance for doubtful debts and advances	9.17	13.24
Miscellaneous expenses	5.16	11.53
Foreign exchange fluctuation loss	-	51.46
Directors sitting fees	0.30	0.21
<b>Total</b>	<b>113.96</b>	<b>185.52</b>

**(a) Details of Payments to auditors****₹ in Crores**

Particulars	2016-17	2015-16
<b>As auditor</b>		
Audit Fee	1.08	1.51
Tax audit fee	0.15	0.14
<b>In other capacity</b>		
Other services (certification fees)	0.06	0.11
Re-imbursement of expenses	0.05	0.18
<b>Total</b>	<b>1.34</b>	<b>1.94</b>

**(b) Corporate Social Responsibility (CSR) expenditure**

As per Section 135 of the Companies Act, 2013, the Company does not meets the applicability threshold. Hence no expenditure has been incurred during the current year towards CSR activities.

**(c) Research And Development Costs**

The Group during the year has incurred cost on research and development activities which are not eligible for capitalisation in terms of Ind AS 38 and therefore they are recognised in statement of profit and loss. Amount charged to profit or loss during the year ended March 31, 2017 ₹ 9.87 crores (March 31, 2016: ₹ 2.28 crores) details of which are as follows:

**₹ in Crores**

Particulars	2016-17	2015-16
<b>i. On Revenue Account :</b>		
Payments to and provision for employees		
- Salaries, Wages, Bonus, Allowances, contribution to provident and other funds etc.	7.12	1.46
Other Expenses		
- Legal & Professional charges	0.30	-
- Other Expenses	2.45	0.82
<b>Total</b>	<b>9.87</b>	<b>2.28</b>
<b>ii. On Capital Account</b>	-	-
<b>Total Research &amp; Development Expenditure ( i + ii )</b>	<b>9.87</b>	<b>2.28</b>

**28. EXCEPTIONAL ITEMS****₹ in Crores**

Particulars	2016-17	2015-16
Net Write back - Debt Restructuring (Refer Note 16 Note on DRS)	-	(131.70)
Provision for Losses on discontinued Business and loss on sale of subsidiaries (Refer Note 44)	-	957.66
Loss Allowance on Doubtful advances	-	0.01
Impairment loss on Discontinued operations (Refer Note 44)	-	41.87
Loss on Derecognition of financial instruments (Refer Note 16 Note on DRS)	-	12.30
Net Gain on Derecognition of financial instruments (Refer Note 16 Note on DRS)	-	(258.01)
Net Gain on Recognition of financial instruments (Refer Note 16 Note on DRS)	-	(453.26)
<b>Total</b>	<b>-</b>	<b>168.87</b>

## 29. EARNINGS PER SHARE

₹ in Crores		
Particulars	2016-17	2015-16
<b>(a) Basic earnings per share (Amount in ₹)</b>	0.77	(8.85)
<b>(b) Diluted earnings per share (Amount in ₹)</b>	0.77	(8.85)
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>		
<i>Basic earnings per share</i>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	94.07	(551.75)
<i>Diluted earnings per share</i>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	94.07	(551.75)
<b>(d) Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,223,470,099	622,747,642
Adjustments for calculation of diluted earnings per share:		
Options*	-	-
Convertible Bonds*	-	-
<b>Weighted average number of equity shares used as the denominator in calculating diluted earnings per share</b>	<b>1,223,470,099</b>	<b>622,747,642</b>

\*Since the market price of the shares are lower than the exercise price / conversion price of potentially dilutive instruments, these instruments have not been considered for calculation of diluted EPS.

## 30. EMPLOYEE BENEFIT OBLIGATIONS

₹ in Crores						
Particulars	March 31, 2017			March 31, 2016		
	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	2.53	0.94	3.47	-	-	-
Gratuity	2.02	16.99	19.01	8.31	25.96	34.27
Defined pension benefits	-	-	-	-	-	-
<b>Total Employee Benefit Obligation</b>	<b>4.55</b>	<b>17.93</b>	<b>22.48</b>	<b>8.31</b>	<b>25.96</b>	<b>34.27</b>

### (i) Leave Obligations

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of ₹ 3.47 crores (March 31, 2016: ₹ Nil crores) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

### (ii) Post Employment obligations

#### Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows

₹ in Crores

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As at April 1, 2015</b>	24.50	(0.01)	24.49
Current service cost	4.38	-	4.38
Interest expense/(income)	1.65	-	1.65
<b>Total amount recognised in profit and loss</b>	<b>6.03</b>	-	<b>6.03</b>
<i>Remeasurements</i>			
(Gain)/Loss from change in demographic assumptions	1.77	-	1.77
(Gain)/Loss from change in financial assumptions	0.15	-	0.15
Experience (gains)/losses	0.83	-	0.83
<b>Total amount recognised in other comprehensive income</b>	<b>2.75</b>	-	<b>2.75</b>
Benefit payments	(6.91)	-	(6.91)
<b>As at March 31, 2016</b>	<b>26.37</b>	<b>(0.01)</b>	<b>26.36</b>
Current service cost	3.41	-	3.41
Interest expense/(income)	1.69	-	1.69
<b>Total amount recognised in profit or loss</b>	<b>5.10</b>	-	<b>5.10</b>
<i>Remeasurements</i>			
(Gain)/Loss from change in financial assumptions	(0.00)	-	(0.00)
Experience (gains)/losses	(6.97)	-	(6.97)
<b>Total amount recognised in other comprehensive income</b>	<b>(6.97)</b>	-	<b>(6.97)</b>
Benefit payments	(4.12)	-	(4.12)
<b>As at March 31, 2017</b>	<b>20.38</b>	<b>(0.01)</b>	<b>20.37</b>

The net liability disclosed above relates to funded and unfunded plans are as follows:

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Present value of funded obligations	20.38	26.37	24.50
Fair value of plan assets	0.01	0.01	0.01
<b>Deficit of funded plan</b>	<b>20.37</b>	<b>26.36</b>	<b>24.49</b>
Unfunded plans	-	-	-
Deficit of gratuity plan	<b>20.37</b>	<b>26.36</b>	<b>24.49</b>

The following table shows a breakdown of the defined benefit obligation and plan assets by country

₹ in Crores

Particulars	March 31, 2017		March 31, 2016	
	Gratuity		Gratuity	
	India	MEARC	India	MEARC
Present value of obligations	15.41	4.97	20.43	5.94
Fair value of plan assets	(0.01)	-	(0.01)	-
	<b>15.40</b>	<b>4.97</b>	<b>20.42</b>	<b>5.94</b>
Asset Ceiling	-	-	-	-
<b>Total Liability</b>	<b>15.40</b>	<b>4.97</b>	<b>20.42</b>	<b>5.94</b>



The major categories of plan assets of the fair value of the total plan assets are as follows:

₹ in Crores

Particulars	March 31, 2017			March 31, 2016		
	%	Amount	Total	%	Amount	Total
Cash and cash equivalents	100%	0.01	<b>0.01</b>	100%	0.01	<b>0.01</b>

The significant actuarial assumptions were as follows:

Particulars	March 31, 2017	March 31, 2016
Discount rate	1.70% - 7.40%	1.60% - 7.80%
Expected return on plan assets		
Salary growth rate		
For first 3 years	3.00% - 5.00%	3.00% - 8.00%
After 3 years	2.00%	2.00%
Withdrawal rate		
Upto 4 years	19.50%	19.50%
5 years and above	4.00%	4.00%
Mortality rate	100.00%	100.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is shown below:

₹ in Crores

Assumptions	Discount rate		Expected return on plan assets		Salary growth rate	
	1% increase	1% decrease	1% increase	1% decrease	50% increase	50% decrease
<b>Sensitivity Level</b>						
<b>March 31, 2017</b>						
Impact on defined benefit obligation	11.91	14.07	14.05	11.90	13.68	11.92
% Impact	-	-	-	-	-	-
<b>March 31, 2016</b>						
Impact on defined benefit obligation	15.51	18.24	18.23	15.49	17.83	15.42
% Impact	-7.60%	8.70%	8.70%	-7.70%	6.20%	-8.10%

₹ in Crores

Assumptions	Mortality rate	
Sensitivity Level	10% increase	10% decrease
<b>March 31, 2017</b>		
Impact on defined benefit obligation	12.93	12.90
% Impact	0.10%	-0.10%
<b>March 31, 2016</b>		
Impact on defined benefit obligation	16.80	16.76
% Impact	0.10%	-0.10%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
Within the next 12 months	15.09	18.77
Between 2 and 5 years	-	-
Between 5 and 10 years	-	-
Beyond 10 years	-	-
<b>Total expected payments</b>	<b>15.09</b>	<b>18.77</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (March 31, 2016: 9 years)

**Expected cash flows over the next (valued on undiscounted basis)**

Particulars	₹ in Crores	
	March 31, 2017	March 31, 2016
1 year	2.19	1.73
2 to 5 years	5.82	5.55
6 to 10 years	7.05	6.83
More than 10 years	23.57	23.17

**(iii) Defined contribution plans**

The Company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 7.54 crores (March 31, 2016: ₹ 10.74 crores).

**31. SHARE BASED PAYMENTS****(a) Employee option plan**

The Company's Employee Stock Option Schemes are applicable to "Eligible Employees" as defined in the scheme which includes directors and employees of the Company and its subsidiaries. They provide for issue of equity options up to 25% of the paid-up equity capital to eligible employees. Currently, the Company has 2 schemes, ESOS 2000 and ESOS 2007 (as amended).

The options granted under the ESOS scheme 2000 and 2007 vest in a phased manner over three years with 20%, 30% and 50% of the grants vesting at the end of each year from the date of the grant and the same can be exercised within ten years from the date of the grant or five years from the date of vesting of options whichever is later by paying cash at a price determined on the date of the grant. One Stock option if converted will be equivalent to one equity share.

During the year ended March 31, 2013, the Board of Directors of the Company approved ESOS Plan -2013 under the existing scheme ESOS 2007. The plan consisted of variations in certain terms with regard to vesting and certain other related matters in ESOS 2007. The options granted are convertible and one option is equivalent to one equity share each. This plan is applicable to all the new options granted to eligible employees for the year ended March 31, 2014.

During the year ended March 31, 2015, the Board of Directors of the Company approved ESOS Plan-2014 under the existing scheme ESOS 2007. The plan consisted of variations in certain terms with regard to vesting and certain other related matters in ESOS 2007. The options granted are convertible and one option is equivalent to one equity share each. This plan is applicable to all the new options granted to eligible employees for the year ended March 31, 2015.

During the year ended March 31, 2016, the Board of Directors of the Company approved ESOS Plan-2015 under the existing scheme ESOS 2007. The plan consisted of variations in certain terms with regard to vesting and certain other related matters in ESOS 2007. The options granted are convertible and one option is equivalent to one equity share each. This plan is applicable to all the new options granted to eligible employees for the year ended March 31, 2016.

The options granted under ESOS Plan -2013; under ESOS Plan -2014 and under ESOS Plan -2015 would vest in a phased manner over three years with 33%, 33% and 34% of the grants vesting at the end of each year from the date of the grant and the same can be exercised within ten years from the date of grant of options or five years from the date of vesting of options, whichever is later.

The existing options (other than those granted under ESOS plan-2013, ESOS plan-2014 & ESOS plan-2015) would continue to be governed by the existing terms.

During the year ended March 31, 2016, the Company granted 11,290,000 (11,569,000 during year ended March 31, 2015), options to the employees of the Company and its Key Managerial Personnel at an exercise price of ₹ 10 each.

### Movement during the year

The number and weighted average exercise prices (WAEP) of the options and movement during the period is as follows:

Particulars	March 31, 2017		March 31, 2016	
	Number of options	WAEP	Number of options	WAEP
Opening balance	33,634,190.00	32.72	30,453,380	36.22
Granted during the year**	400,000.00	10.00	11,290,000	10.00
Exercised during the year	-	-	-	-
Forfeited during the year	9,160,690.00	27.72	8,109,190	14.24
Expired during the year	-	-	-	-
<b>Closing balance***</b>	<b>24,873,500</b>	<b>34.20</b>	<b>33,634,190</b>	<b>32.72</b>
Vested and exercisable	23,221,090	44.65	15,140,470	60.47

\*\*During the year ended March 31, 2017, Nil options (for the year ended March 31, 2016 1,050,000 Options) granted to Managing Director and Global CEO and Nil options (for the year ended March 31, 2016 Nil Options) granted to Executive Director.

\*\*\*Includes 1,630,000 options granted to Managing Director/Executive Director and Non-Executive Directors (for the year ended March 31, 2016, 3,600,000 options).

The following tables summarize information about outstanding stock options:

#### As at March 31, 2017

Range of exercise price	Number of shares arising out of options	Weighted average remaining life (in years)	Weighted average exercise price (₹)
₹ 45 to ₹ 50	-	-	-
₹ 57 to ₹ 144	5,191,500	1	126
₹ 10	19,682,000	8	10

#### As at March 31, 2016

Range of exercise price	Number of shares arising out of options	Weighted average remaining life (in years)	Weighted average exercise price (₹)
₹ 45 to ₹ 50	-	-	-
₹ 57 to ₹ 144	7,182,400	1	116
₹ 10	26,451,790	9	10

#### As at April 1, 2015

Range of exercise price	Number of shares arising out of options	Weighted average remaining life (in years)	Weighted average exercise price (₹)
₹ 45 to ₹ 50	-	-	-
₹ 57 to ₹ 144	7,550,400	2	116
₹ 10	22,902,980	9	10

#### (b) Expense arising from share based payment transactions

Total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	₹ in Crores	
	2016-17	2015-16
Employee stock option	0.38	0.65
<b>Total employee share-based payment expense</b>	<b>0.38</b>	<b>0.65</b>

## 32. COMMITMENTS AND CONTINGENCIES

### A. Commitments

#### i. Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Property, plant and equipment	3.33	0.19	0.09

#### ii. Leases

##### Operating lease commitments - Company as lessee

(i) The Company has acquired certain Land and Building under a lease arrangement for a period of sixty years at a premium of ₹ 0.50 crores starting from December 4, 2000 for Land, ₹ 15.62 crores starting from March 13, 2000 and ₹ 5.05 crores March 1, 2003 for building and the same are being amortized over the lease period. All other lease arrangements in respect of properties from are renewable/ cancellable at the Company's and/or lessors' option as mutually agreed. The future lease rental payment committed is as under :

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Commitments for minimum lease payments in relation to non cancellable operating leases are as follows			
Within one year	23.25	19.95	18.36
Later than one year but not later than five years	32.81	24.55	39.74
later than five years	29.33	26.29	27.97
	<b>85.39</b>	<b>70.79</b>	<b>86.07</b>

(ii) The Group avails from time to time non-cancellable long-term leases for computers, furniture and fixtures and office equipment. The total of future minimum lease payments that the Group is committed to make is:

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Within one year	-	1.16	4.66
Later than one year but not later than five years	-	-	1.16
later than five years	-	-	-
	<b>-</b>	<b>1.16</b>	<b>5.82</b>

##### Finance lease and hire purchase commitments - Company as lessee

The Company has finance leases and hire purchase contracts for various items of plant and machinery/investment properties. The Company's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are, as follows:

₹ in Crores

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Minimum Lease payments	Present value of MLP	Minimum Lease payments	Present value of MLP	Minimum Lease payments	Present value of MLP
Within one year	0.25	0.25	0.29	0.22	200.66	149.02
After one year but not more than five years	0.21	0.21	0.50	0.45	63.07	59.50
More than five years					-	-
<b>Total minimum lease payments</b>	<b>0.46</b>	<b>0.46</b>	<b>0.79</b>	<b>0.67</b>	<b>263.73</b>	<b>208.52</b>
Less: amount representing finance charge	-		(0.12)	-	(55.21)	-
<b>Present value of minimum lease payments</b>	<b>0.46</b>	<b>0.46</b>	<b>0.67</b>	<b>0.67</b>	<b>208.52</b>	<b>208.52</b>

**B. Contingent Liabilities**
**₹ in Crores**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>i. Claim against the company not acknowledged as debt</b>			
- Disputed income tax matters	48.50	50.08	52.04
- Disputed service tax matters (excluding interest as applicable)	171.29	180.86	181.07
- Disputed sales tax matters	5.58	36.17	35.23
- Customer claims	19.77	19.88	15.88
- Others *	47.92	47.67	47.61
<b>ii. Other money for which the company is contingently liable</b>			
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3.33	0.19	0.14
- Uncalled capital pertaining to Joint Venture	1.21	1.24	1.17
Arrears of Cumulative Preference Dividend (including dividend distribution tax thereon)	0.07	0.03	0.02

\* Includes claim in respect of legal cases relating to Registrar and Transfer Services, which are reimbursable by the Principal to the extent of ₹ 0.78 crores (as at March 31, 2015 - ₹ 0.78 crores).

The group's pending litigation is in respect of proceedings pending with Tax Authorities and customer claims with various courts. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial statements.

**C. Financial Guarantees**
**₹ in Crores**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Outstanding bank guarantees	4.78	4.88	3.42

**33. Investment in Joint Venture :**

The Group has 47.50% interest in Process Central Limited, Joint Venture in Nigeria – Jointly Controlled Entity. The aggregate amounts of assets, liabilities, income and expenses related to the Group's share in Process Central Limited (Joint venture in Nigeria) are as under:

**Assets & Liabilities in Joint venture**
**₹ in Crores**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Assets	0.50	0.51	0.49
Liabilities	0.41	0.42	0.40

**Income & Expense of Joint venture**
**₹ in Crores**

Particulars	2016-17	2015-16
Income	-	-
Expenses	-	-

**Contingent Liability & Capital Commitment of Joint venture**
**₹ in Crores**

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Contingent Liability	-	-	-
Commitments	-	-	-

### 34. DISCLOSURES REQUIRED BY SCHEDULE III

₹ in Crores

Name of the Entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent</b>	316%	561.26	-111%	(104.70)	-10%	4.32	-100%	(100.38)
<b>Subsidiaries</b>								
<b>Indian :</b>								
Professional Access Software Development Pvt Limited, (India)	71%	125.70	-1%	(0.88)	0%	-	-1%	(0.88)
3i-Infotech BPO Limited (formerly known as Linear Financial and Management Systems Ltd.), (India)	-1%	(1.48)	11%	9.88	0%	0.21	10%	10.09
3i Infotech Trusteeship Services Limited, (India)	0%	-	0%	-	0%	-	0%	-
3i Infotech Consultancy Services Limited, (India)	-34%	(59.74)	-49%	(45.88)	0%	0.68	-45%	(45.20)
3i Infotech Outsourcing Services Limited (India)	0%	(0.01)	0%	(0.00)	0%	-	0%	(0.00)
Locuz Enterprise Solutions Limited, (India)	4%	6.61	-3%	(2.50)	1%	0.20	-2%	(2.30)
<b>Foreign</b>								
3i Infotech Inc., (USA)	-221%	(392.41)	30%	28.36	0%	-	28%	28.36
3i Infotech Holdings Private Limited, (Mauritius)	11%	19.71	5%	4.64	0%	-	5%	4.64
3i Infotech Financial Software Inc., (USA)	-38%	(67.84)	-3%	(2.85)	0%	-	-3%	(2.85)
3i Infotech (Africa) Limited, (Kenya)	-9%	(16.60)	3%	2.92	0%	-	3%	2.92
Black Barret Holdings Limited (Cyprus)	0%	(0.70)	0%	(0.10)	0%	-	0%	(0.10)
3i Infotech Asia Pacific Pte. Ltd., (Singapore) (Consolidated)	35%	61.98	43%	40.14	0%	-	40%	40.14
3i Infotech (Middle East) FZ LLC., (UAE)	5%	8.36	145%	135.94	108%	0.64	136%	136.58
3i Infotech (UK) Limited, (UK) (Consolidated)	-14%	(24.31)	7%	7.05	0%	-	7%	7.05
3i Infotech Saudi Arabia LLC., (Saudi Arabia)	-15%	(27.29)	24%	22.86	0%	0.47	23%	23.33
Elegon Infotech Ltd., (China)	-10%	(17.52)	0%	-	0%	-	0%	-
3i infotech South Africa (PTY) Ltd	0%	(0.22)	0%	(0.07)	0%	-	0%	(0.07)
<b>Minority Interests in all subsidiaries</b>								
<b>Indian</b>								
Locuz Enterprise Solutions Limited, (India)	1%	2.79	-1%	(0.73)	0%	0.07	-1%	(0.66)

₹ in Crores

Name of the Entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Foreign Joint Ventures as per the equity method Indian Foreign Process Central Limited, (Nigeria)	0%	(0.83)	0%	-	0%	-	0%	-
	100%	177.45	100%	94.07	100%	6.58	100%	100.65

### 35. A. Members of the Group

Parent Company's Subsidiaries /Joint ventures are listed below :

Particulars	Percentage of holding	Country of Incorporation
3i Infotech Inc.	100% held by 3i Infotech Holdings Private Limited	USA
3i Infotech Asia Pacific Pte Limited	100% held by Parent Company	Singapore
3i Infotech SDN BHD	100% held by 3i Infotech Asia Pacific Pte Limited	Malaysia
3i Infotech (UK) Limited	100% held by the Parent Company	UK
3i Infotech (Thailand) Limited	100% held by 3i Infotech Asia Pacific Pte Limited	Thailand
3i Infotech Services SDN BHD	100% held by 3i Infotech Asia Pacific Pte Limited	Malaysia
3i Infotech Trusteeship Services Limited (upto 15 th October , 2015)	100% held by Parent Company	India
3i Infotech (Western Europe) Holdings Limited (upto 8th February ,2016)	100% held by 3i Infotech (UK) Limited	UK
3i Infotech (Western Europe) Group Limited	100% held 3i Infotech (Western Europe) Holdings Limited	UK
Rhyme Systems Limited	100% held by 3i Infotech (Western Europe) Group Limited	UK
3i Infotech (Western Europe) Limited	100% held by 3i Infotech (Western Europe) Group Limited	UK
3i Infotech Holdings Private Limited	100% held by Parent Company	Mauritius
3i Infotech Financial Software Inc.	100% held by 3i Infotech Holdings Private Limited	USA
3i Infotech Saudi Arabia LLC	100% held by Parent Company	Saudi Arabia
3i Infotech (Africa) Limited	100% held by 3i Infotech (Middle East) FZ LLC	Kenya
Black Barret Holdings Limited	100% held by 3i Infotech Holdings Private Limited	Cyprus
Professional Access Software Development Private Limited	100% held by Black Barret Holdings Limited	India

Particulars	Percentage of holding	Country of Incorporation
Professional Access Limited	100% held by 3i Infotech Holdings Private Limited	USA
3i Infotech (Middle East) FZ LLC	100% held by 3i Infotech Holdings Private Limited	UAE
3i Infotech Consultancy Services Limited	100% held by Parent Company	India
3i Infotech BPO Limited	100% held by Parent Company	India
3i Infotech (Flagship-UK) Limited	100% held by 3i Infotech (Western Europe) Limited	UK
3i Infotech Framework Limited (upto 08 th February , 2016)	100% held by 3i Infotech (Western Europe) Limited	UK
Locuz Enterprise Solutions Limited	74% held by the Parent Company	India
Elegon Infotech Limited	100% held by Parent Company	China
IFRS Cloud Solutions Limited (formerly known as 3i Infotech Outsourcing Services Limited)	100% held by 3i Infotech Financial Software Inc.	India
3i Infotech (South Africa) (Pty) Limited	100% held by 3i Infotech Holding Private Limited	Republic of South Africa
Locuz Inc.	100% held by Locuz Enterprise Solutions Limited	USA

The details of our investment in the joint venture is listed below:

Particulars	Percentage of holding	Country of incorporation
Process Central Limited	47.50% held by 3i Infotech (Middle East) FZ LLC	Nigeria

#### B. Related Party Transactions:

Associate

ICICI Bank Limited (Up to July 31, 2015)

The following transactions were carried out with associate in the ordinary course of business during the year:

₹ in Crores

Particulars	2016-17	2015-16
Income	-	97.99
Expenses	-	1.11

The above excludes normal banking transactions.

Outstanding Balances in respect of associate is given below:

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Trade Receivable	-	-	0.09
Unbilled Revenue	-	-	8.32
Advance Payable	-	-	58.52
Other Payable - Deposit	-	-	1.55



**Key Managerial Personnel (KMP) :**

Particulars	Designation / Details	Remarks
1. Mr. Padmanabhan Iyer	CFO Managing Director and Global CEO	Appointed on November 11, 2014*
2. Mr. Madhivanan Balakrishnan	Managing Director and Global CEO	Resigned on June 07, 2016
3. Mr. Charanjit Attra	Executive Director	Resigned on May 28, 2015
4. Mr. Rajeev Limaye	Company Secretary	Appointed on July 05, 2016
5. Mr. Ninad Kelkar	Company Secretary	Resigned on January 11, 2016
6. Mr. Hoshang N. Sinor	Independent Non - Executive Director	Retired on September 30, 2015
7. Mr. Ashok Shah	Chairman	Appointed on October 01, 2015
8. Dr. Shashank Desai	Independent Non - Executive Director	Appointed on September 23, 2015
9. Mr. Shantanu Prasad	Nominee Director	Appointed on September 16, 2014
10. Mr. Shanti Lal Jain	Nominee Director	Appointed on January 23, 2017
11. Mr. K. M. Jayarao	Director	Resigned on October 21, 2015
12. Ms. Sarojini Dikhale	Non - Executive Director	Appointed on October 23, 2015

\* November 11, 2014 was the date of appointment of Mr. Padmanabhan Iyer as CFO of the Company. He has also been appointed as an Executive Director on the Board of the Company on May 18, 2016, as an acting CEO on June 7, 2016 and as Managing Director and Global CEO of the Company effective August 11, 2016.

**Key management personnel compensation**
**₹ in Crores**

Particulars	2016-17	2015-16
<b>Short term employee benefits</b>		
Salaries and other employee benefits to Whole-time directors and executive officers	4.80	8.09
Commission and other benefits to non-executive / independent directors	0.43	0.33
Post-employment benefits *	-	-
Long term employee benefits*	-	-
Employee share based payment*	-	-
	<b>5.23</b>	<b>8.42</b>

The Company has paid remuneration to the managerial personnel amounting to ₹1.23 crores in the current financial year ended March 31, 2017, which is subject to the approval of the Central Government. The Company is in process of filing an application with the Central Government for obtaining the approval.

\* The amounts of Post employment benefits, Long term employee benefits and employee share based payments cannot be separately identified from the composite amount advised by the actuary / valuer.

**36. SEGMENT REPORTING**

The Group's Chief Operating Decision Maker ( CODM ) is The Chief Executive Officer and Managing Director. The CODM monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

**A. For management purposes, the Company is organised into business units based on its products and services and has two reportable segments, as follows:**

IT Solutions

Transaction Services

**Year ended March 31, 2017**

**₹ in Crores**

Particulars	IT Solutions	Transaction Services	Total segments	Adjustments and eliminations	Consolidated
<b>Revenue</b>					
External customers	949.83	53.96	1,003.79	-	1,003.79
Inter-segment	-	-	-	-	-
<b>Total revenue</b>	<b>949.83</b>	<b>53.96</b>	<b>1,003.79</b>	<b>-</b>	<b>1,003.79</b>
<b>Income/(Expenses)</b>					
Other material cost	682.83	40.50	723.33	-	723.33
<b>Segment profit</b>	<b>267.00</b>	<b>13.46</b>	<b>280.46</b>	<b>-</b>	<b>280.46</b>
<b>Total assets</b>					<b>1,366.80</b>
<b>Total liabilities</b>					<b>1,366.80</b>

**Year ended March 31, 2016**

**₹ in Crores**

Particulars	IT Solutions	Transaction Services	Total segments	Adjustments and eliminations	Consolidated
<b>Revenue</b>					
External customers	1,062.93	62.65	1,125.58	-	1,125.58
Inter-segment	-	-	-	-	-
<b>Total revenue</b>	<b>1,062.93</b>	<b>62.65</b>	<b>1,125.58</b>	<b>-</b>	<b>1,125.58</b>
<b>Income/(Expenses)</b>					
Other material Cost	784.47	44.73	829.20		829.20
<b>Segment profit</b>	<b>278.46</b>	<b>17.92</b>	<b>296.38</b>		<b>296.38</b>
<b>Total assets</b>					<b>1,342.46</b>
<b>Total liabilities</b>					<b>1,342.46</b>

Inter-segment revenues are eliminated upon consolidated and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

Considering the nature of the Group's Business, the assets and liabilities cannot be identified to any specific business segment

**Adjustments and eliminations**

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties.

**B. Reconciliations to amounts reflected in financial statements**

**Reconciliation of profit**

**₹ in Crores**

Particulars	2016-17	2015-16
<b>Segment profit</b>	280.46	296.38
Inter-segment sales (elimination)	-	-
Finance cost	92.97	175.29
Depreciation and amortisation expense	13.50	203.04
Net gains on financial assets at fair value through profit and loss	(33.33)	47.97
Operating, Selling and Other expenses	85.96	136.02
Un-allocable income	(18.79)	(3.79)
<b>Profit before tax and discontinued operations</b>	<b>102.57</b>	<b>(269.73)</b>

Considering the nature of the Group's Business, the assets and liabilities cannot be identified to any specific business segment

Disclosure of details of secondary Segments being geographies are as under :

₹ in Crores

Segment Revenue	2016-17	2015-16
Emerging Markets	672.47	765.43
Developed Markets	331.32	360.15
	<b>1,003.79</b>	<b>1,125.58</b>

Emerging Markets : South Asia, Asia Pacific, Middle East and Africa Geography entities.

Developed Markets : U.S. and U.K. Geography entities

#### Information about major customers

No Single customer represents 10% or more of the group's total revenue for the year ended March 31, 2017.

One customer had represented 15% of the group's total revenue amounting to ₹ 168.87 crores for the year ended March 31, 2016.

### 37. FAIR VALUE MEASUREMENTS

#### i. Financial Instruments by Category

₹ in Crores

Particulars	Carrying Amount			Fair Value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
<b>FINANCIAL ASSETS</b>						
<b>Amortised cost</b>						
Trade Receivables	203.03	180.12	179.19	203.03	180.12	179.19
Cash and Cash Equivalents	119.05	48.23	14.80	119.05	48.23	14.80
Other Bank Balances	4.57	3.55	7.72	4.57	3.55	7.72
Loan	0.09	0.03	1.00	0.09	0.03	1.00
Other Financial Assets	79.36	76.22	124.30	79.36	76.22	124.30
<b>FVTPL</b>						
Investment in Equity Instruments	0.16	0.16	0.16	0.16	0.16	0.16
Investment in Preference shares (unquoted)	-	12.50	25.00	-	12.50	25.00
<b>Total</b>	<b>406.26</b>	<b>320.81</b>	<b>352.17</b>	<b>406.26</b>	<b>320.81</b>	<b>352.17</b>
<b>FINANCIAL LIABILITIES</b>						
<b>Amortised cost</b>						
Borrowings	926.73	919.32	2,014.39	926.73	919.32	2,014.39
Trade Payables	119.49	157.66	214.99	119.49	157.66	214.99
Other financial liabilities	32.96	13.90	591.90	32.96	13.90	591.90
<b>Total</b>	<b>1,079.18</b>	<b>1,090.88</b>	<b>2,821.28</b>	<b>1,079.18</b>	<b>1,090.88</b>	<b>2,821.28</b>

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Accordingly, fair value of such instruments is not materially different from their carrying amounts

The fair values for loans, security deposits and investments in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The fair value of investments in preference shares and unquoted equity instruments carried at fair value through profit or loss are not materially different from their carrying amount. Hence the impact of fair valuation is considered to be insignificant in the financial statements.

## ii. Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

### Assets and liabilities measured at fair value - recurring fair value measurement:

₹ in Crores

Particulars	March 31, 2017			Total
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets				
Deposits	-	-	16.43	16.43
Total Financial Assets	-	-	16.43	16.43
Financial Liabilities				
Borrowings	-	-	928.61	928.61
Total Financial Assets	-	-	928.61	928.61

₹ in Crores

Particulars	March 31, 2016			Total
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets				
Deposits			10.23	10.23
Total Financial Assets	-	-	10.23	10.23
Financial Liabilities				
Borrowings			924.60	924.60
Total Financial Assets	-	-	924.60	924.60

₹ in Crores

Particulars	April 01, 2015			Total
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets				
Deposits			15.59	15.59
Total Financial Assets	-	-	15.59	15.59
Financial Liabilities				
Borrowings	-	-	2,431.82	2,431.82
Total Financial Assets	-	-	2,431.82	2,431.82

**There have been no transfers among Level 1, Level 2 and Level 3 during the period**

**Level 1** - Level 1 hierarchy includes Quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2** - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3** - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares and preference shares included in level 3.

**iii. Valuation technique used to determine fair value**

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

**iv. Valuation processes**

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Managing Director (MD) and the audit committee (AC). Discussions of valuation processes and results are held between the MD, AC and the valuation team at least once every three months, in line with the company's quarterly reporting periods.

**38. FINANCIAL RISK MANAGEMENT**

The Group is exposed primarily to fluctuations in foreign currency exchange rates ,credit ,liquidity and interest rate risk which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which covers risks associated with the financial assets and liabilities . The risk management policy is approved by Board of Directors . The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Group.

**i. Market Risk**

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of the change in market prices . Such changes in the value of financial instruments may result from changes in the foreign currency exchange, interest rates ,credit ,liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

**(a) Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rate may have potential impact on the statement of profit and loss and the other comprehensive income and equity ,where any transaction reference more than one currency or where assets/ liabilities are denominated in a currency other than the functional currency of the Group.

Considering the countries and the economic environment in which the Group operates, its operations are subject to risk arising from fluctuations in exchange rates in those countries. The risks primarily relates to fluctuations in US Dollar, Great Britain Pound and Euro against the functional currency of the Group.

The Group , as per its current risk management policy ,does not use any derivatives instruments to hedge foreign exchange . Further ,any movement in the functional currency of the various operations of the Group against major foreign currencies may impact the Group's revenue in international business.

The Group evaluates the impact of the foreign exchange rate fluctuation by assessing its exposure to exchange rate risks. Apart from exposures of foreign currency payables and receivables, which partially are naturally hedged against each other, the Group does not use any hedging instruments to hedge its foreign currency exposures; in line with the current risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 10% against the functional currency of the Group.

The following analysis has been worked out based on the net exposures of the Group as of the date of Balance Sheet which could affect the statement of profit and loss and the other comprehensive income and equity .

The following table set forth information relating to foreign currency exposure as at March 31,2017:

	₹ in Crores		
	USD	GBP	Total
Total financial assets	170.43	2.07	172.50
Total financial liabilities	80.65	2.11	82.76

1% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Group would result in decrease /increase in the Group's profit before tax by approximately Rs.58.08 crores for the year ended March 31,2017

The following table sets forth information relating to foreign currency exposure as at March 31, 2016:

	₹ in Crores		
	USD	GBP	Total
Total financial assets	153.51	6.71	160.22
Total financial liabilities	114.66	1.18	115.84

1% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Group would result in decrease /increase in the Group's profit before tax by approximately ₹ 30.93 crores for the year ended March 31,2016

The following table set forth information relating to foreign currency exposure as at April 1,2015:

	₹ in Crores		
	USD	GBP	Total
Total financial assets	159.32	9.48	168.80
Total financial liabilities	320.58	3.09	323.67

1% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Group would result in decrease /increase in the Group's profit/(loss) before tax by approximately (₹ 94.90 crores) for the year ended March 31,2015

#### (b) Interest rate risk

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market.

#### (ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables and unbilled revenues.

#### (a) Credit risk management

##### - Trade receivables and Unbilled revenues

Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables and unbilled revenue. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

##### - Other Financcails Assets

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there

is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

**(b) Credit risk exposure**

**- Trade receivables and Unbilled revenues**

The carrying amount of trade receivables and unbilled revenues represents the maximum credit exposure from customers. The maximum exposure to credit risk from customers is ₹ 353.58 crores (March 31, 2016: ₹ 235.03 crores, April 1, 2015: ₹ 277.18 crores). The lifetime expected credit loss on customer balance for the year ended March 31, 2017 is ₹ 141.09 crores (March 31, 2016: ₹ 131.92 crores, April 1, 2015: ₹ 118.68 crores).

**Reconciliation of loss allowance provision - Trade receivables and Unbilled revenue**

Particulars	₹ in Crores	
	March 31, 2017	March 31, 2016
<b>Balance at the beginning</b>	<b>131.92</b>	<b>118.68</b>
Impairment loss recognised/reversed	9.17	13.24
<b>Balance at the end</b>	<b>141.09</b>	<b>131.92</b>

**- Other Financial Assets**

The carrying amount of cash and cash equivalents, investments carried at amortised cost, deposits with banks and financial institutions and other financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 202.98 crores (March 31, 2016: ₹ 128.00 crores, April 1, 2015: ₹ 146.82 crores). The 12 months expected credit loss and lifetime expected credit loss on these financial assets for the year ended March 31, 2017 is ₹ 6.69 crores (March 31, 2016: ₹ 2.79 crores, April 1, 2015 : ₹ 3.55 crores)

**Reconciliation of loss allowance provision - other financial assets**

Particulars	₹ in Crores			
	March 31, 2017		March 31, 2016	
	12 month expected losses	life-time expected losses	12 month expected losses	life-time expected losses
<b>Balance at the beginning</b>		<b>2.79</b>		<b>3.55</b>
Add(Less): Changes in loss allowances due to				
Changes in risk parameters		3.90		(0.76)
<b>Balance at the end</b>		<b>6.69</b>		<b>2.79</b>

**(iii) Liquidity risks**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flow from operations to meet its financial obligation as and when they fall due .

The table below provides details regarding the contractual maturities of significant financial liabilities as at :

**March 31, 2017**

Particulars	₹ in Crores				
	Due in 1 year	Due in 1-2 year	Due in 2-5 year	Due after 5 years	Total
<b>Non-derivative financial liabilities :</b>					
Trade and other payables	119.49	-	-	-	119.49
Borrowings including Interest thereon	50.04	119.43	390.27	1,126.95	1,686.69
Other financial liabilities	32.96	-	-	-	32.96
<b>Total</b>	<b>202.49</b>	<b>119.43</b>	<b>390.27</b>	<b>1,126.95</b>	<b>1,839.14</b>



**March 31, 2016****₹ in Crores**

Particulars	Due in 1 year	Due in 1-2 year	Due in 2-5 year	Due after 5 years	Total
<b>Non-derivative financial liabilities :</b>					
Trade and other payables	157.66	-	-	-	157.66
Borrowings	52.15	52.15	405.44	1,263.27	1,773.01
Other financial liabilities	13.90	-	-	-	13.90
<b>Total</b>	<b>223.71</b>	<b>52.15</b>	<b>405.44</b>	<b>1,263.27</b>	<b>1,944.57</b>

**April 1, 2015****₹ in Crores**

Particulars	Due in 1 year	Due in 1-2 year	Due in 2-5 year	Due after 5 years	Total
<b>Non-derivative financial liabilities :</b>					
Trade and other payables	214.99	-	-	-	214.99
Borrowings	555.97	336.59	1,517.65	478.81	2,889.02
Other financial liabilities	591.90	-	-	-	591.90
<b>Total</b>	<b>1,362.86</b>	<b>336.59</b>	<b>1,517.65</b>	<b>478.81</b>	<b>3,695.91</b>

**39. CAPITAL MANAGEMENT**

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

**₹ in Crores**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings other than convertible preference shares	615.03	635.64	1,961.68
Trade payables	119.49	157.66	214.99
Provision for Employee Benefits	23.95	34.27	29.01
Other payables	116.36	124.78	727.39
Less: cash and cash equivalents	(119.05)	(48.23)	(14.80)
<b>Net Debt</b>	<b>755.78</b>	<b>904.12</b>	<b>2,918.27</b>
Convertible preference shares	311.70	283.68	52.70
Equity	1,183.65	640.80	603.74
<b>Total Capital</b>	<b>1,495.35</b>	<b>924.48</b>	<b>656.44</b>
<b>Capital and net debt</b>	<b>2,251.13</b>	<b>1,828.60</b>	<b>3,574.71</b>
<b>Gearing ratio</b>	<b>33.57</b>	<b>49.44</b>	<b>81.64</b>

**40. ASSETS PLEDGED AS SECURITY**

The carrying amount of assets pledged as security for current and non current borrowings are:

**₹ in Crores**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>CURRENT ASSETS</b>			
<b>i. Financial Assets</b>			
Trade Receivable	203.03	180.12	179.19
Cash and cash equivalents	119.05	48.23	14.80
Bank Balances Other than above	4.57	3.55	7.72
Loans	0.09	0.03	1.00
Other Financial Assets	62.94	65.99	108.71



₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>ii. Non Financial Assets</b>			
Inventories	0.92	0.82	1.44
Other Current Assets (excluding Prepaid Expenses)	20.13	22.59	48.11
<b>Total current assets pledge as security</b>	<b>410.73</b>	<b>321.33</b>	<b>360.97</b>
<b>NON CURRENT ASSETS</b>			
<b>Property, Plant and Equipment</b>			
Land - Leasehold	0.37	0.33	0.40
Building - Leasehold	134.26	137.37	140.47
Plants and equipments	0.48	0.58	0.29
Furniture and Fixtures	0.75	0.84	2.71
Vehicle	0.11	0.28	0.99
Office	1.59	1.89	2.00
Computer Hardware	2.39	4.61	9.28
<b>Intangible Assets</b>			
Software Products - meant for sale	223.67	223.67	943.26
<b>Total non current assets pledge as security</b>	<b>363.62</b>	<b>369.57</b>	<b>1,099.40</b>

#### 41. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table presents the recognised financial instruments that are offset and other agreements but not offset, as at March 31, 2017, March 31, 2016 and April 1, 2015. The column 'net amount' shows the impact on the company's balance sheet if all set-off rights were exercised.

₹ in Crores

Particulars	Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amount	Gross amounts set off in the balance sheet	Net amount presented in the balance sheet	Financial instruments collateral	Net amount
<b>March 31, 2017</b>					
<b>Financial assets</b>					
Cash and cash equivalents	119.05	-	119.05	(119.05)	-
Bank Balances Other than above	4.57	-	4.57	(4.57)	-
Trade receivables	220.33	(17.31)	203.02	(203.02)	-
Loans	0.09	-	0.09	(0.09)	-
Other financial assets	65.78	(2.84)	62.94	(62.94)	-
<b>Total</b>	<b>409.82</b>	<b>(20.15)</b>	<b>389.67</b>	<b>(389.67)</b>	<b>-</b>
<b>Financial liabilities</b>					
Trade payables	138.67	(19.18)	119.49	-	119.49
Borrowings	927.62	(0.89)	926.73	(389.67)	537.06
Other Financial Liabilities	33.04	(0.08)	32.96	-	32.96
<b>Total</b>	<b>1,099.33</b>	<b>(20.15)</b>	<b>1,079.18</b>	<b>(389.67)</b>	<b>689.51</b>
<b>March 31, 2016</b>					
<b>Financial assets</b>					
Cash and cash equivalents	48.23	-	48.23	(48.23)	-
Bank Balances Other than above	3.55	-	3.55	(3.55)	-
Trade receivables	186.75	(6.63)	180.12	(180.12)	-
Loans	0.03	-	0.03	(0.03)	-
Other financial assets	66.50	(0.51)	65.99	(65.99)	-
<b>Total</b>	<b>305.06</b>	<b>(7.14)</b>	<b>297.92</b>	<b>(297.92)</b>	<b>-</b>

₹ in Crores

Particulars	Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amount	Gross amounts set off in the balance sheet	Net amount presented in the balance sheet	Financial instruments collateral	Net amount
<b>Financial liabilities</b>					
Trade payables	160.64	(2.98)	157.66	-	157.66
Borrowings	923.48	(4.16)	919.32	(297.92)	621.40
Other Financial Liabilities	13.88	-	13.88	-	13.88
<b>Total</b>	<b>1,098.00</b>	<b>(7.14)</b>	<b>1,090.86</b>	<b>(297.92)</b>	<b>792.94</b>
<b>April 1, 2015</b>					
<b>Financial assets</b>					
Cash and cash equivalents	14.80	-	14.80	(14.80)	-
Bank Balances Other than above	7.72	-	7.72	(7.72)	-
Trade receivables	184.23	(5.04)	179.19	(179.19)	-
Loans	1.00	-	1.00	(1.00)	-
Other financial assets	109.29	(0.58)	108.71	(108.71)	-
<b>Total</b>	<b>317.04</b>	<b>(5.62)</b>	<b>311.42</b>	<b>(311.42)</b>	<b>-</b>
<b>Financial liabilities</b>					
Trade payables	219.89	(4.90)	214.99	-	214.99
Borrowings	2,015.10	(0.71)	2,014.39	(311.42)	1,702.97
Other Financial Liabilities	591.08	-	591.08	-	591.08
<b>Total</b>	<b>2,826.07</b>	<b>(5.61)</b>	<b>2,820.46</b>	<b>(311.42)</b>	<b>2,509.04</b>

**42. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Principal amount due to suppliers under MSMED Act, 2006*	-	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-	-
Payment made to suppliers ( other than interest ) beyond the appointed day, during the year	-	-	-
Interest paid to suppliers under MSMED Act, ( other than Section 16 )	-	-	-
Interest paid to suppliers under MSMED Act, ( Section 16 )	-	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made	-	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-	-

\* Amount includes due and unpaid of ₹ Nil (March 31, 2016: ₹ Nil)

The information has been given in respect of such vendors to the extent they could be identified as "Mico and Small" enterprises on the basis of information available with the Company.

**43. DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)**

₹ in Crores

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash balance as on November 8, 2016	0.01	-	0.01
(+) Permitted Receipts			
(-) Permitted Payments			
(-) Amount deposited in Banks	(0.01)	-	(0.01)
<b>Closing cash balance as on December 31, 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* For the purpose of this clause, the term Specified Bank Notes (SBNs) shall have the same meaning provided in the notification of the Government of India, Ministry of Finance, Department of Corporate Affairs, number S.O. 3407 (E), dated the 8th November, 2016.

#### **44. DISCONTINUED OPERATIONS**

##### **a) Sale of Subsidiaries:-**

- i) During the previous year, The Group had divested its stake in step down subsidiaries viz. 3i Infotech Framework Limited, UK and 3i Infotech Trusteeship Services Limited, India.

3i Infotech (Western Europe) Holdings Ltd, UK, step down subsidiary, had sold its shareholding in 3i Infotech Framework Limited, UK to Framework Luxembourg Sarl, Luxembourg for consideration of ₹ 4.90 crores. The said transaction had resulted in loss of ₹ 24.69 crores which was disclosed under exceptional item. The resultant loss included Goodwill (on consolidation) write-off pertaining to this business ₹ 24.46 crores.

- ii) 3i Infotech Limited, India had sold its shareholding in 3i Infotech Trusteeship Services Limited, India to UTPL Corporate Trustee Private Limited, India for consideration of ₹ 1.25 crores. The said Transaction had resulted in loss of ₹ 11.76 crores which was disclosed under exceptional item. The resultant loss included Goodwill (on consolidation) write-off pertaining to this business ₹ 4.00 crores

Income / Expenses and assets/ Liabilities resulting from these entities were insignificant.

##### **b) Discontinued Operation of a Subsidiary :-**

Elegon Infotech Limited, China, 100% shares held by Company had discontinued operation during the previous year resulting in loss of ₹ 10.49 Crores which included Goodwill (on consolidation) write-off pertaining to this business ₹ 9.23 Crores which was shown as exceptional item in Consolidated Statement of Profit and Loss. Further, necessary application for winding up was filed with appropriate regulator in June 2016.

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

For and on behalf of the board

**Padmanabhan Iyer**  
CFO, Managing Director and Global CEO  
(DIN: 05282942)

**Shashank Desai**  
Director  
(DIN: 00143638)

**Rajeev Limaye**  
Company Secretary  
(M.No.: A17168)

Navi Mumbai  
Date: April 30, 2017

### 3i INFOTECH LIMITED

#### CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

Particulars	USD million	
	March 31, 2017	March 31, 2016
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
(a) Property, Plant and Equipment	22.21	22.91
(b) Goodwill	67.22	65.82
(c) Other Intangible Assets	35.16	34.52
(i) Investments	0.03	0.02
(ii) Other Financial Assets	2.54	1.55
(d) Deferred Tax Asset (Net)	0.47	0.61
(e) Other Non-Current Assets	19.44	25.56
<b>Total Non Current Assets</b>	<b>147.07</b>	<b>150.99</b>
<b>Current assets</b>		
(a) Inventories	0.14	0.12
(b) Financial Assets		
(i) Investments	-	1.89
(ii) Trade Receivables	31.37	27.25
(iii) Cash and Cash Equivalents	18.39	6.70
(iv) Bank Balances Other than (iii) above	0.71	1.13
(v) Loans	0.01	0.01
(vi) Other Financial Assets	9.72	9.98
(c) Other Current Assets	3.76	5.02
<b>Total Current Assets</b>	<b>64.10</b>	<b>52.10</b>
<b>Total Asset</b>	<b>211.17</b>	<b>203.09</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	182.88	96.95
(b) Other Equity	(155.46)	(80.11)
<b>Equity attributable to equity holders of the parent</b>	<b>27.42</b>	<b>16.84</b>
Non Controlling Interest	0.43	0.52
<b>Total Equity</b>	<b>27.85</b>	<b>17.36</b>
<b>Liabilities</b>		
<b>Non Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	139.51	132.05
(b) Provisions	2.77	3.93
<b>Total Non Current Liabilities</b>	<b>142.28</b>	<b>135.98</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	3.68	7.03
(ii) Trade Payables	18.46	23.85
(iii) Other Financial Liabilities	5.09	2.10
(b) Other Current Liabilities	12.88	15.52
(c) Provisions	0.93	1.25
<b>Total Current Liabilities</b>	<b>41.04</b>	<b>49.75</b>
<b>TOTAL</b>	<b>211.17</b>	<b>203.09</b>

#### Note

The above balance sheet is just the conversion of Consolidated Balance Sheet of 3i Infotech Ltd ( prepared as per IND AS ) Amount in ₹ Crores. The conversion has been done at exchange rate of ₹ 64.7235 for the year ended March 31,2017 and ₹ 66.0989 for the year ended March 31, 2016.

**3i INFOTECH LIMITED**
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

USD million

Particulars	2016-17	2015-16
<b>REVENUE</b>		
Revenue from operations (net)	149.89	172.31
Other income	7.78	1.11
<b>Total Revenue (I + II)</b>	<b>157.67</b>	<b>173.42</b>
<b>EXPENSES</b>		
Employee benefits expense	85.46	97.86
Cost of third party products and services	23.98	30.51
Finance costs	13.88	26.83
Depreciation and amortization expense	2.02	31.08
Other expenses	17.01	28.43
<b>Total Expenses</b>	<b>142.35</b>	<b>214.73</b>
<b>Profit/(loss) before exceptional items and tax (III - IV)</b>	<b>15.32</b>	<b>(41.29)</b>
Exceptional Items	-	-
<b>Profit/(loss) before tax for the year (V - VI)</b>	<b>15.32</b>	<b>(41.29)</b>
Tax expense	1.27	17.32
<b>Profit/(loss) for the year (VII - VIII)</b>	<b>14.05</b>	<b>(58.61)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>		
Remeasurement of gains (losses) on defined benefit plans	1.04	(0.27)
Income tax effect	(0.06)	0.00
<b>Other Comprehensive income for the year, net of tax</b>	<b>0.98</b>	<b>(0.27)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b>15.03</b>	<b>(58.88)</b>
<b>Total comprehensive income for the year, net of tax attributable to:</b>		
<b>Profit for the year attributable to:</b>		
Equity holders of the parent	14.15	(58.19)
Non-controlling interests	(0.10)	(0.43)
<b>Other comprehensive income for the year attributable to:</b>		
Equity holders of the parent	0.98	(0.27)
Non-controlling interests	-	-
<b>Total comprehensive income for the year attributable to:</b>		
Equity holders of the parent	15.13	(58.46)
Non-controlling interests	(0.10)	(0.43)

**Note**

The above statement of Profit and Loss is just the conversion of Consolidated Statement of Profit and Loss of 3i Infotech Ltd (prepared as per IND AS ) amount in ₹ Crores. The conversion has been done at exchange rate of ₹ 66.9685 for the year ended March 31, 2017 and ₹ 65.3233 for the year ended March 31, 2016.

**STATEMENT PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT 2013 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO SUBSIDIARY COMPANIES / JOINT VENTURE**

<b>Sr. No.</b>	<b>Name of Subsidiary Company</b>	<b>Financial year of subsidiary ended on</b>	<b>Extent of interest of 3i Infotech Limited in the capital of the subsidiary</b>
1	3i Infotech Inc (USA)	March 31, 2017	\$100%
2	3i Infotech Holdings Private Limited (Mauritius)	March 31, 2017	100%
3	3i Infotech Financial Software Inc., (USA)	March 31, 2017	\$100%
4	3i Infotech (Africa) Limited, (Kenya)	March 31, 2017	@100%
5	Black-Barret Holdings Limited (Cyprus)	March 31, 2017	\$100%
6	Professional Access Software Development Pvt Ltd, (India)	March 31, 2017	#100%
7	3i Infotech Asia Pacific Pte Ltd (Singapore)	March 31, 2017	100%
8	3i Infotech SDN BHD (Malaysia)	March 31, 2017	*100%
9	3i Infotech (Thailand) Limited (Thailand)	March 31, 2017	*100%
10	3i Infotech Services SDN BHD (Malaysia)	March 31, 2017	*100%
11	3i Infotech (Middle East) FZ LLC (UAE)	March 31, 2017	\$100%
12	3i Infotech (UK) Limited (UK)	March 31, 2017	100%
13	3i Infotech (Western Europe) Holdings Limited (UK)	March 31, 2017	##100%
14	3i Infotech (Western Europe) Group Limited (UK)	March 31, 2017	\$\$100%
15	Rhyme Systems Limited (UK)	March 31, 2017	*\$100%
16	3i Infotech BPO Limited (India)	March 31, 2017	100%
17	3i Infotech Saudi Arabia LLC (Kingdom of Saudi Arabia)	March 31, 2017	100%
18	3i Infotech Consultancy Services Limited (India)	March 31, 2017	100%
19	Locuz Enterprise Solutions Limited (India)	March 31, 2017	74%
20	Elegon Infotech Limited (China)	March 31, 2017	100%
21	IFRS Cloud Solutions Limited (formerly known as 3i Infotech Outsourcing Services Limited) (India)	March 31, 2017	@@100%
22	3i Infotech South Africa (Pty) Ltd (Republic of South Africa)	March 31, 2017	\$100%
23	Locuz Inc (USA)	March 31, 2017	*@74%
24	Process Central Limited** (Nigeria)	March 31, 2017	@47.50%

\$ Held by 3i Infotech Holdings Private Limited (Mauritius)

\* Held by 3i Infotech Asia Pacific Pte Ltd (Singapore)

# Held by Black-Barret Holdings Limited (Cyprus)

## Held by 3i Infotech (UK) Limited (UK)

\$\$ Held by 3i Infotech (Western Europe) Holdings Limited (UK)

\*\$ Held by 3i Infotech (Western Europe) Group Limited (UK)

#\$ Held by 3i Infotech (Western Europe) Limited (UK)

@ Held by 3i Infotech (Middle East) FZ LLC (UAE)

@@ Held by 3i Infotech Financial Software Inc (USA)

\*@ 100% held by Locuz Enterprise Solutions Limited (India)

\*\* Joint Venture of 3i Infotech (Middle East) FZ LLC with Soft Solutions Ltd, Skye Bank PLC and Unity Bank PLC

**STATEMENT PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO SUBSIDIARY COMPANIES / JOINT VENTURE**

Sr No.	Entity	Reporting Currency	Exchange Rate	% of Shareholdings	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend
1	3i Infotech Inc., (USA)\$	USD	64.7236	100%	194.50	(370.58)	958.70	958.70	-	304.31	(40.43)	1.16	(41.59)	-
2	3i Infotech Holdings Private Limited, (Mauritius)\$	USD	64.7236	100%	1,414.56	(728.10)	1,478.60	1,478.60	1,331.44	50.89	(4.72)	-	(4.72)	-
3	3i Infotech Financial Software Inc., (USA)\$	USD	64.7236	100%	1.82	(123.04)	155.99	155.99	0.07	5.57	(20.25)	-	(20.25)	-
4	3i Infotech (Africa) Limited, (Kenya)&	KES	0.6170	100%	0.01	(19.27)	6.85	6.85	-	4.96	0.20	0.69	(0.49)	-
5	Black Barrel Holdings Limited (Cyprus)\$	USD	64.7236	100%	0.01	(0.70)	0.02	0.02	-	(0.01)	(0.10)	-	(0.10)	-
6	Professional Access Software Development Pvt Limited, (India)	INR	1.0000	100%	0.86	125.84	128.94	128.94	-	-	(0.22)	0.66	(0.88)	-
7	3i Infotech Asia Pacific Pte. Ltd., (Singapore)\$S	SGD	46.3062	100%	24.76	(10.42)	72.98	72.98	3.58	21.26	(0.06)	-	(0.06)	-
8	3i Infotech SDN BHD, (Malaysia)*	MYR	14.6169	100%	7.31	32.91	92.65	92.65	-	18.05	2.72	0.84	1.88	-
9	3i Infotech (Thailand) Limited, (Thailand)**	THB	1.8781	100%	1.88	(5.16)	13.77	13.77	-	12.07	4.80	-	4.80	-
10	3i Infotech Services SDN BHD (formerly known as Datacons Asia Pacific SDN BHD), (Malaysia)*	MYR	14.6169	100%	0.81	(0.95)	0.00	0.00	-	-	-	-	-	-
11	3i Infotech (Middle East) FZ LLC., (UAE)\$S	AED	17.6174	100%	81.35	(120.66)	1,212.68	1,212.68	0.01	155.16	17.84	-	17.84	-
12	3i Infotech (UK) Limited, (UK)£	GBP	80.8177	100%	26.07	(25.40)	8.23	8.23	-	10.27	1.90	-	1.90	-
13	3i Infotech (Western Europe) Holdings Limited (formerly known as Rhyme Systems Holdings Limited), (UK)£	GBP	80.8177	100%	15.78	10.50	15.68	15.68	-	-	(0.00)	-	(0.00)	-
14	3i Infotech (Western Europe) Group Limited (formerly Rhyme Systems Group Limited), (UK)£	GBP	80.8177	100%	15.68	128.68	0.03	0.03	-	0.00	(0.00)	-	(0.00)	-
15	Rhyme Systems Limited (formerly known as Rhymes Limited), (UK)£	GBP	80.8177	100%	1.62	(0.29)	1.91	1.91	-	-	(0.00)	-	(0.00)	-
16	3i Infotech-Framework Limited, (UK) £	GBP	80.8177	100%	-	-	-	-	-	-	-	-	-	-
17	3i-Infotech BPO Limited (formerly known as Linear Financial and Management Systems Ltd.), (India)	INR	1.0000	100%	0.10	39.64	61.37	61.37	-	45.04	0.38	0.13	0.25	-
18	3i Infotech Trusteeship Services Limited, (India)	INR	1.0000	100%	-	-	-	-	-	-	-	-	-	-
19	3i Infotech Saudi Arabia LLC., (Saudi Arabia)#	SAR	17.2531	100%	0.86	(63.01)	79.74	79.74	-	46.81	0.53	4.47	(3.95)	-
20	3i Infotech Consultancy Services Limited, (India)	INR	1.0000	100%	4.81	18.63	53.10	53.10	-	50.98	0.19	0.08	0.11	-
21	Locuz Enterprise Solutions Limited, (India)	INR	1.0000	74%	1.00	15.32	69.53	69.53	-	104.91	(3.23)	(0.24)	(2.99)	-
22	Elegon Infotech Ltd., (China)¥	CNY	9.3914	100%	17.52	(17.52)	-	-	-	-	-	-	-	-
23	3i Infotech Outsourcing Services Limited (India)	INR	1.0000	100%	0.05	(0.01)	0.05	0.05	-	-	(0.00)	-	(0.00)	-
24	3i infotech South Africa (PTY) Ltd.	ZAR	4.8225	100%	0.00	(0.22)	0.13	0.13	-	-	(0.06)	-	(0.06)	-
25	Process Central Limited, (Nigeria)++	NGN	0.2059	47.5%	0.88	(0.83)	0.26	0.26	-	-	-	-	-	-

# **Standalone Financial Statements**



## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
3i Infotech Limited

### Report on Indian Accounting Standards ("Ind AS") Financial Statements

We have audited the accompanying standalone Ind AS financial statements of 3i Infotech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Ind AS Financial Statements').

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Emphasis of Matter

Remuneration paid/provided of ₹ 1.23 crores for the financial year 2016-17 in respect of the Managing Director and Global CEO of the Company which is in excess of the limits prescribed under section 198 of the Act and subject to the approval of the Central Government. As explained by Management, the Company is in the process of filling an application with Central Government for obtaining approval thereof (Refer Note 34 (vi) to the Standalone Ind AS Financial Statements).

Our opinion is not qualified for above matter

## Other Matter

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the one of the joint auditors whose report for the year ended March 31, 2017 dated August 11, 2016 expressed unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

1. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and statement of changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder;
- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements. Refer Note No. 33B to the Standalone Ind AS Financial Statements
  - ii. The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses if any, on long term contracts
  - iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in its Standalone Ind AS Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 and these are in accordance with the books of account maintained by the Company. Refer Note 43 to the Standalone Ind AS Financial Statements.

### For GMJ & Company

Chartered Accountants

Firm Registration No:103429W

### S. Maheshwari

Partner

Membership No. 38755

Place: Navi Mumbai

Date: April 30, 2017

### For LODHA & Company

Chartered Accountants

Firm Registration No: 301051E

### R.P. Baradiya

Partner

Membership No. 44101

Place: Navi Mumbai

Date: April 30, 2017

**“ANNEXURE A”****ANNEXURE REFERRED TO IN PARAGRAPH “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF “THE COMPANY” FOR THE YEAR ENDED MARCH 31, 2017**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) During the year, the Company in accordance to a phased programme has physically verified Furniture & Fixtures, Office equipment, Plant and Machinery and Computers at six locations which in our opinion, is reasonable considering the size of the Company and nature of its fixed assets. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- c) Based on the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company, except in respect of immovable properties of Land & Building that have been taken on lease and disclosed as fixed assets in Note 4 to the standalone Ind AS financial statements, title deeds of the same are in erstwhile name of the Company.
- (ii) As the Company is a service company, primarily rendering software services. Accordingly it does not hold any physical inventories during the year. Thus paragraph 3(ii) of the Order is not applicable to the Company
- (iii) The Company has granted loans in the previous years (taking over of lenders liability of wholly owned subsidiaries in terms of DRS scheme) to 3 body corporates covered in the register maintained under section 189 of the companies Act 2013.
- a) During the year, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly paragraph 3(iii)(a) of the Order is not applicable.
- b) In respect of the existing loans outstanding, the schedule of repayment of principal and interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and also regular in payment of interest.
- c) In respect of existing loans outstanding, there is no amount which was overdue during the year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan, provided guarantee and security covered in Section 185 of the Act. The Company has complied with the provisions of section 186 of the Act to the extent applicable, with respect to the loans and investments made, guarantees given and security provided.
- (v) The Company has not accepted deposits from public within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act 2013, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) a) According to the information and explanations given to us and on the basis of examination of records, the Company is generally regular in depositing amounts deducted/ accrued in respect of undisputed statutory dues including provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues. As explained to us the Company did not have any dues on account of employees' state insurance and duties of excise.

According to the information and explanations given to us and on the basis of examination of records of the Company, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at March 31, 2017 for a period more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value added Tax which have not been deposited on account of any dispute except the following :

Name of Statute	Nature of Demand	Period to which amount Relates	₹ in crores	Forum where dispute is pending
MVAT Act, 2002	Sales Tax	Financial Year 2005-06, 2006-07	2.06	Sales Tax Officer
Karnataka Sales Tax Act, 1957	Sales Tax	Financial Year 2009-10	2.72	Appellate Deputy Commissioner
AP VAT Act, 2005	Sales Tax	Financial Year 2009-10 and 2010-11	0.68	Appellate Deputy Commissioner
Income Tax Act, 1961	Income Tax	Assessment Year 2004-05	1.00	Commissioner of Income Tax (Appeals)
		Assessment Year 2007-08	2.83	Income Tax Appellate Tribunal
		Assessment Year 2006-07	0.18	
Finance Act, 1994	Service Tax	Financial year 2004-05 to 2009-10, 2011-12, 2012-13	151.83	Commissioner of Service Tax
		Financial year 2010-11	19.47	Assistant Commissioner of Service Tax

- (viii) As per clause 3.4 of the Supplement Restructuring Agreement in terms of DRS to the Master Restructuring Agreement dated 30<sup>th</sup> March, 2012 with the lenders and as per the revised terms of the Foreign Currency Convertible Bonds (FCCB), there is no default in repayment of dues to the banks, financial institutions and debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year or in the recent past. Based on the information and explanations given to us by the Management, term loans were applied for the purpose for which the loans were obtained.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.
- (xi) According to the information and explanations given to us and based on our examination of the records, during the year the Company has paid managerial remuneration amounting to ₹ 1.23 crores to Managing Director and Global CEO which is subject to approval of the Central Government as per the provisions of Section 197 read with Schedule V of the Act. As explained to us requisite approval of the Central Government is being sought by the Company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to information and explanations given us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the standalone Ind AS Financial Statements as required by Ind AS 24, Related Party Disclosures specified under section 133 of the Act read with the relevant rules issued thereunder. Refer Note 34 to the standalone Ind AS Financial Statements.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to information and explanations given to us and based on our examination of records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly paragraph 3 (xv) of the Order is not applicable;
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly paragraph 3 (xvi) of the Order is not applicable.

**For GMJ & Company**  
Chartered Accountants  
Firm Registration No:103429W

**S. Maheshwari**  
Partner  
Membership No. 38755

Place: Navi Mumbai  
Date: April 30, 2017

**For LODHA & Company**  
Chartered Accountants  
Firm Registration No: 301051E

**R.P. Baradiya**  
Partner  
Membership No. 44101

Place: Navi Mumbai  
Date: April 30, 2017

**ANNEXURE B”****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of 3i Infotech Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the Standalone IndAS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the Standalone Ind AS Financial Statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For GMJ & Company**  
Chartered Accountants  
Firm Registration No:103429W

**S. Maheshwari**  
Partner  
Membership No. 38755

Place: Navi Mumbai  
Date: April 30, 2017

**For LODHA & Company**  
Chartered Accountants  
Firm Registration No: 301051E

**R.P. Baradiya**  
Partner  
Membership No. 44101

Place: Navi Mumbai  
Date: April 30, 2017



**3i INFOTECH LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2017**

₹ in Crores

Particulars	Notes	March 31, 2017	March 31, 2016	April 1, 2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment	4	142.48	147.43	251.19
(b) Other Intangible Assets	5	225.81	226.73	1,112.08
(c) Financial Assets				
(i) Investments	6	1,236.89	1,215.49	1,349.22
(ii) Loans	6	57.51	82.87	-
(iii) Other Financial Assets	6	9.53	8.99	7.82
(d) Deferred Tax Asset (Net)	12	-	-	93.18
(e) Income Tax Asset (Net)		115.94	151.22	137.96
(f) Other Non-Current Assets	11	7.08	4.99	4.69
		<b>1,795.24</b>	<b>1,837.72</b>	<b>2,956.14</b>
<b>Current assets</b>				
(a) Inventories	7	-	0.37	0.89
(b) Financial Assets				
(i) Investments	6	-	12.50	-
(ii) Trade Receivables	8	560.41	603.32	578.02
(iii) Cash and Cash Equivalents	9	94.81	20.65	7.83
(iv) Bank Balances Other than (iii) above	10	1.74	0.53	4.53
(v) Loans	6	0.08	0.09	0.06
(vi) Other Financial Assets	6	28.94	20.48	44.60
(c) Other Current Assets	11	4.62	5.71	12.23
		<b>690.60</b>	<b>663.65</b>	<b>648.16</b>
<b>TOTAL</b>		<b>2,485.84</b>	<b>2,501.37</b>	<b>3,604.30</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	13	1,183.65	640.80	603.75
(b) Other Equity	14	(963.34)	(477.44)	(932.45)
		<b>220.31</b>	<b>163.36</b>	<b>(328.70)</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	16	1,029.59	991.41	1,985.15
(b) Provisions	20	12.83	17.57	15.04
		<b>1,042.42</b>	<b>1,008.98</b>	<b>2,000.19</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	16	11.33	11.69	140.16
(ii) Trade Payables	18			
Micro, Small and Medium Enterprises		-	-	-
Others		91.39	122.94	133.61
(iii) Other Financial Liabilities	17	1,107.90	1,167.85	1,621.52
(b) Other Current Liabilities	19	10.19	23.50	30.78
(c) Provisions	20	2.30	3.05	6.74
		<b>1,223.11</b>	<b>1,329.03</b>	<b>1,932.81</b>
<b>TOTAL</b>		<b>2,485.84</b>	<b>2,501.37</b>	<b>3,604.30</b>

Significant Accounting Policies and Notes forming part of the Financial Statements

1 to 44

As per our report of even date attached

For GMJ & CO  
Chartered Accountants  
F.R.No. 103429W

For LODHA & CO  
Chartered Accountants  
F.R.No. 301051E

For and on behalf of the board

Padmanabhan Iyer  
CFO, Managing Director and Global CEO  
(DIN: 05282942)

Shashank Desai  
Director  
(DIN: 00143638)

S. Maheshwari  
Partner  
M.No.: 38755

R.P. Baradiya  
Partner  
M.No.: 44101

Rajeev Limaye  
Company Secretary  
(M.No.: A17168)  
Navi Mumbai  
Date: April 30, 2017

Navi Mumbai  
Date: April 30, 2017

Navi Mumbai  
Date: April 30, 2017

**3i INFOTECH LIMITED**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

₹ in Crores

Particulars	Notes	2016-17	2015-16
<b>REVENUE</b>			
Revenue from operations (net)	21	279.07	345.09
Other income	22	65.80	84.29
<b>Total Revenue (I)</b>		<b>344.87</b>	<b>429.38</b>
<b>EXPENSES</b>			
Employee benefits expense	24	86.16	120.82
Cost of third party products and services	23	36.12	49.93
Finance costs	25	87.26	163.66
Depreciation and amortization expense	26	7.31	210.62
Other expenses	27	36.93	109.89
<b>Total Expenses (II)</b>		<b>253.78</b>	<b>654.92</b>
<b>Profit/(loss) before exceptional items and tax (I-II)</b>		<b>91.09</b>	<b>(225.54)</b>
Exceptional Items	28	-	222.46
<b>Profit/(loss) before tax</b>		<b>91.09</b>	<b>(448.00)</b>
<b>Tax expense:</b>			
Current tax		-	-
Adjustment of tax relating to earlier periods		0.32	5.82
Deferred tax		(1.49)	85.88
<b>Profit/(loss) for the year</b>		<b>92.26</b>	<b>(539.70)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>			
Remeasurement of gains (losses) on defined benefit plans		4.32	(0.97)
Income tax effect		(1.49)	0.34
<b>B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:</b>		-	-
<b>Other Comprehensive income for the year, net of tax</b>		<b>2.83</b>	<b>(0.63)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>95.09</b>	<b>(540.33)</b>
<b>Earnings per share for profit attributable to equity shareholders</b>	30		
Basic EPS		0.75	(8.67)
Diluted EPS		0.75	(8.67)

Significant Accounting Policies and Notes forming part of the Financial Statements

1 to 44

As per our report of even date attached

 For GMJ & CO  
 Chartered Accountants  
 F.R.No. 103429W

 For LODHA & CO  
 Chartered Accountants  
 F.R.No. 301051E

For and on behalf of the board

 Padmanabhan Iyer  
 CFO, Managing Director and Global CEO  
 (DIN: 05282942)

 Shashank Desai  
 Director  
 (DIN: 00143638)

 S. Maheshwari  
 Partner  
 M.No.: 38755

 R.P. Baradiya  
 Partner  
 M.No.: 44101

 Rajeev Limaye  
 Company Secretary  
 (M.No.: A17168)  
 Navi Mumbai  
 Date: April 30, 2017

 Navi Mumbai  
 Date: April 30, 2017

 Navi Mumbai  
 Date: April 30, 2017

**3i INFOTECH LIMITED**
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017**
**₹ in Crores**

Particulars	2016-17	2015-16
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Profit/(Loss) before income tax</b>	91.09	(448.00)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	7.32	210.63
Employee share-based payment expense	0.38	0.65
Allowance for doubtful debts	0.86	2.55
Gain on disposal of property, plant and equipment	(0.04)	(0.12)
Gain on sale of subsidiary	-	(3.14)
Guarantee Commission Income	(1.40)	(1.41)
Interest Income on Financial Assets at Amortised Cost	(40.83)	(37.38)
Remeasurement of Employee benefit obligation	4.32	(0.97)
Interest income classified as investing cash flows	(17.06)	(0.26)
Dividend income classified as investing cash flows	-	(39.84)
Finance costs	87.26	163.66
Net foreign exchange differences	4.60	56.30
<b>Change in operating assets and liabilities:</b>		
(Increase)/Decrease in trade receivables	(7.83)	43.28
(Increase)/Decrease in inventories	0.37	0.52
Increase/(decrease) in trade payables	(33.09)	2.10
(Increase) in other financial assets	(0.90)	21.15
(Increase)/decrease in other non-current assets	(2.09)	(0.30)
(Increase)/decrease in other current assets	(6.36)	11.77
Increase/(decrease) in provisions	(5.48)	(1.16)
Increase in other current liabilities	(6.14)	40.28
<b>Cash generated from operations</b>	<b>74.98</b>	<b>20.31</b>
Less: Income taxes paid / (refund)	(36.74)	(15.08)
<b>Net cash inflow from operating activities</b>	<b>111.72</b>	<b>35.39</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment for acquisition of subsidiary, net of cash acquired	0.01	-
Payments for property, plant and equipment	(1.61)	(3.33)
Payments for software development costs	(0.01)	-
Loans to employees	(0.15)	(0.19)
Proceeds from sale of investments	12.50	-
Proceeds from sale of property, plant and equipment	0.19	0.25
Repayment of loans by employees	0.16	0.16
Dividends received	-	5.87
Interest received	7.66	-
<b>Net cash outflow from investing activities</b>	<b>18.75</b>	<b>2.76</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	-	47.93
Proceeds from borrowings - Related Parties	-	-
Repayment of borrowings	(2.02)	(47.65)
Repayment of borrowings - Related Parties	(0.87)	(14.58)
Interest paid	(53.03)	(11.03)
Dividends paid	(0.32)	-
Dividend distribution tax paid	(0.07)	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>(56.31)</b>	<b>(25.33)</b>



₹ in Crores

Particulars	2016-17	2015-16
Net increase (decrease) in cash and cash equivalents	74.16	12.82
Cash and Cash Equivalents at the beginning of the financial year	20.65	7.83
<b>Cash and Cash Equivalents at end of the year</b>	<b>94.81</b>	<b>20.65</b>
<b>NON-CASH FINANCING AND INVESTING ACTIVITIES:</b>		
<b>Reconciliation of cash and cash equivalents as per the cash flow statement:</b>		
Cash and cash equivalents as per above comprise of the following:		
<b>Cash and cash equivalents</b>		
Balances with banks:		
- On current accounts	10.94	16.70
- On deposit accounts	83.87	3.95
Cash on hand	-	-
<b>Balances as per statement of cash flows</b>	<b>94.81</b>	<b>20.65</b>

**Notes :**

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 on "Statement of Cash Flows" notified by the Companies Act, 2013.
2. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 44

As per our report of even date attached

For and on behalf of the board

 For GMJ & CO  
 Chartered Accountants  
 F.R.No. 103429W

 For LODHA & CO  
 Chartered Accountants  
 F.R.No. 301051E

 Padmanabhan Iyer  
 CFO, Managing Director and Global CEO  
 (DIN: 05282942)

 Shashank Desai  
 Director  
 (DIN: 00143638)

 S. Maheshwari  
 Partner  
 M.No.: 38755

 R.P. Baradiya  
 Partner  
 M.No.: 44101

 Rajeev Limaye  
 Company Secretary  
 (M.No.: A17168)

 Navi Mumbai  
 Date: April 30, 2017

 Navi Mumbai  
 Date: April 30, 2017

 Navi Mumbai  
 Date: April 30, 2017

**3i INFOTECH LIMITED**  
**STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2017**

**A Equity Share Capital**

₹ in Crores

Particulars	Balance at the Beginning of the year	Changes in Equity share capital during the year	Balance at the end of the year
<b>March 31, 2016</b>			
Numbers	60,37,50,947	3,70,52,981	64,08,03,928
Amount	603.75	37.05	640.80
<b>March 31, 2017</b>			
Numbers	64,08,03,928	58,28,68,676	1,22,36,72,604
Amount	640.80	582.87	1,223.67

₹ in Crores

## B Other Equity

Particulars	Share Application money pending allotment	Equity Component of Compound financial instruments	Reserves and Surplus										Share Suspense account - Equity Shares	Shares held in abeyance	Total
			Capital Reserve	Securities Premium Reserve	Share Based Payment Reserve	Retained Earnings	Foreign Currency Monetary Item Translation Difference Account	Property, Plant and Equipment Reserve							
As at April 1, 2015	33.50	99.71	0.07	852.03	0.88	(2,020.06)	(23.17)	124.59	-	-	(932.45)				
Profit for the period						(539.70)					(539.70)				
Other comprehensive income						(0.63)					(0.63)				
Total comprehensive income for the year	33.50	99.71	0.07	852.03	0.88	(2,560.39)	(23.17)	124.59	-	-	(1,472.78)				
Issue of equity shares	(33.50)			29.58							(3.92)				
Transaction costs						(3.28)					(3.28)				
FCCBs# converted during the year		(6.26)				15.13					8.87				
Impact on reissue of FCCBs under DRS*		(62.66)				5.01					(23.04)				
Deferred Tax on Equity component of FCCBs		(10.66)									(10.66)				
Share based payments											0.65				
Equity Shares to be issued under DRS						0.65					1,009.55				
Transfer from PPE Reserve							2.76	(2.76)			-				
Foreign Exchange Fluctuation on Long Term Monetary Items											6.83				
Amortisation of Foreign Exchange Fluctuation on Long Term Monetary Items during the year											10.34				
As at March 31, 2016	-	20.13	0.07	881.61	1.53	(2,540.77)	28.61	121.83	1,009.55	-	(477.44)				
Profit for the period						92.26					92.26				
Other comprehensive income						2.82					2.82				
Total comprehensive income for the year	-	20.13	0.07	881.61	1.53	(2,445.69)	28.61	121.83	1,009.55	-	(382.36)				
Issue of equity shares				13.24					(595.06)		(581.82)				
Share based payments											0.38				
Transfer from PPE Reserve							2.76	(2.76)			-				
Foreign Exchange Fluctuation on Long Term Monetary Items											(20.82)				
Amortisation of Foreign Exchange Fluctuation on Long Term Monetary Items during the year								(18.74)			(18.74)				
Equity Shares issued but not allotted											-				
As at March 31, 2017	-	20.13	0.07	894.85	1.91	(2,442.93)	(10.95)	119.07	414.49	40.02	(963.34)				

\* Debt Restructuring Scheme (DRS)

# Foreign Currency Convertible Bonds (FCCBs)

Significant Accounting Policies and Notes forming part of the Financial Statements

1 to 44

For and on behalf of the board

As per our report of even date attached  
For GMJ & CO  
Chartered Accountants  
F.R.No. 103429W

For LODHA & CO  
Chartered Accountants  
F.R.No. 301051E

S. Maheshwari  
Partner  
M.No.: 38755  
Navi Mumbai  
Date: April 30, 2017

Padmanabhan Iyer  
CFO, Managing Director and Global CEO  
(DIN: 05282942)

Shashank Desai  
Director  
(DIN: 00143638)

Rajeev Limaye  
Company Secretary  
(M.No.: A17168)

## 3i Infotech Limited

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

#### 1 Corporate Information

3i Infotech Limited (referred to as "the Company") is a Global Information Technology Company committed to Empowering Business Transformation. A comprehensive set of IP based software solutions, coupled with a wide range of IT services, uniquely positions the Company to address the dynamic requirements of a variety of industry verticals of Banking and Financial Services Industry (BFSI), predominantly Banking, Insurance, Capital Markets, Asset & Wealth Management. The Company also provides solutions for other verticals such as Government, Manufacturing, Retail, Distribution, Telecom and Healthcare.

The Company is a public limited Company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The address of its registered office is at International Infotech Park, Tower No.5, 3rd to 6th floors, Vashi, Navi Mumbai-400703.

The financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on April 30, 2017.

#### 2 Significant Accounting Policies

##### a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted with effect from April 1, 2016 Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act 2013. These financial statements for the year ended March 31, 2017 are the first; the Company has prepared in accordance with Ind AS. Previous periods have been restated to Ind AS. (Refer to Note 3 for information on how the Company adopted Ind AS.)

##### b) Basis of preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

##### c) Use of estimates and judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

##### (i) Impairment of investments

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

##### (ii) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

##### (iii) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note (i) below.

**(iv) Provisions and Contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset in neither recognised nor disclosed in the financial statements.

**d) Revenue Recognition**

The Company earns primarily from providing services of Information Technology (IT) solutions and Transaction services.

**(i) Revenue from IT solutions**

The Company earns revenue from IT solutions comprises of revenue from the sale of software products, providing IT services and sale of hardware and third party software.

- Revenue from Software Products is recognized on delivery/installation, as per the predetermined/ laid down policy across all geographies or a lower amount as considered appropriate in terms of the contract. Maintenance revenue in respect of products is deferred and recognized ratably over the period of the underlying maintenance agreement.
- 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. Provisions 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.
- Revenue from Supply of Hardware/Other Material and Sale of Third Party Software License/Term License/Other Materials incidental to the aforesaid services is recognized based on delivery/installation, as the case may be. Recovery of incidental expenses is added to respective revenue.
- **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 “advance from customer/unearned revenue” and included in other liabilities.

**(ii) Revenue from Transaction Services:**

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

**(iii) Revenue from Sharing of Infrastructure Facilities:**

- Revenue from sharing of infrastructure facilities is recognised based on usage of facilit

**e) Interest / Dividend Income**

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

**f) Leases**

**(i) Finance lease**

Assets taken on lease by the Company in its capacity as a lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at the lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

**(ii) Operating lease**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

**g) Cost recognition**

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised in employee benefit expenses, cost of third party products and services, finance costs, depreciation and amortisation and other expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Cost of third party products and services mainly include purchase of software licenses and products, fees to external consultants, cost of running its facilities, cost of equipment and other operating expenses. Finance cost includes interest and other borrowing cost. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, printing and stationery, legal and professional charges, communication, repairs and maintenance etc.

**h) Foreign currency**

The functional currency of the Company is Indian rupee (₹).

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined

**i) Income taxes**

**Current income taxes**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Advance taxes and provisions for current income taxes are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

**Deferred income taxes**

Deferred income tax is recognised using the Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future economic tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Company recognises interest levied and penalties related to income tax assessments in finance costs.

## j) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### (i) **Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### (ii) **Financial assets**

#### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

#### - **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

#### - **Debt instrument at fair value through other comprehensive income (FVTOCI)**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.



- **Debt instrument at fair value through profit and loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- **Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statment of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statment of profit and loss.

Interest in subsidiaries, associates and joint ventures are accounted at cost.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**(iii) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- **Financial Liabilities at fair value through profit and loss**

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.



Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

- **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statment of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(iv) **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(v) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

k) **Compound financial instruments**

Compound financial instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the Compound financial instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the Compound financial instruments based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

#### **l) Investments in subsidiaries**

Investments in subsidiaries are measured at cost less impairment.

#### **m) Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

#### **Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives adopted by Company

<b>Category of Assets</b>	<b>Useful lives adopted by Company</b>	<b>Useful Lives prescribed under Schedule II of the Act</b>
Computers	5 years	3-6 years
Plant and Machinery, Electrical Installation	5 years	15 years
Office Equipment	5 years	5 years
Furniture and Fixtures	5 years	10 years
Vehicles	5 years	10 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

#### **n) Intangible assets**

##### **(i) Goodwill**

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

**(ii) Software Products - Meant for Sale**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

**(iii) Software Products-Others**

Purchased software meant for in house consumption and significant upgrades thereof which have a probable economic benefit exceeding one year are capitalized at the acquisition price.

**(iv) Patents, copyrights , Business commercial rights and other rights**

Separately acquired patents and copyrights are shown at historical cost. Patents, copyrights and non-compete acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

**(v) Research and development**

Research expenditure and development expenditure that do not meet the criteria specified above are recognised as an expense as incurred in the statement of profit and loss. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

**Amortisation methods and periods**

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Category of Assets	Useful lives adopted by Company
Goodwill	5 years
Business Commercial rights	10 years
Software others	5 years or as per license period

**Intangible Assets with indefinite useful lives**

Based on the analysis of product life cycle studies, market and competitive trends, it is assessed that 'Software Products - meant for sale' would generate net cash flows for an indefinite period.

**o) Impairment**

**(i) Financial assets (other than at fair value)**

The Company assesses at each date of Balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk or the financial asset has increased significantly since initial recognition.

**(ii) Non-financial assets**

**Tangible and intangible assets**

Property, plant and equipment and intangible assets within finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the

recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

**p) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

**- Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than ₹, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit and loss as past service cost.

**- Defined contribution plans**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

- **Superannuation contribution plan**

Certain employees of the Company are also participants in a defined superannuation contribution plan. The Company contributes to the scheme with Life Insurance Corporation of India on a monthly basis. The Company has no further obligations to the scheme beyond its monthly contributions.

**(iv) Employee Benefits in Foreign Branch**

In respect of employees in foreign branch, necessary provisions are made based on the applicable local laws. Gratuity and leave encashment / entitlement as applicable for employees in foreign branch are provided on the basis of actuarial valuation and based on estimates.

**(v) Share-based payments**

Share-based compensation benefits are provided to employees via the Employee Option Plan and share-appreciation rights.

**Employee Option Plan**

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

**q) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**r) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred and are recognised in the statement of profit and loss.

**s) Provisions**

**General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**t) Contingent liabilities recognised in a business combination**

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

**u) Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**v) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**w) Earnings per share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

**(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**x) Current/non current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**y) Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

**Hardware and Supplies**

Carried at lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**z) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.



### 3. FIRST TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013 Read with Rule 7 of the Companies (Accounts) Rules 2014 as amended and other relevant provisions of the Act (previous GAAP or Indian GAAP). The explanations of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows are set out in the following tables and notes.

#### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### 1. Ind AS optional exemptions

##### i. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets covered by Ind AS 38 - Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

##### ii. Estimates

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTOCI – unquoted equity shares
- FVTOCI – debt securities
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

##### iii. Investments in subsidiaries

In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary. The Company elects to carry all its investments in subsidiaries at previous GAAP carrying amount as deemed cost.

##### iv. Compound financial instruments

When the liability component of a compound financial instrument is no longer outstanding at the date of transition to Ind AS, a first-time adopter may elect not to apply Ind AS 32 retrospectively to split the liability and equity components of the instrument.

##### v. Extinguishing financial liabilities with equity instruments

Appendix D to Ind AS 109 addresses accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability. It broadly requires that equity instruments issued to a creditor to extinguish all or part of a financial liability is treated as consideration paid and measured at their fair value at the date of extinguishment. The difference between the carrying amount of the financial liability and the consideration paid (including any cash or other financial asset) should be recognised in profit or loss. The consideration amount is the fair value of the equity shares issued, and if that is not reliably measurable, the fair value of the liability that is being redeemed. A first-time adopter may apply these requirements either retrospectively or from the date of transition to Ind AS.



---

**vi. Share based payment transactions**

A first-time adopter is encouraged, but not required, to apply Ind AS 102 Share-based Payment to equity instruments which were vested on or before the date of transition to Ind AS. However, if a first-time adopter elects to apply Ind AS 102 to such equity instruments, it may do so only if the entity has disclosed publicly the fair value of those equity instruments determined at the measurement date as defined in Ind AS 102. If a first-time adopter modifies the terms or conditions of a grant of equity instruments to which Ind AS 102 has not been applied, the entity is also not required to apply Ind AS 102's requirements for modifications of awards if the modification occurred before the date of transition to Ind AS.

Therefore, Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2015. For cash-settled share-based payment transactions, the Company has not applied Ind AS 102 to liabilities that were settled before April 1, 2015.

**vii. Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

### 3. FIRST TIME ADOPTION OF IND AS

#### B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

##### i. Reconciliation of equity as at date of transition (April 1, 2015)

₹ in Crores

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment		251.19	-	251.19
(b) Other Intangible Assets		1,112.08	-	1,112.08
(c) Financial Assets				
(i) Investments	3	1,432.56	(83.34)	1,349.22
(ii) Other Financial Assets		7.82	-	7.82
(d) Deferred Tax Asset (Net)	6	121.32	(28.14)	93.18
(e) Income Tax Asset (Net)		137.96	-	137.96
(f) Other Non-Current Assets		4.69	-	4.69
		<b>3,067.62</b>	<b>(111.48)</b>	<b>2,956.14</b>
<b>Current assets</b>				
(a) Inventories		0.89	-	0.89
(b) Financial Assets				
(i) Trade Receivables		578.02	-	578.02
(ii) Cash and Cash Equivalents		7.83	-	7.823
(iii) Bank Balances Other than (iii) above		4.53	-	4.53
(iv) Loans		0.06	-	0.06
(v) Other Financial Assets		44.60	-	44.60
(c) Other Current Assets		12.23	-	12.23
		<b>648.16</b>	<b>-</b>	<b>648.16</b>
<b>TOTAL</b>		<b>3,715.78</b>	<b>(111.48)</b>	<b>3,604.30</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		603.75		603.75
(b) Other Equity#	1, 8, 9	(855.11)	(77.34)	(932.45)
		<b>(251.36)</b>	<b>(77.34)</b>	<b>(328.70)</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	1, 2, 3	1,989.70	(4.55)	1,985.15
(ii) Other Financial Liabilities	1, 2	18.01	(18.01)	-
(b) Provisions		15.04	-	15.04
		<b>2,022.75</b>	<b>(22.56)</b>	<b>2,000.19</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		140.16	-	140.16
(ii) Trade Payables				
Micro, Small and Medium Enterprises		-	-	-
Others		133.61	-	133.61
(iii) Other Financial Liabilities	2	1,633.10	(11.58)	1,621.52
(b) Other Current Liabilities		30.78	-	30.78
(c) Provisions		6.74	-	6.74
		<b>1,944.39</b>	<b>(11.58)</b>	<b>1,932.81</b>
<b>TOTAL</b>		<b>3,715.78</b>	<b>(111.48)</b>	<b>3,604.30</b>

# includes Preference Share Capital of ₹ 65 crores reclassified under 'Non-Current Borrowings'.

## ii. Reconciliation of equity as at March 31, 2016

₹ in Crores

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment		147.43	-	147.43
(b) Other Intangible Assets		226.73	-	226.73
(c) Financial Assets				
(i) Investments	3	1,265.41	(49.92)	1,215.49
(ii) Loans		82.87	-	82.87
(iii) Other Financial Assets		8.99	-	8.99
(d) Income Tax Asset (Net)		151.22	-	151.22
(e) Other Non-Current Assets		4.99	-	4.99
		<b>1,887.64</b>	<b>(49.92)</b>	<b>1,837.72</b>
<b>Current assets</b>				
(a) Inventories		0.37	-	0.37
(b) Financial Assets				
(i) Trade Receivables		12.50	-	12.50
(ii) Cash and Cash Equivalents		603.32	-	603.32
(iii) Bank Balances Other than (iii) above		20.65	-	20.65
(iv) Loans		0.53	-	0.53
(v) Other Financial Assets		0.09	-	0.09
(vi) Other Financial Assets		20.48	-	20.48
(c) Other Current Assets		5.71	-	5.71
		<b>663.65</b>	<b>-</b>	<b>663.65</b>
<b>TOTAL</b>		<b>2,551.29</b>	<b>(49.92)</b>	<b>2,501.37</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		640.80	-	640.80
(b) Other Equity <sup>#</sup>	1, 8, 9	(217.03)	(260.41)	(477.44)
		<b>423.77</b>	<b>(260.41)</b>	<b>163.36</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	1, 2, 3	776.54	214.87	991.41
(b) Provisions		17.57	-	17.57
		<b>794.11</b>	<b>214.87</b>	<b>1,008.98</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		11.69	-	11.69
(ii) Trade Payables				
Micro, Small and Medium Enterprises		-	-	-
Others		122.94	-	122.94
(iii) Other Financial Liabilities	2	1,172.23	(4.38)	1,167.85
(b) Other Current Liabilities		23.50	-	23.50
(c) Provisions		3.05	-	3.05
		<b>1,333.41</b>	<b>(4.38)</b>	<b>1,329.03</b>
<b>TOTAL</b>		<b>2,551.29</b>	<b>(49.92)</b>	<b>2,501.37</b>

<sup>#</sup> includes Preference Share Capital of ₹ 65 crores reclassified under 'Non-Current Borrowings'.

**iii. Reconciliation of total comprehensive income for the year ended March 31, 2016**
**₹ in Crores**

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
<b>REVENUE</b>				
Revenue from operations (net)		345.09	-	345.09
Other income	3, 7	46.45	37.84	84.29
<b>Total Revenue (I)</b>		<b>391.54</b>	<b>37.84</b>	<b>429.38</b>
<b>EXPENSES</b>				
Employee benefits expense	4, 5	121.14	(0.32)	120.82
Cost of third party products and services		49.93	-	49.93
Finance costs	1, 2, 3	140.17	23.49	163.66
Depreciation and amortization expense		210.62	-	210.62
Other expenses	2, 3	108.16	1.73	109.89
<b>Total Expenses (II)</b>		<b>630.02</b>	<b>24.90</b>	<b>654.92</b>
<b>Profit/(loss) before exceptional items and tax (I-II)</b>		(238.48)	12.94	(225.54)
<b>Exceptional Items</b>	1, 2, 3	698.03	(475.57)	222.46
<b>Tax expense:</b>				
Current tax		-	-	-
Adjustment of tax relating to earlier periods		5.82	-	5.82
Deferred tax	6	121.33	(35.45)	85.88
<b>Profit/(loss) for the year</b>		<b>(1,063.66)</b>	<b>523.96</b>	<b>(539.70)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>				
Remeasurement of gains (losses) on defined benefit plans	5	-	(0.97)	(0.97)
Income tax effect	6	-	0.34	0.34
<b>B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:</b>				
<b>Other Comprehensive income for the year, net of tax</b>		-	(0.63)	(0.63)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>(1,063.66)</b>	<b>523.33</b>	<b>(540.33)</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

iv. Reconciliation of total equity as at March 31, 2016 and April 1, 2015

₹ in Crores

Particulars	Note	March 31, 2016	April 1, 2015
<b>Equity as per previous GAAP</b>		423.77	(251.36)
<b>Impact of transition to Ind AS:</b>			
Reclassification of financial instruments from equity to financial liabilities	1	(725.17)	(65.00)
Fair valuation of financial instruments	1, 2, 3	467.02	15.80
Employee stock options expense recognized based on fair value method	4	(0.65)	-
Deferred tax effects	6	(3.01)	(28.14)
Guarantee commission income	7	1.41	-
<b>Total</b>		<b>(260.40)</b>	<b>(77.34)</b>
<b>Equity as per Ind AS</b>		<b>163.37</b>	<b>(328.70)</b>

v. Reconciliation of total comprehensive income for the year ended March 31, 2016

₹ in Crores

Particulars	Note	March 31, 2016
<b>Profit after tax as per previous GAAP</b>		<b>(1,063.66)</b>
<b>Impact of transition to Ind AS:</b>		
Fair valuation of financial instruments	1, 2, 3	486.77
Employee stock options expense recognized based on fair value method	4	(0.65)
Actuarial (gain)/loss on employee defined benefit expense recognized in Other Comprehensive Income (net of tax)	5	0.97
Deferred tax effects	6	35.45
Guarantee commission income	7	1.41
<b>Total adjustments</b>		<b>523.36</b>
<b>Profit after tax as per Ind AS</b>		<b>(539.70)</b>
<b>Other comprehensive income</b>		<b>(0.63)</b>
<b>Total comprehensive income as per Ind AS</b>		<b>(540.33)</b>

vi. Reconciliation of statement of cash flows:

There are no material adjustments to the Statement of Cash flows as reported under the previous GAAP.

C. Notes to first-time adoption:

**Note 1: Redeemable preference shares**

The Company has issued non convertible redeemable preference shares. The preference shares carry fixed cumulative dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit.

Under Ind AS, non convertible redeemable preference shares are classified as financial liability as per Ind AS 32 and accounted at fair value. Interest on financial liability is recognised using the effective interest method.

**Note 2: Foreign currency convertible bonds**

The Company has issued foreign currency convertible bonds. The bonds carry fixed interest rate. Under Indian GAAP, the bonds were classified as liability and interest payable on principal amount was treated as interest expense.

Under Ind AS, convertible bonds are separated into liability and equity component based on the terms of the contract. Interest on liability component is recognised using the effective interest method.

**Note 3: Fair valuation of other financial instruments**

Under Indian GAAP, the Company accounted for long term investments in unquoted debt instruments (preference shares) as investments measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, such investments are to be measured initially at fair value and these investments have been designated as financial assets at amortised cost.

Under Indian GAAP, interest free borrowing is initially measured at the transaction value at the time of initial measurement without any adjustments in regard to the fair value. Under Ind AS, interest free borrowings is to be initially measured at fair value. Subsequently these liabilities are measured at amortised cost.

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

Under Indian GAAP, interest free security deposit given is measured at the transaction value at the time of initial measurement without any adjustments in regard to the fair value. Under Ind AS, interest free security deposit is to be initially measured at fair value. As at the date of transition, the interest free security deposit has been recognised at fair value based on the facts and circumstances which existed at the date of initial measurement by giving corresponding effect to retained earnings for the period from initial measurement to the date of transition and to other current assets (pre-paid expense) for the remaining period of deposit post the date of transition.

**Note 4: Employee stock option expense**

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

**Note 5: Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

**Note 6: Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

**Note 7: Financial Guarantees**

Under Indian GAAP, the bank guarantees issued to banks in relation to loans availed by subsidiaries is only disclosed by way of a note in Contingent Liabilities disclosure. Under Ind AS, liability from such financial guarantees is to be recorded initially at fair value. The adjustment represents the fair value of the guarantee given by the Company.

**Note 8: Retained earnings**

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

**Note 9: Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in statement of profit and loss but are shown in the statement of profit and loss as 'OCI' includes remeasurements of defined benefit plans. The concept of OCI did not exist under previous GAAP.

#### 4. PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Particulars	Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computer Hardwares	Assets under Finance Lease	Leasehold Improvements	Total
<b>GROSS CARRYING VALUE</b>										
As at April 1, 2015 (Deemed Cost)	0.40	140.47	0.30	0.24	0.55	1.65	6.75	97.38	3.45	251.19
Additions	-	-	0.45	-	-	0.58	1.22	-	1.07	3.32
Disposals	-	-	-	-	(0.11)	(0.02)	-	(1.17)	-	(1.30)
<b>As at March 31, 2016</b>	<b>0.40</b>	<b>140.47</b>	<b>0.75</b>	<b>0.24</b>	<b>0.44</b>	<b>2.21</b>	<b>7.97</b>	<b>96.21</b>	<b>4.52</b>	<b>253.21</b>
Additions	-	-	0.09	0.07	-	0.81	0.62	-	-	1.59
Disposals	-	-	-	(0.05)	(0.28)	(0.07)	(0.03)	-	(0.04)	(0.47)
<b>As at March 31, 2017</b>	<b>0.40</b>	<b>140.47</b>	<b>0.84</b>	<b>0.26</b>	<b>0.16</b>	<b>2.95</b>	<b>8.56</b>	<b>96.21</b>	<b>4.48</b>	<b>254.33</b>
<b>ACCUMULATED DEPRECIATION</b>										
As at April 1, 2015										
Depreciation for the year	0.02	3.11	0.17	0.09	0.26	0.69	4.57	97.37	0.70	106.98
Deductions\Adjustments during the year	-	-	-	-	(0.04)	-	-	(1.16)	-	(1.20)
<b>As at March 31, 2016</b>	<b>0.02</b>	<b>3.11</b>	<b>0.17</b>	<b>0.09</b>	<b>0.22</b>	<b>0.69</b>	<b>4.57</b>	<b>96.21</b>	<b>0.70</b>	<b>105.78</b>
Depreciation for the year	0.01	3.11	0.20	0.08	0.12	0.61	1.67	-	0.59	6.39
Deductions\Adjustments during the year	-	(0.01)	-	(0.03)	(0.20)	(0.05)	(0.01)	-	(0.02)	(0.32)
<b>As at March 31, 2017</b>	<b>0.03</b>	<b>6.21</b>	<b>0.37</b>	<b>0.14</b>	<b>0.14</b>	<b>1.25</b>	<b>6.23</b>	<b>96.21</b>	<b>1.27</b>	<b>111.85</b>
<b>Net Carrying value as at March 31, 2017</b>	<b>0.37</b>	<b>134.26</b>	<b>0.47</b>	<b>0.12</b>	<b>0.02</b>	<b>1.70</b>	<b>2.33</b>	<b>-</b>	<b>3.21</b>	<b>142.48</b>
<b>Net Carrying value as at March 31, 2016</b>	<b>0.38</b>	<b>137.36</b>	<b>0.58</b>	<b>0.15</b>	<b>0.22</b>	<b>1.52</b>	<b>3.40</b>	<b>-</b>	<b>3.82</b>	<b>147.43</b>
<b>Net Carrying value as at April 1, 2015</b>	<b>0.40</b>	<b>140.47</b>	<b>0.30</b>	<b>0.24</b>	<b>0.55</b>	<b>1.65</b>	<b>6.75</b>	<b>97.38</b>	<b>3.45</b>	<b>251.19</b>



**Notes:**
**i. Leased Assets**

Property, Plant and Equipment includes the following amounts where the Company is a lessee under finance lease :

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Land</b>			
Cost	0.40	0.40	0.40
Accumulated Depreciation	(0.03)	(0.02)	-
Net carrying amount	<b>0.37</b>	<b>0.38</b>	<b>0.40</b>
<b>Building</b>			
Cost	140.47	140.47	140.47
Accumulated Depreciation	(6.21)	(3.11)	-
Net carrying amount	<b>134.26</b>	<b>137.36</b>	<b>140.47</b>
<b>Computers</b>			
Cost	70.64	70.64	71.71
Accumulated Depreciation	(70.64)	(70.64)	-
Net carrying amount	-	-	<b>71.71</b>
<b>Plant and Equipment/Electrical Installation</b>			
Cost	0.04	0.04	0.04
Accumulated Depreciation	(0.04)	(0.04)	-
Net carrying amount	-	-	<b>0.04</b>
<b>Furniture and Fixtures</b>			
Cost	21.98	21.98	22.06
Accumulated Depreciation	(21.98)	(21.98)	-
Net carrying amount	-	-	<b>22.06</b>
<b>Leasehold Improvements</b>			
Cost	3.56	3.56	3.56
Accumulated Depreciation	(3.56)	(3.56)	-
Net carrying amount	-	-	<b>3.56</b>

Refer to Note 33 for lease terms and options available for lessee and lessor

**ii. Property, Plant and Equipment pledged as security against borrowings by the Company**

Refer to Note 38 for information on property, plant and equipment pledge as security by the Company

**iii. Additional Depreciation on Leased Assets**

On physical verification of 'Assets under Finance Lease', the management on consideration of their wear and tear had decided to provide additional depreciation of ₹ 35.21 crores during the previous year and the same had been included under 'Exceptional Items'.

**iv. Contractual Obligations**

Refer to Note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

## 5. INTANGIBLE ASSETS

₹ in Crores

Particulars	Software Product - Others	Software Products - meant for sale	Copyrights, patents and Other IPR	Total
<b>GROSS CARRYING VALUE</b>				
<b>As at April 1, 2015 (Deemed Cost)</b>	15.06	1,095.95	1.07	1,112.08
Additions	-	-	-	-
Deletions	(10.93)	(0.98)	(1.07)	(12.98)
Other Adjustments	-	59.57	-	59.57
<b>As at March 31, 2016</b>	<b>4.13</b>	<b>1,154.54</b>	<b>-</b>	<b>1,158.67</b>
Additions	-	-	-	-
Deletions	-	-	-	-
Other Adjustments	-	-	-	-
<b>As at March 31, 2017</b>	<b>4.13</b>	<b>1,154.54</b>	<b>-</b>	<b>1,158.67</b>
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>				
<b>As at April 1, 2015</b>				
Amortisation for the year	12.00	126.44	0.41	138.85
Impairment	-	804.43	-	804.43
Deductions\Adjustments during the year	(10.93)	-	(0.41)	(11.34)
<b>As at March 31, 2016</b>	<b>1.07</b>	<b>930.87</b>	<b>-</b>	<b>931.94</b>
Amortisation for the year	0.92	-	-	0.92
Deductions\Adjustments during the year	-	-	-	-
<b>As at March 31, 2017</b>	<b>1.99</b>	<b>930.87</b>	<b>-</b>	<b>932.86</b>
<b>Net Carrying value as at March 31, 2017</b>	<b>2.14</b>	<b>223.67</b>	<b>-</b>	<b>225.81</b>
<b>Net Carrying value as at March 31, 2016</b>	<b>3.06</b>	<b>223.67</b>	<b>-</b>	<b>226.73</b>
<b>Net Carrying value as at April 1, 2015</b>	<b>15.06</b>	<b>1,095.95</b>	<b>1.07</b>	<b>1,112.08</b>

### i. Significant Estimate : Useful life of Intangible Assets

Refer to sub note (n) of Note 2 'Significant Accounting Policies' .

### ii. Intangible Assets with indefinite useful lives

The Entity provides IT based software solutions to variety of industry verticals which includes softwares meant for Banking industry, Insurance industry, Enterprise Resource Panning (ERP) softwares and softwares meant for financial service industry. These softwares have been capitalised as 'Software Products - meant for sale' category under intangible assets. The Company based on the analysis of product life cycle studies, market and competitive trends assesses that the 'Software Products - meant for sale' products will generate net cash flows for an indefinite period.

### iii. Impairment testing of goodwill and intangible assets with indefinite lives

#### Software Products - meant for sale

Software Products - meant for sale with indefinite lives have been allocated to the CGUs below forming part of IT Solution segment which is Company's operating and reportable segment, for impairment testing :

- Banking
- Insurance
- ERP
- Financial Services

**Carrying amount of intangible assets with indefinite lives allocated to each of the CGUs:**
**₹ in Crores**

<b>Intangible Assets</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
<b>Software meant for sale</b>			
- Banking	104.58	104.58	506.23
- Insurance	56.82	56.82	281.72
- ERP	47.80	47.80	232.63
- Financial Services	14.47	14.47	75.37
	<b>223.67</b>	<b>223.67</b>	<b>1,095.95</b>

The Entity tests whether softwares have suffered any impairment periodically. The recoverable amount of a cash generating unit (CGU) is determined based on value in use of the underlying asset. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

The recoverable amount of CGUs (business units) based on value in use as at December 31, 2016 ₹ 1,034 crore (December 31, 2015: ₹ 1,100 crore, December 31, 2014: ₹ 1,275 crore). The recoverable amounts represents the fair value of the business of the software products over the period of budgeted five years.

Based on estimates of the management, though the fair valuation of the product businesses are much higher than the carrying amount of the software products, these intangibles are carried at amounts which the management estimates to be the residual value of the development costs.

## 6. FINANCIAL ASSETS

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>(A) INVESTMENTS</b>			
<b>Non Current</b>			
<b>(1) Investments carried at fair value through Profit and Loss</b>			
<b>Unquoted</b>			
<b>(a) Investments in Equity Instruments</b>	-		
200,000 Equity shares of Sri Lankan Rupee 10 each fully paid up of First Capital Asset Management Co. Limited, Sri Lanka (as at March 31, 2016 - 200,000 Shares) (as at March 31, 2015 - 200,000 Shares)	0.10	0.10	0.10
55,000 equity shares of ₹ 10 each fully paid up of Vashi Railway Station Commercial Complex Limited (as at March 31, 2016 - 55,000 Shares) (as at March 31, 2015 - 55,000 Shares)	0.06	0.06	0.06
<b>(b) Investments in Preference Shares</b>			
12,500,000 Redeemable Non Convertible Zero Coupon Preference shares of ₹ 10 each fully paid up of eMudhra Limited redeemable by December 14, 2015 (as at March 31, 2016 - 25,000,000 Shares) (as at March 31, 2015 - 25,000,000 Shares)	12.50	25.00	25.00
Less: Classified as Advance #	-	(12.50)	-
Less: Impairment Loss Allowance	(12.50)	(12.50)	-
	<b>0.16</b>	<b>0.16</b>	<b>25.16</b>
<b>(2) Investments carried at Amortised Cost</b>			
<b>Unquoted</b>			
<b>Investments in Preference Shares of a Subsidiary</b>			
<b>Investments in Redeemable Convertible Preference Shares of 3i Infotech Holdings Private Limited, Mauritius</b>			
(i) 891,631,605 Series A - Zero Coupon Redeemable Convertible Preference Shares of MUR 1 each fully paid up (as at March 31, 2016 - 891,631,605 Shares) (as at March 31, 2015 - 891,631,605 Shares)	135.80	137.15	114.27
(ii) 1,780,361,142 Series C - Zero Coupon Redeemable Convertible Preference Shares of MUR 1 each fully paid up (as at March 31, 2016 - 1,780,361,142 Shares) (as at March 31, 2015 - 1,780,361,142 Shares)	421.88	400.78	352.62
(iii) 21,878,720 Series D - Zero Coupon Redeemable Convertible Preference Shares of MUR 1 each fully paid up (as at March 31, 2016 - 21,878,720 Shares) (as at March 31, 2015 - 21,878,720 Shares)	5.09	4.83	4.25
	<b>562.77</b>	<b>542.76</b>	<b>471.14</b>
<b>(3) Investments carried at Cost</b>			
<b>Unquoted</b>			
<b>Investments in Equity Instruments</b>			
<b>Wholly Owned Subsidiaries</b>			
(i) 5,346,202 Equity shares of no par value of 3i Infotech Asia Pacific Pte Limited., Singapore (as at March 31, 2016 - 5,346,202 Shares) (as at March 31, 2015 - 5,346,202 Shares)	21.50	21.35	21.20

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
(ii) 3,226,308 Equity shares of GBP 1 each fully paid up of 3i Infotech (UK) Limited (as at March 31, 2016 - 3,226,308 Shares) (as at March 31, 2015 - 3,226,308 Shares) Less: Impairment Loss Allowance	355.73   (355.73)	355.73   (355.73)	355.73   (335.79)
(iii) 6,258,371,598 Ordinary Shares of MUR 1 each fully paid up of 3i Infotech Holdings Private Limited, Mauritius (as at March 31, 2016 - 6,258,371,598 Shares) (as at March 31, 2015 - 6,258,371,598 Shares) Less: Impairment Loss Allowance	1,149.77   (627.03)	1,149.77   (627.03)	1,149.77   (477.03)
(iv) 500 Shares of SAR 1,000 each fully paid up of 3i Infotech Saudi Arabia LLC (as at March 31, 2016 - 500 Shares) (as at March 31, 2015 - 500 Shares)	1.86   	1.26   	0.67   
(v) Nil Equity shares of 10 each fully paid up of 3i Infotech Trusteeship Services Limited (as at March 31, 2016 - Nil Shares) (as at March 31, 2015 - 5,569,762 Shares)	-   	-   	0.01   
(vi) 100,000 Equity shares of 10 each fully paid of 3i Infotech BPO Limited (as at March 31, 2016 - 100,000 Shares) (as at March 31, 2015 - 100,000 Shares)	66.71   	66.71   	66.71   
(vii) 4,805,211 Equity shares of 10 each fully paid of 3i Infotech Consultancy Services Limited (as at March 31, 2016 - 4,805,211 Shares) (as at March 31, 2015 - 4,805,211 Shares)	37.34   	37.19   	37.04   
(viii) Elegon Infotech Limited, China Less: Impairment Loss Allowance	11.81 (11.81)	11.81 (11.81)	11.81 -
<b>Other Subsidiaries</b>			
740,000 Equity shares of 10 each fully paid of Locuz Enterprise Solutions Limited (as at March 31, 2016 - 740,000 Shares) (as at March 31, 2015 - 740,000 Shares)	23.81   	23.31   	22.80   
<b>Total</b>	<b>673.96</b> <b>1,236.89</b>	<b>672.57</b> <b>1,215.49</b>	<b>852.92</b> <b>1,349.22</b>
Aggregate amount of quoted investments	-	-	-
Market value of quoted investments	-	-	-
Aggregate amount of unquoted investments	1,236.89	1,215.49	1,349.22
Aggregate amount of impairment in the value of investments	(994.57)	(994.57)	(812.82)
<b>Investments carried at amortised cost</b>	<b>562.77</b>	<b>542.76</b>	<b>471.14</b>
<b>Investments carried at fair value through other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investments carried at fair value through profit and loss</b>	<b>0.16</b>	<b>0.16</b>	<b>25.16</b>
<b>Investments carried at cost</b>	<b>673.96</b>	<b>672.57</b>	<b>852.92</b>

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>			
<b>Investments carried at fair value through Profit and Loss</b>			
<b>Unquoted</b>			
<b>Investments in Preference Shares</b>	-	-	-
Nil Redeemable Non Convertible Zero Coupon Preference shares of ₹ 10 each fully paid up of eMudhra Limited redeemable by December 14, 2015 #	-	12.50	-
(as at March 31, 2016 - 12,500,000 Shares)			
(as at March 31, 2015 - Nil Shares)			
<b>Total</b>	-	<b>12.50</b>	-
Aggregate amount of quoted investments	-	-	-
Market value of quoted investments	-	-	-
Aggregate amount of unquoted investments	-	12.50	-
Aggregate amount of impairment in the value of investments	-	-	-
<b>Investments carried at amortised cost</b>	-	-	-
<b>Investments carried at fair value through other comprehensive income</b>	-	-	-
<b>Investments carried at fair value through profit and loss</b>	-	<b>12.50</b>	-
<b>Investments carried at cost</b>	-	-	-
<b>(B) LOANS</b>			
<b>Non Current</b>			
<b>Unsecured, considered good unless otherwise stated</b>			
Loans to Related Parties	57.51	82.87	-
<b>Total</b>	<b>57.51</b>	<b>82.87</b>	-
<b>Current</b>			
<b>Unsecured, considered good unless otherwise stated</b>			
Loans to Employees	0.08	0.09	0.06
<b>Total</b>	<b>0.08</b>	<b>0.09</b>	<b>0.06</b>
<b>(C) OTHER FINANCIAL ASSETS</b>			
<b>Non Current</b>			
<b>Financial assets carried at amortised cost</b>			
Security Deposits	10.01	9.47	9.16
Less: Loss Allowances	(0.48)	(0.48)	(1.34)
<b>Total</b>	<b>9.53</b>	<b>8.99</b>	<b>7.82</b>
<b>Current</b>			
<b>Financial assets carried at amortised cost</b>			
Security Deposits	5.81	5.69	6.04
Unbilled Revenue**	46.21	45.29	64.77
Interest Accrued but not due	0.82	0.27	0.65
Other financial assets*	5.98	-	-
Less: Loss Allowances	(29.88)	(30.77)	(26.86)
<b>Total</b>	<b>28.94</b>	<b>20.48</b>	<b>44.60</b>

# in terms of the settlement agreement, the same was purchased by the promoters of investee company on October, 31, 2016.

\* Includes Interest Receivable from Related Parties as at March 31, 2017 of ₹ 5.98 (as at March 31, 2016 of ₹ Nil and as at March 31, 2015 of ₹ Nil).

\*\* Includes Unbilled Revenue from Related Parties as at March 31, 2017 of ₹ 1.82 (as at March 31, 2016 of ₹ 1.76 crores and as at March 31, 2015 of ₹ 1.27 crores).

## 7. INVENTORIES

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>(Valued at lower of Cost and Net Realisable value)</b>			
Hardware and Supplies	-	0.37	0.89
<b>Total</b>	<b>-</b>	<b>0.37</b>	<b>0.89</b>

## 8. TRADE RECEIVABLES

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>			
Trade Receivables from customers	52.34	48.18	44.17
Receivables from related parties	508.07	555.14	533.85
	<b>560.41</b>	<b>603.32</b>	<b>578.02</b>
<b>Breakup of Security details</b>			
Unsecured, considered good	560.41	603.32	578.02
Doubtful	21.61	21.85	17.25
	<b>582.02</b>	<b>625.17</b>	<b>595.27</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>			
Unsecured, considered good	-	-	-
Doubtful	21.61	21.85	17.25
	<b>21.61</b>	<b>21.85</b>	<b>17.25</b>
	<b>560.41</b>	<b>603.32</b>	<b>578.02</b>

Trade or Other Receivable due from directors or other officers of the company either severally or jointly with any other person amounted to ₹ Nil (Previous year ₹ Nil).

Trade or Other Receivable due from firms or private companies respectively in which any director is a partner, a director or a member amounted to ₹ Nil (Previous year ₹ Nil).

## 9. CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks:			
- On current accounts	10.94	16.70	4.50
- On deposit accounts	83.87	3.95	3.33
Cash on hand	-	-	-
	<b>94.81</b>	<b>20.65</b>	<b>7.83</b>

## 10. OTHER BANK BALANCES

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Other Balances with banks</b>			
- in Dividend accounts	0.32	0.32	0.38
- in Escrow accounts	1.42	0.21	4.15
	<b>1.74</b>	<b>0.53</b>	<b>4.53</b>



## 11. OTHER ASSETS

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non Current</b>			
Capital Advances	0.01	0.34	-
<b>Others</b>			
- Prepaid expenses	3.08	0.97	2.20
- Balances with Statutory, Government Authorities	3.99	3.68	2.49
<b>Total</b>	<b>7.08</b>	<b>4.99</b>	<b>4.69</b>
<b>Current</b>			
<b>Advances other than Capital advances</b>			
- Advances to creditors	2.66	2.40	0.74
- Other Advances	-	12.50	0.52
Less: Loss Allowances	-	(12.50)	-
<b>Others</b>			
- Prepaid expenses	0.86	1.21	10.51
- Balances with Statutory, Government Authorities	0.82	0.58	0.46
- Other current assets*	0.28	1.52	-
<b>Total</b>	<b>4.62</b>	<b>5.71</b>	<b>12.23</b>

\* includes ₹ 1.25 crores in the previous year ended March 31, 2016 being proceeds on sale of long term investment in wholly owned subsidiary; deposited with Honorable Bombay High Court.

## 12. INCOME TAX

### Deferred Tax

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Deferred tax relates to the following:</b>			
Depreciation for tax purposes	(100.59)	(93.29)	2.73
Temporary difference due of foreign exchange fluctuation accounted in FCMITDA	(3.80)	9.90	(7.52)
Gratuity	4.71	6.25	-
Leave Encashment	0.38	0.76	-
Expenses allowable on payment basis(u/s 43B)	-	-	44.80
Temporary differences in carrying amount of financials instruments	-	-	(20.62)
Losses available for offsetting against future taxable income	245.31	233.80	73.79
Loss Allowance on Financial Assets	7.66	7.57	-
Other Ind AS adjustments	(153.67)	(164.99)	-
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>-</b>	<b>-</b>	<b>93.18</b>

### Movement in deferred tax liabilities/assets

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
<b>Opening balance as of April 1</b>	-	93.18
Tax income/(expense) during the period recognised in profit or loss	(1.49)	(85.88)
Tax income/(expense) during the period recognised in OCI	1.49	0.34
Tax income/(expense) during the period recognised in Equity	-	(7.64)
<b>Closing balance as at March 31</b>	<b>-</b>	<b>-</b>

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Unrecognised deferred tax assets</b>			
Deductible temporary differences	282.41	296.63	239.69
Unrecognised tax losses	598.28	618.04	426.51
Unrecognised tax credits	55.76	55.76	55.76

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Tax losses which arose in India of ₹ 949.66 crores (Previous year ₹ 973.51 crores) that are available for offsetting for eight years against future taxable profits of the company. Majority of these losses will expire in March 2021.

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of tax losses carried forward by the Company.

**Major Components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are as follows:**

**i. Income tax recognised in profit or loss**

₹ in Crores

Particulars	2016-17	2015-16
Current income tax charge	-	-
Adjustment in respect of current income tax of previous year	0.32	5.82
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	(1.49)	85.88
<b>Income tax expense recognised in profit or loss</b>	<b>1.17</b>	<b>91.70</b>

**ii. Income tax recognised in OCI**

₹ in Crores

Particulars	2016-17	2015-16
Net loss/(gain) on remeasurements of defined benefit plans	(1.49)	0.34
<b>Income tax expense recognised in OCI</b>	<b>(1.49)</b>	<b>0.34</b>

**iii. Amounts recognised directly in equity**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
Aggregate current and deferred tax arising in the reporting period and not recognised in profit or loss or other comprehensive income but directly debited/(credited) to equity	-	(10.66)
<b>Amounts recognised directly in equity</b>	<b>-</b>	<b>(10.66)</b>

**Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2017 and March 31, 2016**

₹ in Crores

Particulars	2016-17	2015-16
Accounting profit before income tax	95.41	(448.96)
Enacted tax rate in India	34.61%	34.61%
<b>Income tax on accounting profits</b>	<b>33.02</b>	<b>(155.39)</b>
<b>Effect of</b>		
Tax Losses for which no deferred income tax was recognised	-	139.21
Utilisation of previously unrecognised tax losses	(8.26)	-
Depreciation	(7.28)	41.86
Accounting Income not assessable for tax purpose	(27.92)	(118.73)
Adjustments for current tax of prior period	0.32	5.82
Other non taxable income	(0.02)	(168.99)
Non-deductible expenses for tax purposes:		
Impairment of Goodwill		
Share based payment expenses not deductible for tax purposes	0.13	0.22
Accounting expenses not deductible for tax purpose	11.32	346.83
Other non deductible expenses	0.91	1.31
Allowable expenses for tax purposes:		
Expenditure allowable on payment basis	(3.39)	(0.44)
<b>Tax at effective income tax rate</b>	<b>(1.17)</b>	<b>91.70</b>

**13. SHARE CAPITAL**

**i. Authorised Share Capital**

₹ in Crores

Particulars	Equity Share (₹ 10 Each)		Non Convertible Cumulative Redeemable Preference Share (Class A) (₹ 5 Each)	
	Number	Amount	Number	Amount
<b>At April 1, 2015</b>	<b>1,100,000,000</b>	<b>1,100</b>	<b>200,000,000</b>	<b>100</b>
Increase/(decrease) during the year	900,000,000	900	-	-
<b>At March 31, 2016</b>	<b>2,000,000,000</b>	<b>2,000</b>	<b>200,000,000</b>	<b>100</b>
Increase/(decrease) during the year	200,000,000	200	-	-
<b>At March 31, 2017</b>	<b>2,200,000,000</b>	<b>2,200</b>	<b>200,000,000</b>	<b>100</b>

₹ in Crores

Particulars	Non Convertible Cumulative Redeemable Preference Share (Class B) (₹ 5 Each)		Non Convertible Cumulative Redeemable Preference Share (Class C) (₹ 1 Each)	
	Number	Amount	Number	Amount
<b>At April 1, 2015</b>	-	-	-	-
Increase/(decrease) during the year	1,500,000,000	750	1,050,000,000	105
<b>At March 31, 2016</b>	<b>1,500,000,000</b>	<b>750</b>	<b>1,050,000,000</b>	<b>105</b>
Increase/(decrease) during the year				
<b>At March 31, 2017</b>	<b>1,500,000,000</b>	<b>750</b>	<b>1,050,000,000</b>	<b>105</b>

### 13. SHARE CAPITAL

#### Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 each. 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 of preferential amounts in proportion to their shareholding.

#### Terms/rights attached to preference shares

The terms of Class A Preference Shares having face value of INR 5 each, had been amended in financial year 2015-2016 and these were made redeemable on March 15, 2026, dividend premium payable on redemption; which would have provided the preference share holder an internal rate of return @ 6% per annum would no longer be payable.

Contingent liability in respect of arrears of dividend on these preference shares as at March 31, 2016 would be INR 0.03 crores (INR 0.02 crores as at March 31, 2015).

Class B Preference Shares of face value of ₹ 5 each are redeemable on March 15, 2026 and would carry a dividend of 0.10 % per annum.

Class C Preference Shares of face value of ₹ 1 each with a premium of ₹ 4 each and would carry a dividend of 0.10 % per annum.

#### ii. Issued Capital

##### Equity Shares

Particulars	₹ in Crores	
	Number	Amount
<b>Equity shares of ₹ 10 each issued</b>		
<b>At April 1, 2015</b>	<b>603,750,947</b>	<b>603.75</b>
Issued during the year		
Shares issued towards conversion of FCCB	20,082,363	20.08
Shares issued under CDR	16,970,618	16.97
<b>At March 31, 2016</b>	<b>640,803,928</b>	<b>640.80</b>
Issued during the year		
Shares issued towards conversion of FCCB	637,193	0.64
Shares issued under CDR	582,231,483	582.23
<b>At March 31, 2017</b>	<b>1,223,672,604</b>	<b>1,223.67</b>

Issued, Subscribed and paid up Equity Share Capital as at March 31, 2017 is ₹ 1,183.65 crores; ₹ 40.02 crores (40,021,201 equity shares are held in abeyance) and shown under 'Other Equity'.

##### Preference Shares

Particulars	₹ in Crores			
	Non Convertible Cumulative Redeemable Preference Share (Class A) of ₹ 5 each issued and fully paid		Non Convertible Cumulative Redeemable Preference Share (Class B) of ₹ 5 each issued and fully paid	
	Number	Amount	Number	Amount
<b>At April 1, 2015</b>	130,000,000	-	-	-
Issued during the year	-	-	-	-
<b>At March 31, 2016</b>	<b>130,000,000</b>	-	-	-
Issued during the year	-	-	693,270,487	-
<b>At March 31, 2017</b>	<b>130,000,000</b>	-	<b>693,270,487</b>	-

This note covers the number of preference shares issued by the Company. Since the preference shares are non convertible redeemable shares, it is reflected in financial liabilities

### iii. Paid up Capital

Particulars	₹ in Crores	
	Number	Amount
<b>Equity shares of ₹ 10 each</b>		
<b>At April 1, 2015</b>		
Issued Capital	603,750,947	603.75
Paid up Capital	<b>603,750,947</b>	<b>603.75</b>
<b>At March 31, 2016</b>		
Issued Capital	640,803,928	640.80
Paid up Capital	<b>640,803,928</b>	<b>640.80</b>
<b>At March 31, 2017</b>		
Issued Capital	1,223,672,604	1,223.67
Less : Shares held in abeyance	(40,021,201)	(40.02)
<b>Paid up Capital</b>	<b>1,183,651,403</b>	<b>1,183.65</b>

### iv. Shares held by holding/ ultimate holding company and / or their subsidiaries / associates

The Company does not have a holding company or ultimate holding company.

### v. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	Number	% holding	Number	% holding
<b>Equity shares of ₹ 10/- each fully paid</b>				
Standard Chartered Bank	148,302,327	12.53	40,013,264	6.24
IDBI Bank Limited	145,399,286	12.28	42,117,513	6.57
<b>Non Convertible Cumulative Redeemable Preference Share (Class A) of ₹ 5 each issued and fully paid</b>				
IDBI Trusteeship Services Limited (ICICI Strategic Investments Fund)	130,000,000	100	130,000,000	100
<b>Non Convertible Cumulative Redeemable Preference Share (Class B) of ₹ 5 each issued and fully paid</b>				
Standard Chartered Bank	189,505,860	27.34	-	-
IDBI Bank Limited	180,743,103	26.07	-	-
Allahabad Bank	53,676,000	7.74	-	-
DBS Bank Limited	52,451,516	7.57	-	-
Reliance Capital Limited	41,839,000	6.04	-	-

### vi. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Number	Number	Number	Number	Number
Conversion of Convertible instruments	637,193	20,082,363	29,661,822	704,914	97,111,993
Shares issued under CDR	582,231,483	16,970,618	1,444,747	384,498	282,456,424

### vii. Shares reserved for issue under options

For details of shares reserved for issue under the Share based payment plan of the Company, please refer note 32

For details of shares reserved for issue on conversion of Foreign Currency Convertible Bonds , please refer note 16 related to terms of conversion/ redemption of Foreign Currency Convertible Bonds.

#### viii. Shares issued / to be issued under DRS

"Appendix D 'Extinguishing Financial Liabilities with Equity Instruments' of Ind AS 109 on Financial Instruments requires to measure equity shares issued on extinguishment of liabilities at fair value on the date of extinguishment. Accordingly, fair value of equity shares issued under DRS scheme is the consideration paid against settlement of liabilities and the difference between the fair value of consideration and liability settled is to be charged to statement of profit and loss.

On the date of extinguishment of liability, which is the date of implementation of DRS scheme, the fair value of equity shares is below face value. Therefore as per Ind AS 109, the difference between the liability settle and fair value of equity shares issued is required to be charged to statement of profit and loss.

However, as per Section 53 of the Companies Act, 2013, a company shall not issue shares at a discount. Therefore, for the purpose of compliance of Companies Act, 2013, the Company has considered face value of shares issued as consideration paid towards extinguishment of liabilities and no impact is given in the statement of profit and loss.

### 14. OTHER EQUITY

#### i. Reserves and Surplus

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Capital Reserve	0.07	0.07	0.07
Securities Premium Reserve	894.85	881.61	852.03
Share Based Payment Reserve	1.91	1.53	0.88
Retained Earnings	(2,442.93)	(2,540.77)	(2,020.06)
Foreign Currency Monetary Item Translation Difference Account	(10.95)	28.61	(23.17)
Property, Plant and Equipment Reserve	119.07	121.83	124.59
	<b>(1,437.98)</b>	<b>(1,507.12)</b>	<b>(1,065.66)</b>

#### (a) Capital Reserve

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
Opening balance	0.07	0.07
<b>Closing balance</b>	<b>0.07</b>	<b>0.07</b>

#### (b) Securities Premium Reserve

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
Opening balance	881.61	852.03
Add/(Less):		
Allotment of equity shares under FCCB conversion	0.41	13.05
Allotment of equity shares under Corporate Debt Restructuring (CDR) of year 2011-12	-	16.53
Allotment of equity shares under DRS	12.83	-
<b>Closing balance</b>	<b>894.85</b>	<b>881.61</b>

The amount received in excess of face value of the equity shares is recognised in Share Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

#### (c) Share Based Payment Reserve

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
Opening balance	1.53	0.88
Add/(Less):		
Employee Stock Option Expense recognised	0.38	0.65
<b>Closing balance</b>	<b>1.91</b>	<b>1.53</b>

The Company has three share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees.

The Share based payment reserve is used to recognise the value of equity settled share based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 32 for further details of these plans.

**(d) Retained Earnings**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
Opening balance	(2,540.77)	(2,020.06)
Net Profit/(Loss) for the period	92.26	(539.70)
Add/(Less):		
FCCBs converted during the year		15.13
Impact on reissue of FCCBs under DRS		5.01
Transaction Cost		(3.28)
Transfer from PPE Reserve	2.76	2.76
<b>Items of Other Comprehensive Income directly recognised in Retained Earnings</b>		
Remeasurement of post employment benefit obligation, net of tax	2.82	(0.63)
<b>Closing balance</b>	<b>(2,442.93)</b>	<b>(2,540.77)</b>

**(e) Foreign Currency Monetary Item Translation Difference Account**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
Opening balance	28.61	(23.17)
Add/(Less):		
Foreign Exchange Fluctuation on long term monetary items during the year	(20.82)	6.83
Amortisation of Foreign Exchange Fluctuation on long term monetary items during the year	(18.74)	10.34
Impact on reissue of FCCBs under DRS	-	34.61
<b>Closing balance</b>	<b>(10.95)</b>	<b>28.61</b>

For details of accounting treatment of foreign currency monetary item translation difference account, please refer note 41.

**(f) Property, Plant and Equipment Reserve**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
Opening balance	121.83	124.59
Add/(Less):	-	-
Transfer to Retained Earnings	(2.76)	(2.76)
<b>Closing balance</b>	<b>119.07</b>	<b>121.83</b>

Property, Plant and Equipment Reserve represents reserve created on revaluation of leasehold building and it is non distributable reserve.

**ii. Other Components of Equity**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Share Application money pending allotment	-	-	33.50
Equity Component of Compound financial instruments	20.13	20.13	99.71
Share Suspense account - Equity Shares	414.49	1,009.55	-
Shares held in abeyance	40.02	-	-
<b>Total</b>	<b>474.64</b>	<b>1,029.68</b>	<b>133.21</b>

## 15. DISTRIBUTION MADE AND PROPOSED

### Cash dividends

₹ in Crores

Particulars	2016-17	2015-16
<b>Cash dividends on Preference shares declared and paid:</b>		
Dividend for the year ended on March 31, 2016: ₹ Nil per share (March 31 2015: ₹ Nil per share)	0.35	-
Dividend distribution tax (DDT) on final dividend	0.07	-
	<b>0.42</b>	<b>-</b>

The amount of cumulative preference dividends not recognised as at reporting date is ₹ 0.06 crore (DDT ₹ 0.01 crore)  
[As at March 31, 2016 : ₹ 0.03 crore (DDT ₹ 0.01 crore)].

## 16. BORROWINGS

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non Current Borrowings</b>			
<b>Secured</b>			
(a) Term Loans			
From Banks	428.44	427.00	1,482.50
From Others	42.07	51.91	-
<b>Unsecured</b>			
(a) Liability Component of Foreign Currency Convertible Bonds	101.22	100.64	482.86
(b) Loans from Related Parties	146.83	165.86	143.35
(c) Long term maturity of Finance Lease Obligations	-	-	208.53
(d) Cumulative Non Convertible Redeemable Preference Shares	311.70	283.68	52.70
<b>(A)</b>	<b>1,030.26</b>	<b>1,029.09</b>	<b>2,369.94</b>
<b>Current Maturity of Non Current Borrowings</b>			
<b>Secured</b>			
(a) Term Loans			
From Banks	-	-	231.52
From Others	-	-	-
<b>Unsecured</b>			
(a) Liability Component of Foreign Currency Convertible Bonds	-	1.37	-
(b) Loans from Related Parties	0.67	36.31	4.25
(c) Long term maturity of Finance Lease Obligations	-	-	149.02
(d) Cumulative Non Convertible Redeemable Preference Shares	-	-	-
<b>(B)</b>	<b>0.67</b>	<b>37.68</b>	<b>384.79</b>
<b>Total (A)-(B)</b>	<b>1,029.59</b>	<b>991.41</b>	<b>1,985.15</b>
<b>Current Borrowings</b>			
<b>Secured</b>			
Loans repayable on demand			
From Banks	-	0.13	18.01
From Other Parties	-	-	52.45
<b>Unsecured</b>			
Loans from Related Parties	11.33	11.56	69.70
<b>Total</b>	<b>11.33</b>	<b>11.69</b>	<b>140.16</b>



₹ in Crores

Particulars	Coupon / Interest Rate	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non Current Borrowings</b>				
<b>Secured</b>				
<b>(a) Term Loans</b>				
<b>From Banks</b>				
Rupee Loan	10	428.44	427.00	-
Rupee Loan	13	-	-	2.28
Rupee Loan	6.75	-	-	278.06
Foreign Currency Loan	Libor + 6 to Libor + 6.5	-	-	1,202.04
Vehicle Loan	11.75	-	-	0.12
<b>From Others</b>				
Rupee Loan		42.07	51.91	-
<b>Unsecured</b>				
(a) Foreign Currency Convertible Bonds		101.22	100.64	482.86
(b) Loans from Related Parties		146.83	165.86	143.35
(c) Long term maturity of Finance Lease Obligations		-	-	208.53
(d) Cumulative Non Convertible Redeemable Preference Shares		311.70	283.68	52.70
<b>Gross Non Current Borrowings</b>		<b>1,030.26</b>	<b>1,029.09</b>	<b>2,369.94</b>
Less: Current maturity		(0.67)	(37.68)	(384.79)
<b>Net Non Current Borrowings (as per Balance sheet)</b>		<b>1,029.59</b>	<b>991.41</b>	<b>1,985.15</b>

For Maturity Date, Terms of Repayment and coupon / interest rate Refer to Note 16 Debt Restructuring Scheme.

### Convertible Bonds

For details of convertible bonds, repayable terms, coupon rate, conversion rate, etc refer to Note 16 Part B Summary of Amended terms and conditions of 'Existing FCCBs' and terms and conditions of New FCCBs.

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Face value of bonds issued	131.44	131.44	454.18
Transaction Cost	(1.38)	(1.38)	-
Equity component of convertible bonds - value of conversion rights#	(30.79)	(30.79)	(120.33)
Interest expense*	7.48	-	144.82
Interest paid	(3.26)	-	(62.72)
Foreign Exchange Loss / (Gain)	(2.27)	-	66.91
<b>Non Current Borrowings</b>	<b>101.22</b>	<b>99.27</b>	<b>482.86</b>

\* Interest expense is calculated by applying the effective interest rate of 7.50% to the liability component

# The equity component of convertible bonds has been presented under other equity net of deferred tax of ₹ 20.13 crores (March 31, 2016: ₹ 20.13 crores, April 1, 2015: ₹ 99.71 crores)

### Non Convertible Redeemable Preference Shares

The terms of Class A Preference Shares having face value of ₹ 5 each, had been amended in financial year 2016-17 and these were made redeemable on March 15, 2026 and the premium payable on redemption; which would have provided the preference share holder an internal rate of return @6% per annum would no longer be payable and would carry a dividend of 0.10 % per annum.

Class B Preference Shares of face value of ₹ 5 each are redeemable on March 15, 2026 and would carry a dividend of 0.10 % per annum.

Class C Preference Shares of face value of ₹ 1 each with a premium of ₹ 4 each and would carry a dividend of 0.10 % per annum.

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Value of preference shares issued (old)	65.00	65.00	65.00
Value of preference shares issued (under DRS)	660.17	660.17	-
Transaction Cost	(0.94)	(0.94)	-
Fair Valuation Gain	(440.55)	(440.55)	(27.49)
Interest expense	28.37	-	15.19
Dividend paid	(0.35)	-	-
<b>Non Current Borrowings</b>	<b>311.70</b>	<b>283.68</b>	<b>52.70</b>

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current Borrowings</b>			
<b>Secured</b>			
Loans repayable on demand			
From Banks	-	0.13	18.01
From Other Parties	-	-	52.45
<b>Unsecured</b>			
Loans from Related Parties	11.33	11.56	69.70

The carrying amounts of financial and non-financial assets pledge as security for current and non current borrowings are disclosed in Note 38

There are no guarantees given by directors

**Amount and period of default in repayment of borrowings**

₹ in Crores

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Amount	Period of Default	Amount	Period of Default	Amount	Period of Default
<b>Loans from Banks</b>						
Principal	-		-		101.45	1-17 months
interest	-		-		123.46	1-12 months
<b>Finance Lease</b>						
Principal	-		-		29.99	1-44 months
interest	-		-		6.72	1-44 months
<b>Foreign Currency Convertible Bonds</b>						
Principal	-		-		-	
interest	-		-		14.59	5-8 months

## 16. BORROWINGS

### DEBT RESTRUCTURING SCHEME

During the previous year, with an objective to serve interests of the lenders in the long term, by offering the possibility of value enhancement, and simultaneously support the growth of the Company, the Company submitted a second scheme herein after called as 'Debt Restructuring Scheme ('DRS')' to its lenders and FCCB holders.

The DRS was approved by the CDR Empowered Group ('CDR EG') at its meeting held on April 27, 2016, and the CDR has issued a letter of approval dated June 14, 2016 approving the said scheme.

The Company had also submitted a restructuring proposal for its existing FCCB Holders in respect of the outstanding 5% and 4.75% Bonds due in 2017 (Existing FCCBs). The restructuring proposal envisaged the exchange of Existing FCCBs for new U.S. Dollar denominated 2.5% Foreign Currency Convertible Bonds 2025 ('New FCCBs'), and amendment of the terms and conditions of the Existing FCCBs, which were not tendered for exchange (Amended FCCBs). The restructuring proposal was approved by the Existing FCCB Holders at their meetings held on July 27, 2016 and August 10, 2016 respectively. During the current year, the Company has executed Supplemental Restructuring Agreement to the Master Restructuring Agreement dated March 30, 2012; with CDR Lenders on June 29, 2016. The approvals to DRS from Reserve Bank of India was received on November 25, 2016 and from SEBI was received on July 28, 2016.

The significant highlights of the said scheme are as under:

- 1 Cutoff date: April 01, 2016.
- 2 Waiver of all unpaid interest dues from April 01, 2014 till March 31, 2016 including Liquidated Damages and Penal Interest.

- 3 If there is any shortfall in servicing of interest/unpaid interest till March 31, 2014, lenders would be allotted equity shares of 3i Infotech Limited ('the Company') at face value towards the shortfall amount/ unpaid amount.
- 4 Existing covenants and terms and conditions as approved by CDR EG to continue; including maintaining of Trust and Receipt account with Monitoring Institution ('MI').
- 5 All lenders participating in DRS shall have pari-passu sharing of cash flows of the Company.
- 6 Foreign Currency Non Resident (Bank) loans /Foreign Currency Loans crystallized and converted into Rupee debt.
- 7 Loans from lenders in subsidiaries are to be recognized in the Company and to be converted into a Rupee debt.
- 8 Waiver of all liquidated damages, penal charges, penal interest or excess interest in excess of documented rate on any facility from Cut-off date till implementation of the package.
- 9 Corporate guarantees and pledge of shares from the offshore and overseas subsidiaries as stipulated in the original CDR package shall be continued to be obtained.
- 10 The terms of existing Class A Preference Shares having face value of ₹ 5 each, have been amended and these are now redeemable on March 15, 2026, dividend premium payable on redemption; which would have provided the preference share holder an internal rate of return @ 6% per annum would no longer be payable.

**A. The financial impacts arising out of aforesaid scheme; which were accounted in the previous year ended March 31, 2016 are as under:**

Particulars	LENDERS		FCCBs		Financial impact	Reference to Note
	%	₹ in Crores	%	₹ in Crores	₹ in Crores	
<b>Total Exposure</b>	<b>100%</b>	<b>1,931.15</b>	<b>100%</b>	<b>525.80</b>	<b>2,456.95</b>	
<b>I. Effects accounted in Balance sheet</b>						
Conversion to 0.10% Non-Conv. Preference Shares	35%	660.17	0%		660.17	16
Conversion to Equity	40%	787.55	40%	201.41	988.96	Statement of Changes in 'Other Equity - Share Suspense account - Equity Shares'
Shortfall in servicing of interest - conversion to Equity		20.58			20.58	
<b>Exposure carried forward under Non Current Borrowings</b>	<b>25%</b>	<b>483.43</b>	<b>25%</b>	<b>131.44</b>	<b>614.87</b>	16
<b>II. Effects accounted in Statement of Profit and Loss account</b>						
Overdue interest servicing to be waived upto March 31, 2016		(176.05)		(27.39)	(203.44)	28
Additional amortisation arising on restructured FCCBs				34.61	34.61	
Write off Unamortised borrowing cost / Prepaid Expenses		7.93			7.93	
Additional Liability crystallized under DRS (net)		30.77			30.77	
Debt Restructuring Expenses incurred					1.94	
<b>Disclosed as 'Net write back - Debt Restructuring' under 'Exceptional Items'</b>					<b>(128.19)</b>	
Fair value gain on financial instruments (Preference Share Capital)		(440.55)			(440.55)	28
Loss / (Gain) on financial instrument (Interest Free Debt)		(3.78)			(3.78)	
Loss / (Gain) on financial instrument (Fair Valued Secured Loans)		(0.40)			(0.40)	
<b>Disclosed as 'Gain on Recognition of financial instruments' under 'Exceptional Items'</b>		<b>(444.73)</b>			<b>(444.73)</b>	
Loss on Derecognition of financial instruments (Preference Share Capital)		12.30			12.30	
Gain on Derecognition of financial instruments (FCCB)				(258.01)	(258.01)	
<b>Disclosed as 'Net Gain on Derecognition of financial instruments' under 'Exceptional Items'</b>		<b>12.30</b>		<b>(258.01)</b>	<b>(245.71)</b>	28

Particulars	LENDERS		FCCBs		Financial impact	Reference to Note
	%	₹ in Crores	%	₹ in Crores	₹ in Crores	
<b>Terms with respect to continuing debt exposure</b>						
Continue as Debt	25%	483.43	25%	131.44	614.87	16
Interest	10%	Base Rate	2.50%			
Moratorium on Debt Principal	Upto March 31, 2018		Upto March 31, 2019			
Servicing of Interest	Monthly from April 2016		Semi Annual from April 2016			
Repayment of Debt Principal	Monthly over 6 years		Annual over 6 years			
Repayment of Preference Shares	March 31, 2026		Not Applicable			
Other Terms			Conversion of 25% FCCB to Equity @ ₹ 12.50; i.e. Premium of ₹ 2.50 (25%)			

**B. Summary of Amended terms and conditions of 'Existing FCCBs' and terms and conditions of New FCCBs:**

Particulars	Fourth Issue	Fifth Issue	Fourth Issue Amended	Fifth Issue Amended	New Issue
Issue currency	USD	USD	USD	USD	USD
Issue size	2.44 million **	125.36 million	2.43 million **	125.36 million	16.31 million
Issue date	July 26, 2007	April 25, 2012	April 25, 2012	April 25, 2012	December 09, 2016
Maturity date	July 27, 2017	April 26, 2017	March 31, 2025	March 31, 2025	March 31, 2025
Coupon rate	4.75%	5%	2.50%	2.50%	2.50%
Fixed exchange rate of conversion	₹ 40.81	₹ 50.7908	₹ 40.81	₹ 50.7908	₹ 66.326
Conversion price—post bonus	₹ 165.935	₹ 16.50	₹ 165.935	₹ 16.50	₹ 12.5
<b>Writeback – (USD)</b>					
<b>2016-17</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
2015-16	(0.92 million)	(27.02 million)	Nil	Nil	Nil
2014-15	Nil	Nil	Nil	Nil	Nil
<b>Conversions/Redemptions – (USD)</b>					
<b>2016-17</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
2015-16	Nil	(6.52 million)	Nil	Nil	Nil
2014-15	Nil	(9.64 million)	Nil	Nil	Nil
<b>To be converted into equity – (USD)</b>					
<b>2016-17</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
2015-16	(0.93 million)	(30.88 million)	Nil	Nil	Nil
2014-15	Nil	Nil	Nil	Nil	Nil
<b>To be exchanged against new bonds/ amended bonds – (USD)</b>					
<b>2016-17</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
2015-16	(0.58 million)	(19.30 million)	0.48 million	3.08 million	16.32 million
2014-15	Nil	Nil	Nil	Nil	Nil
<b>Outstanding as at - (USD )</b>					
<b>March 31, 2017</b>	<b>Nil</b>	<b>Nil</b>	<b>0.48 million</b>	<b>3.08 million</b>	<b>16.32 million</b>
March 31, 2016	Nil	Nil	0.48 million	3.08 million	16.32 million
April 01, 2015	2.44 million	83.94 million	Nil	Nil	Nil
<b>Outstanding as at - (₹ Crores)</b>					
<b>March 31, 2017</b>	<b>Nil</b>	<b>Nil</b>	<b>3.13</b>	<b>19.93</b>	<b>105.65</b>
March 31, 2016	Nil	1.37	3.20	20.35	107.89
April 01, 2015	15.23	524.90	Nil	Nil	Nil

### C. Securities offered consequent to Debt Restructuring

The borrowing from the CDR lenders (excluding certain Specified lenders) together with all interest, default interest, additional interest, commitment fees, all and any other costs, charges, expenses, fees, financing charges/fees/ remuneration shall continue to be secured by the security created in terms of the original Master Restructuring Agreement including the Corporate Guarantee and pledge over the Subject Shares.

Certain Specified lenders referred above/ non CDR lenders shall have pari passu share in the cash flow of the Company.

Details of 'Security created', 'Corporate Guarantees from Material Subsidiaries' and 'Pledge of share's are as described under:

#### a) Security created

Sr No.	Security	First Charge to	Second Charge to
1	A charge and mortgage on all the present and future immovable and movable tangible fixed assets (except leased assets) of the Company.	ICICI Bank and IDBI Bank	All CDR Facilities (other than ones of ICICI Bank and IDBI Bank in respect of which the First Charge is created).
2	A charge on all the Trade receivables and stocks of the Company.	IDBI Bank, Oriental Bank of Commerce ('OBC'), State Bank of Travancore ('SBT') and Standard Chartered Bank ('SCB'). First charge shall be pari passu with the existing first charge created in favour of a working capital facility (non fund based) provided by the Development Bank of Singapore (DBS).	All CDR Facilities other than the ones of IDBI Bank, OBC, SBT and SCB in respect of which the First charge is created.
3	A charge on all the present and future current assets (except receivables) of the Company.	SBT First charge shall be pari passu with the existing first charge created in favour of (i) a working capital facility (non fund based) provided by DBS. Further, first ranking pari passu charge has been created over stock in trade consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise of the Company, to secure SCB Facility.	All CDR Facilities other than the one of SBT in respect of which the First charge is created.
4	A charge on all the present and future intellectual property rights (other than in respect of ORION and PREMIA) of the Company.	All CDR Facilities. Intellectual property rights in respect of ORION and PREMIA are charged in favour of SCB on exclusive basis.	Not Applicable

#### b) Corporate guarantees from material subsidiaries:

Corporate guarantees of each of the material subsidiaries guaranteeing the secured obligations ("Corporate Guarantees"), in favour of all the CDR lenders. Each Corporate Guarantee shall be secured/credit enhanced by security interest over assets of the relevant material subsidiary providing the Corporate Guarantee, as permitted under applicable laws in the relevant jurisdictions, as detailed in the table below and shall have the ranking as mentioned against each security.

Sr No.	Security	First Charge to	Second Charge to
<b>Charge on assets of 3i Infotech Inc</b>			
1	A charge on all the present and future movable fixed assets and current assets of 3i Infotech Inc.	ICICI Bank First charge shall be pari passu with the existing first charge created in favour of State Bank of India, California to secure line of credit of US\$ 4.5 million.	All CDR Facilities other than the one of ICICI Bank in respect of which the First charge is created.
<b>Charge on assets of 3i Infotech (Middle East) FZ LLC</b>			
2	A charge on all the present and future movable fixed assets and current assets (except receivables and the collection account) of 3i Infotech (Middle East) FZ LLC.	All CDR Facilities. First ranking pari passu security interest has been created over collection account of 3i Infotech (Middle East) FZ LLC to secure USD 17 million STF facility and guarantee facility by SCB, Dubai.	Not Applicable
3	A charge on all the receivables of 3i Infotech (Middle East) FZ LLC.	Not Applicable	All CDR Facilities
<b>Charge on assets of 3i Infotech Asia Pacific Pte Limited</b>			
4	A charge on all the present and future movable fixed assets and current assets (other than receivables and stocks) of 3i Infotech Asia Pacific Pte Limited.	All CDR Facilities. First ranking pari passu charge has been created over stock in trade consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise of 3i Infotech Asia Pacific Pte Limited, to secure the cash credit facility of USD 2 million provided by SCB Singapore.	Not Applicable
5	A charge on all the receivables and stocks of 3i Infotech Asia Pacific Pte Limited.	Not Applicable First charge has been created to secure the cash credit facility of USD 2 million provided by Standard Chartered Bank, Singapore.	All CDR Facilities.
<b>Charge on assets of 3i Infotech Financial Software Inc, 3i Infotech SDN BHD and 3i Infotech BPO Limited.</b>			
6	A charge on all the present and future movable assets including current assets of 3i Infotech Financial Software Inc, 3i Infotech SDN BHD and 3i Infotech BPO Limited, except current assets of 3i Infotech BPO Limited.	All CDR Facilities	Not Applicable
7	A charge on all the current assets of 3i Infotech BPO Limited	First charge has been created to secure the cash credit facility of ₹ 3 crores provided by Development Credit Bank ('DCB')	All CDR Facilities

**b) Pledge of shares:**

Pledge of shares held by the Companies set out in Column I of the Table below in respect of their respective investments set out in Column II and with details of shares mentioned in column III:

<b>Pledgor (I)</b>	<b>Company whose shares have been pledged (II)</b>	<b>Details of shares pledged (III)</b>
3i Infotech Limited	3i Infotech Holdings Private Limited	6,258,371,598 ordinary shares of MUR 1 each
	3i Infotech Asia Pacific Pte Limited	5,346,202 ordinary shares of SGD 1 each
	3i Infotech BPO Limited	100,000 equity shares of ₹ 10 each
3i Infotech Asia Pacific Pte Limited.	3i Infotech SDN BHD	5,000,000 shares of RM 1 each
3i Infotech Holdings Private Limited	3i Infotech Inc	100,138,408 Class A common stock of US\$ 0.30 each and 1,000,000 Class B common stock of US\$ 0.01 each
	3i Infotech Financial Software Inc	280,556 common stock of US\$ 1 each
	3i Infotech (Middle East) FZ LLC	46,174 shares of AED 1000 each

**17. OTHER FINANCIAL LIABILITIES**

₹ in Crores

<b>Particulars</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
<b>Current</b>			
<b>Financial Liabilities at amortised cost</b>			
Current maturities of long term debts	-	-	130.93
Current maturities of finance lease obligations	-	-	74.21
Overdue borrowings			
From banks	-	-	100.59
From others	-	1.37	-
Current maturities of loan from related parties	0.67	36.31	4.25
Overdue finance lease obligations	-	-	74.81
Interest accrued and due on borrowings	19.90	18.65	173.14
Unclaimed dividends*	0.32	0.32	0.37
Dues to employees	15.17	7.85	12.02
Payable to step down subsidiary towards IPR purchase	1,066.39	1,097.58	1,038.31
Deposits Payable	5.00	5.00	5.00
<b>Others</b>			
Other Payables	0.45	0.77	7.89
	<b>1,107.90</b>	<b>1,167.85</b>	<b>1,621.52</b>
<b>Total</b>	<b>1,107.90</b>	<b>1,167.85</b>	<b>1,621.52</b>

\* There are no amounts which are due to be transferred to Investor Education and Protection Fund.

**18. TRADE PAYABLES**

₹ in Crores

<b>Particulars</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
<b>Current</b>			
Trade Payables to Micro, Small and Medium Enterprises	-	-	-
Trade Payables to Related Parties	46.11	45.63	49.96
Trade Payables to Others	45.28	77.31	83.65
<b>Total</b>	<b>91.39</b>	<b>122.94</b>	<b>133.61</b>

For terms and conditions with related parties, refer note 34

## 19. OTHER LIABILITIES

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>			
Unearned Revenue	7.10	5.76	6.28
Advance received from Customers	0.02	0.44	4.61
Other Advances	-	4.00	-
<b>Others</b>			
Statutory Liabilities	3.04	13.09	19.80
Others	0.03	0.21	0.09
<b>Total</b>	<b>10.19</b>	<b>23.50</b>	<b>30.78</b>

## 20. PROVISIONS

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non Current</b>			
Provision for employee benefits			
Gratuity (Refer Note 31)	12.38	16.28	15.04
Leave encashment	0.45	1.29	-
<b>Total</b>	<b>12.83</b>	<b>17.57</b>	<b>15.04</b>
<b>Current</b>			
Provision for employee benefits			
Gratuity (Refer Note 31)	1.26	1.77	4.14
Leave encashment	0.66	0.90	2.36
Others Provision for Employee benefits	0.38	0.38	0.24
<b>Total</b>	<b>2.30</b>	<b>3.05</b>	<b>6.74</b>

## 21. REVENUE FROM OPERATIONS

₹ in Crores

Particulars	2016-17	2015-16
<b>Sale of products</b>		
IT Solutions	20.44	18.97
<b>Sale of services</b>		
IT Solutions	226.71	290.68
Transaction service	18.34	20.61
<b>Other Operating Revenues</b>		
Corporate charges	13.58	14.83
	<b>279.07</b>	<b>345.09</b>



## 22. OTHER INCOME

₹ in Crores

Particulars	2016-17	2015-16
Interest income on		
Loans to related parties	6.19	-
Financial assets at amortised cost	40.83	37.38
Others	10.86	0.26
Dividend income*	-	39.84
<b>Other Non Operating Income</b>		-
Net gain on disposal of property, plant and equipment	0.04	0.12
Financial Guarantee Income	1.40	1.41
Net gain on sale of Investments#	-	3.14
<b>Others</b>		
Sharing of Infra Structure facilities	1.72	1.62
Sundry balances written back	-	0.19
Miscellaneous Income	4.76	0.33
	<b>65.80</b>	<b>84.29</b>

\*During the previous year ended March 31, 2016, consequent to completion by UK Subsidiary; of regulatory formalities in connection with declaration of dividend, dividend remitted by UK Subsidiary aggregating to INR 39.84 crores; (including ₹ 33.97 crores received in year ended March 31, 2015 which was disclosed under 'Unsecured Current Borrowings from Related Parties') had been recognized as dividend income.

#represents net gain recognized on divestment of wholly owned subsidiary; viz 3i Infotech Trusteeship Services Limited.

## 23. COST OF THIRD PARTY PRODUCTS AND SERVICES

₹ in Crores

Particulars	2016-17	2015-16
Cost of third party products / outsourced services	77.40	89.01
Less : Re-imbursement of costs by subsidiary companies	(41.28)	(39.08)
	<b>36.12</b>	<b>49.93</b>

## 24. EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	2016-17	2015-16
Salaries, wages and bonus	169.60	195.74
Contribution to provident and other funds	6.46	8.22
Staff welfare expenses	4.08	5.51
Recruitment and training expenses	0.95	0.74
Employee Stock Option Expense	0.38	0.65
Gratuity Expense	3.16	4.54
Less : Re-imbursement of costs by subsidiary companies	(98.47)	(94.58)
	<b>86.16</b>	<b>120.82</b>

## 25. FINANCE COST

₹ in Crores

Particulars	2016-17	2015-16
Interest expense on debts and borrowings	86.48	153.82
<b>Total Interest Expense</b>	<b>86.48</b>	<b>153.82</b>
<b>Other borrowing costs</b>		
Others	0.78	9.84
	<b>87.26</b>	<b>163.66</b>

## 26. DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crores

Particulars	2016-17	2015-16
Depreciation on tangible assets	6.39	71.76
Amortisation on intangible assets	0.92	138.86
	<b>7.31</b>	<b>210.62</b>

## 27. OTHER EXPENSES

₹ in Crores

Particulars	2016-17	2015-16
Electricity power, fuel and water	6.13	6.24
Repairs and maintenance		
Building	0.58	0.49
Others	1.86	3.18
Directors sitting fees	0.30	0.21
Insurance	2.96	4.01
Legal and professional fees	0.94	9.63
Rates and taxes	1.09	0.69
Lease Rental Charges	9.39	10.32
Hire Charges	1.32	6.16
Telephone and internet expenses	1.30	1.55
Travelling & conveyance expenses	4.70	4.47
Allowance for doubtful debts	0.86	2.55
Foreign exchange fluctuation loss	4.60	56.30
Miscellaneous expenses	0.90	4.09
	<b>36.93</b>	<b>109.89</b>

### (a) Details of Payments to auditors

₹ in Crores

Particulars	2016-17	2015-16
<b>As auditor</b>		
Audit Fee	0.96	1.35
Tax audit fee	0.12	0.12
<b>In other capacity</b>		
Other services (certification fees)	0.06	0.10
Re-imbursement of expenses	0.05	0.18
	<b>1.19</b>	<b>1.75</b>

### (b) Corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, the Company does not meet the applicability threshold. Hence the provisions of the said section are not applicable during the current financial year.

### (c) Expenditure in foreign currency

₹ in Crores

Particulars	2016-17	2015-16
Professional charges	2.25	1.60
Cost of outsourced services and bought out items	0.65	0.45
Travelling and other expenses	2.13	3.16
Interest	3.22	14.48
<b>Total</b>	<b>8.25</b>	<b>19.69</b>

**(d) Earnings in foreign currency****₹ in Crores**

Particulars	2016-17	2015-16
Income from Operations (excluding income from Dubai Branch)	48.13	48.14
Guarantee commission	0.74	0.75
	<b>48.87</b>	<b>48.89</b>

**28. EXCEPTIONAL ITEMS****₹ in Crores**

Particulars	2016-17	2015-16
Net write back consequent to Debt Restructuring (Refer Note 16 Note on DRS)	-	(128.19)
Loss Allowance on Doubtful advances	-	12.50
Additional amortization/depreciation on Intangible and Finance Lease Assets on evaluation	-	839.64
Impairment loss on non current investments	-	150.00
Impairment loss on Discontinued operations	-	38.95
Gain on Recognition of financial instruments (Refer Note 16 Note on DRS)	-	(444.73)
Net Gain on Derecognition of financial instruments (Refer Note 16 Note on DRS)	-	(245.71)
	<b>-</b>	<b>222.46</b>

**29. RESEARCH AND DEVELOPMENT COSTS**

The Company during the year has incurred cost on research and development activities which are not eligible for capitalisation in terms of Ind AS 38 and therefore they are recognised in other expenses under statement of profit and loss. Amount charged to profit or loss during the year ended March 31, 2017 ₹ 9.87 crores (March 31, 2016: ₹ 2.28 crores) details of which are as follows:

**₹ in Crores**

Particulars	2016-17	2015-16
<b>i. On Revenue Account :</b>		
Payments to and provision for employees		
- Salaries, Wages, Bonus, Allowances, contribution to provident and other funds etc.	7.12	1.46
Other Expenses		
- Legal & Professional charges	0.30	-
- Other Expenses	2.45	0.82
<b>Total</b>	<b>9.87</b>	<b>2.28</b>
<b>ii. On Capital Account</b>	<b>-</b>	<b>-</b>
<b>Total Research &amp; Development Expenditure ( i + ii )</b>	<b>9.87</b>	<b>2.28</b>

### 30. EARNINGS PER SHARE

₹ in Crores

Particulars	2016-17	2015-16
<b>(a) Basic earnings per share (Amount in ₹)</b>	0.75	(8.67)
<b>(b) Diluted earnings per share (Amount in ₹)</b>	0.75	(8.67)
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>		
<i>Basic earnings per share</i>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	92.26	(539.70)
<i>Diluted earnings per share</i>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	92.26	(539.70)
<b>(d) Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,223,470,099	622,747,642
Adjustments for calculation of diluted earnings per share:		
Options*	-	-
Convertible Bonds*	-	-
<b>Weighted average number of equity shares used as the denominator in calculating diluted earnings per share</b>	<b>1,223,470,099</b>	<b>622,747,642</b>

\*Since the market price of the shares are lower than the exercise price / conversion price of potentially dilutive instruments, these instruments have not been considered for calculation of diluted earnings per share (EPS).

### 31. EMPLOYEE BENEFIT OBLIGATIONS

₹ in Crores

Particulars	March 31, 2017			March 31, 2016		
	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	0.66	0.45	1.11	0.90	1.29	2.19
Gratuity	1.26	12.38	13.64	1.77	16.28	18.05
<b>Total Employee Benefit Obligation</b>	<b>1.92</b>	<b>12.83</b>	<b>14.75</b>	<b>2.66</b>	<b>17.57</b>	<b>20.24</b>

#### (i) Leave Obligations

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of ₹ 0.98 crore (March 31, 2016: ₹ 1.51 crores) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations.

#### (ii) Post Employment obligations

##### Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service upto 10 years and 26 days salary multiplied by number of years of service beyond 11 years.

The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows:

₹ in Crores

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As at April 1, 2015</b>	<b>17.76</b>	<b>(0.01)</b>	<b>17.75</b>
Current service cost	1.85	-	1.85
Interest expense/(income)	1.41	-	1.41
<b>Total amount recognised in profit and loss</b>	<b>3.26</b>	<b>-</b>	<b>3.26</b>
<i>Remeasurements</i>			
Return of plan assets, excluding amount included in interest (income)		-	-
(Gain)/Loss from change in demographic assumptions	1.48	-	1.48
(Gain)/Loss from change in financial assumptions	0.15	-	0.15
Experience (gains)/losses	(0.88)	-	(0.88)
<b>Total amount recognised in other comprehensive income</b>	<b>0.75</b>	<b>-</b>	<b>0.76</b>
Employer contributions	-	-	-
Benefit payments	(4.99)	-	(4.99)
<b>As at March 31, 2016</b>	<b>16.78</b>	<b>(0.01)</b>	<b>16.77</b>
Current service cost	1.51	-	1.51
Interest expense/(income)	1.31	-	1.31
<b>Total amount recognised in profit and loss</b>	<b>2.82</b>	<b>-</b>	<b>2.82</b>
<i>Remeasurements</i>			
Return of plan assets, excluding amount included in interest (income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	0.42	-	0.42
Experience (gains)/losses	(4.53)	-	(4.53)
<b>Total amount recognised in other comprehensive income</b>	<b>(4.11)</b>	<b>-</b>	<b>(4.11)</b>
Employer contributions	-	-	-
Benefit payments	(2.58)	-	(2.58)
<b>As at March 31, 2017</b>	<b>12.91</b>	<b>(0.01)</b>	<b>12.90</b>

The net liability disclosed above relates to funded and unfunded plans are as follows:

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Present value of funded obligations	12.91	16.78	17.76
Fair value of plan assets	0.01	0.01	0.01
<b>Deficit of funded plan</b>	<b>12.90</b>	<b>16.77</b>	<b>17.75</b>
Unfunded plans	-	-	-
<b>Deficit of gratuity plan</b>	<b>12.90</b>	<b>16.77</b>	<b>17.75</b>

The major categories of plan assets of the fair value of the total plan assets are as follows

₹ in Crores

Particulars	March 31, 2017			March 31, 2016		
	%	Amount	Total	%	Amount	Total
Cash and cash equivalents	100%	0.01	<b>0.01</b>	100%	0.01	<b>0.01</b>

The significant actuarial assumptions were as follows:

Particulars	March 31, 2017	March 31, 2016
Discount rate	7.40%	7.80%
Expected return on plan assets		
Salary growth rate		
For first 3 years	3.00%	3.00%
After 3 years	2.00%	2.00%
Withdrawal rate		
Upto 4 years	19.50%	19.50%
5 years and above	4.00%	4.00%
Mortality rate	100.00%	100.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is shown below:

₹ in Crores

Assumptions	Discount rate		Salary growth rate		Attrition rate	
	1% increase	1% decrease	1% increase	1% decrease	50% increase	50% decrease
<b>Sensitivity Level</b>						
<b>March 31, 2017</b>						
Impact on defined benefit obligation	11.91	14.07	14.05	11.90	13.68	11.92
% Impact	-7.80%	8.90%	8.80%	-7.80%	5.90%	-7.70%
<b>March 31, 2016</b>						
Impact on defined benefit obligation	15.51	18.24	18.23	15.49	17.83	15.42
% Impact	-7.60%	8.70%	8.70%	-7.70%	6.20%	-8.10%

₹ in Crores

Assumptions	Mortality rate	
	10% increase	10% decrease
<b>Sensitivity Level</b>		
<b>March 31, 2017</b>		
Impact on defined benefit obligation	12.93	12.90
% Impact	0.10%	-0.10%
<b>March 31, 2016</b>		
Impact on defined benefit obligation	16.80	16.76
% Impact	0.10%	-0.10%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

₹ in Crores

Particulars	March 31, 2017	March 31, 2016
Within the next 12 months	14.43	18.77
Between 2 and 5 years	-	-
Between 5 and 10 years	-	-
Beyond 10 years	-	-
<b>Total expected payments</b>	<b>14.43</b>	<b>18.77</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (March 31, 2016: 9 years)

**Expected cash flows over the next (valued on undiscounted basis)****₹ in Crores**

<b>Particulars</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
1 year	1.17	1.73
2 to 5 years	4.36	5.55
6 to 10 years	5.51	6.83
More than 10 years	16.67	23.17

**(iii) Defined contribution plans**

The Company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is ₹ 3.23 crores (March 31, 2016: ₹ 4.17 crores)

**32. SHARE BASED PAYMENTS****(a) Employee option plan**

The Company's Employee Stock Option Schemes are applicable to "Eligible Employees" as defined in the scheme which includes directors and employees of the Company and its subsidiaries. They provide for issue of equity options up to 25% of the paid-up equity capital to eligible employees. Currently, the Company has 2 schemes, ESOS 2000 and ESOS 2007 (as amended).

The options granted under the ESOS scheme 2000 and 2007 vest in a phased manner over three years with 20%, 30% and 50% of the grants vesting at the end of each year from the date of the grant and the same can be exercised within ten years from the date of the grant or five years from the date of vesting of options whichever is later by paying cash at a price determined on the date of the grant. One Stock option if converted will be equivalent to one equity share.

During the year ended March 31, 2013, the Board of Directors of the Company approved ESOS Plan -2013 under the existing scheme ESOS 2007. The plan consisted of variations in certain terms with regard to vesting and certain other related matters in ESOS 2007. The options granted are convertible and one option is equivalent to one equity share each. This plan is applicable to all the new options granted to eligible employees for the year ended March 31, 2014.

During the year ended March 31, 2015, the Board of Directors of the Company approved ESOS Plan-2014 under the existing scheme ESOS 2007. The plan consisted of variations in certain terms with regard to vesting and certain other related matters in ESOS 2007. The options granted are convertible and one option is equivalent to one equity share each. This plan is applicable to all the new options granted to eligible employees for the year ended March 31, 2015.

During the year ended March 31, 2016, the Board of Directors of the Company approved ESOS Plan-2015 under the existing scheme ESOS 2007. The plan consisted of variations in certain terms with regard to vesting and certain other related matters in ESOS 2007. The options granted are convertible and one option is equivalent to one equity share each. This plan is applicable to all the new options granted to eligible employees for the year ended March 31, 2016.

The options granted under ESOS Plan -2013; under ESOS Plan -2014 and under ESOS Plan -2015 would vest in a phased manner over three years with 33%, 33% and 34% of the grants vesting at the end of each year from the date of the grant and the same can be exercised within ten years from the date of grant of options or five years from the date of vesting of options, whichever is later.

The existing options (other than those granted under ESOS plan-2013, ESOS plan-2014 & ESOS plan-2015) would continue to be governed by the existing terms.

During the year ended March 31, 2016, the Company granted 11,290,000 (11,569,000 during year ended March 31, 2015), options to the employees of the Company and its Key Managerial Personnel at an exercise price of ₹ 10 each.

### Movement during the year

The number and weighted average exercise prices (WAEP) of the options and movement during the year is as follows

Particulars	March 31, 2017		March 31, 2016	
	Number of options	WAEP	Number of options	WAEP
Opening balance	3,36,34,190	32.72	3,04,53,380	36.22
Granted during the year**	4,00,000	10.00	1,12,90,000	10.00
Exercised during the year*	-	-	-	-
Forfeited during the year	91,60,690	27.72	81,09,190	14.24
Expired during the year	-	-	-	-
<b>Closing balance***</b>	<b>2,48,73,500</b>	<b>34.20</b>	<b>3,36,34,190</b>	<b>32.72</b>
Vested and exercisable	2,32,21,090	44.65	1,51,40,470	60.47

\*\*During the year ended March 31, 2017, Nil options (for the year ended March 31, 2016 1,050,000 Options) granted to Managing Director and Global CEO and Nil options (for the year ended March 31, 2016 Nil Options) granted to Executive Director.

\*\*\*Includes 1,630,000 options granted to Managing Director/Executive Director and Non-Executive Directors (for the year ended March 31, 2016, 3,600,000 options).

The following tables summarize information about outstanding stock options:

#### As at March 31, 2017

Range of exercise price	Number of shares arising out of options	Weighted average remaining life (in years)	Weighted average exercise price (₹)
₹ 45 to ₹ 50	-	-	-
₹ 57 to ₹ 144	51,91,500	1	126
₹ 10	1,96,82,000	8	10

#### As at March 31, 2016

Range of exercise price	Number of shares arising out of options	Weighted average remaining life (in years)	Weighted average exercise price (₹)
₹ 45 to ₹ 50	-	-	-
₹ 57 to ₹ 144	71,82,400	1	116
₹ 10	2,64,51,790	9	10

#### As at April 1, 2015

Range of exercise price	Number of shares arising out of options	Weighted average remaining life (in years)	Weighted average exercise price (₹)
₹ 45 to ₹ 50	-	-	-
₹ 57 to ₹ 144	75,50,400	2	116
₹ 10	2,29,02,980	9	10

### (b) Expense arising from share based payment transactions

Total expenses arising from share based payment transactions recognised in statement of profit and loss as part of employee benefit expense were as follows:

Particulars	₹ in Crores	
	2016-17	2015-16
Employee stock option	0.38	0.65
<b>Total employee share-based payment expense</b>	<b>0.38</b>	<b>0.65</b>



### 33. COMMITMENTS AND CONTINGENCIES

#### A. Commitments

##### i. Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Property, plant and equipment	3.32	0.18	0.09

##### ii. Leases

##### Operating lease commitments - Company as lessee

- (i) The Company has acquired certain Land and Building under a lease arrangement for a period of sixty years at a premium of ₹ 0.50 crores starting from December 4, 2000 for Land, ₹ 15.62 crores starting from March 13, 2000 and ₹ 5.05 crores March 1, 2003 for building and the same are being amortized over the lease period. All other lease arrangements in respect of properties from are renewable/ cancellable at the Company's and/or lessors' option as mutually agreed. The future lease rental payment committed is as under :

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Commitments for minimum lease payments in relation to non cancellable operating leases are as follows			
Within one year	9.99	9.38	9.95
Later than one year but not later than five years	17.51	19.93	23.99
later than five years	29.33	26.29	27.97
	<b>56.83</b>	<b>55.60</b>	<b>61.91</b>

- (ii) The Company avails from time to time non-cancellable long-term leases for computers, furniture and fixtures and office equipments. The total of future minimum lease payments committed is as under :

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Commitments for minimum lease payments are as follows			
Within one year	-	1.16	4.66
Later than one year but not later than five years	-	-	1.16
later than five years	-	-	-
	<b>-</b>	<b>1.16</b>	<b>5.82</b>

### Finance lease - Company as lessee

The Company has finance leases and hire purchase contracts for various items of plant and machinery/investment properties. The Company's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are, as follows:

₹ in Crores

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	Minimum Lease payments	Present value of MLP	Minimum Lease payments	Present value of MLP	Minimum Lease payments	Present value of MLP
Within one year	-	-	-	-	200.66	149.02
After one year but not more than five years	-	-	-	-	63.07	59.50
More than five years	-	-	-	-	-	-
<b>Total minimum lease payments</b>	-	-	-	-	<b>263.73</b>	<b>208.52</b>
Less: amount representing finance charge	-	-	-	-	(55.21)	-
<b>Present value of minimum lease payments</b>	-	-	-	-	<b>208.52</b>	<b>208.52</b>

### B. Contingent Liabilities

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>i. Claim against the company not acknowledged as debt</b>			
- Disputed income tax matters	34.90	34.90	37.92
- Disputed service tax matters (excluding interest as applicable)	171.29	180.86	180.86
- Disputed sales tax matters	4.89	35.48	33.64
- Customer claims	0.06	0.07	0.21
- Employee claims	-	-	-
- Others*	47.80	47.54	47.54
<b>ii. Guarantees excluding financial guarantees</b>			
Outstanding bank guarantees	0.01	0.01	0.10
iii. Arrears of cumulative preference dividend (including dividend distribution tax thereon)	0.07	0.03	0.02
iv. Other money for which the company is contingently liable	-	-	-

\* Includes claim in respect of legal cases relating to Registrar and Transfer Services, which are reimbursable by the Principal to the extent of ₹ 0.78 crores (as at March 31, 2015 - ₹ 0.78 crores).

The Company's pending litigation is in respect of proceedings pending with Tax Authorities and customer claims with various courts. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial statements. During the last few years commencing from financial year 2011-12, due to financial crunch, the Company has not been regular in payment of statutory dues and also has other unpaid dues. Further, there are delays/defaults in payment to certain lenders and others as per the payment schedule. The delayed payment/defaults of statutory dues, in payment to certain lenders and others may result into consequential substantial additional liability, as may arise, on such delays/defaults, amount whereof is presently not ascertainable.

### C. Financial Guarantees

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Corporate Guarantees to Lenders of Subsidiaries	92.54	93.57	90.90

### 34. RELATED PARTY TRANSACTIONS

#### (i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party	Name of Holding Company	Percentage of Holding	Country of Incorporation	Nature of Relationship
<b>Foreign Subsidiaries/Step Down Subsidiaries:</b>				
3i Infotech Inc.	3i Infotech Holdings Private Limited	100%	USA	Step Down Subsidiary
3i Infotech Asia Pacific Pte Limited	3i Infotech Limited	100%	Singapore	Subsidiary
3i Infotech SDN BHD	3i Infotech Asia Pacific Pte Limited	100%	Malaysia	Step Down Subsidiary
3i Infotech (UK) Limited	3i Infotech Limited	100%	UK	Subsidiary
3i Infotech (Thailand) Limited	3i Infotech Asia Pacific Pte Limited	100%	Thailand	Step Down Subsidiary
3i Infotech Holdings Private Limited	3i Infotech Limited	100%	Mauritius	Subsidiary
3i Infotech Saudi Arabia LLC	3i Infotech Limited	100%	Saudi Arabia	Subsidiary
3i Infotech Financial Software Inc.	3i Infotech Holdings Private Limited	100%	USA	Step Down Subsidiary
3i Infotech (Africa) Limited	3i Infotech (Middle East) FZ LLC	100%	Kenya	Step Down Subsidiary
3i Infotech (Middle East) FZ LLC	3i Infotech Holdings Private Limited	100%	UAE	Step Down Subsidiary
Elegon Infotech Limited	3i Infotech Limited	100%	China	Subsidiary
3i Infotech (South Africa) (Pty) Limited	3i Infotech Holdings Private Limited	100%	Republic of South Africa	Step Down Subsidiary
Rhyme Systems Limited	3i Infotech (Western Europe) Group Limited	100%	UK	Step Down Subsidiary
3i Infotech (Western Europe) Holdings Limited	3i Infotech (UK) Limited	100%	UK	Step Down Subsidiary
3i Infotech (Western Europe) Group Limited	3i Infotech (Western Europe) Holdings Limited	100%	UK	Step Down Subsidiary
Black Barret Holdings Limited	3i Infotech Holdings Private Limited	100%	Cyprus	Step Down Subsidiary
3i Infotech Services SDN BHD	3i Infotech Asia Pacific Pte Limited	100%	Malaysia	Step Down Subsidiary
3i Infotech Framework Limited	3i Infotech (Western Europe) Holdings Limited	100%	UK	Step Down Subsidiary
Locuz Inc	Locuz Enterprise Solutions Limited	100%	USA	Step Down Subsidiary

Name of Related Party	Name of Holding Company	Percentage of Holding	Country of Incorporation	Nature of Relationship
<b>Indian Subsidiaries / Step Down Subsidiaries:</b>				
Locuz Enterprise Solutions Limited	3i Infotech Limited	74%	India	Subsidiary
3i Infotech BPO Limited	3i Infotech Limited	100%	India	Subsidiary
3i Infotech Consultancy Services Limited	3i Infotech Limited	100%	India	Subsidiary
3i Infotech Trusteeship Services Ltd (Upto October 15, 2015)	3i Infotech Limited	100%	India	Subsidiary
Professional Access Software Development Private Limited	Black Barret Holdings Limited	100%	India	Step Down Subsidiary
IFRS Cloud Solutions Limited (formerly known as 3i Infotech Outsourcing Services Limited)	3i Infotech Financial Software Inc.	100%	India	Step Down Subsidiary

#### **Associates**

ICICI Bank Limited (Up to July 31, 2015)

#### **Key Managerial Personnel (KMP) :**

Name of Related Party	Designation / Details	Remarks
1. Mr. Padmanabhan Iyer	CFO, Managing Director and Global CEO	Appointed on November 11, 2014*
2. Mr. Madhivanan Balakrishnan	Managing Director and Global CEO	Resigned on June 07, 2016
3. Mr. Charanjit Attra	Executive Director	Resigned on May 28, 2015
4. Mr. Rajeev Limaye	Company Secretary	Appointed on July 05, 2016
5. Mr. Ninad Kelkar	Company Secretary	Resigned on January 11, 2016
6. Mr. Hoshang N. Sinor	Independent Non - Executive Director	Retired on September 30, 2015
7. Mr. Ashok Shah	Chairman	Appointed on October 01, 2015
8. Dr. Shashank Desai	Independent Non - Executive Director	Appointed on September 23, 2015
9. Mr. Shantanu Prasad	Nominee Director	Appointed on September 16, 2014
10. Mr. Shanti Lal Jain	Nominee Director	Appointed on January 23, 2017
11. Mr. K. M. Jayarao	Director	Resigned on October 21, 2015
12. Ms. Sarojini Dikhale	Non - Executive Director	Appointed on October 23, 2015

\* November 11, 2014 was the date of appointment of Mr. Padmanabhan Iyer as CFO of the Company. He has also been appointed as an Executive Director on the Board of the Company on May 18, 2016, as an acting CEO on June 7, 2016 and as Managing Director and Global CEO of the Company effective August 11, 2016.

**(ii) Transactions with related parties**

The following transactions occurred with related parties

₹ in Crores

Name	Nature of Transaction	2016-17	2015-16
3i Infotech Inc.	Income	2.90	1.99
	Corporate Charges (Royalty Income)	6.41	7.22
3i Infotech (UK) Limited and its subsidiaries	Income	4.54	-
3i Infotech (Middle East) FZ LLC	Income	5.26	4.08
	Income from product charge out	6.45	9.58
	Corporate Charges (Royalty Income)	3.16	3.34
	Financial Guarantee Commission income	0.59	0.60
3i Infotech Saudi Arabia LLC	Income	2.06	1.44
	Income from product charge out	0.80	0.52
	Corporate Charges (Royalty Income)	0.96	0.93
3i Infotech Asia Pacific Pte Ltd	Income	1.60	0.57
	Corporate Charges (Royalty Income)	0.77	0.74
	Financial Guarantee Commission income	0.15	0.15
Elegon Infotech Limited	Corporate Charges (Royalty Income)	-	0.06
3i Infotech Consultancy Services Limited	Income	-	0.05
	Purchase of Services	50.23	62.04
	Corporate Charges (Royalty Income)	1.27	1.61
	Financial Guarantee Commission income	0.15	0.15
3i Infotech BPO Limited	Income	7.24	6.70
	Rent Income	1.56	1.56
	Purchase of Services	0.68	0.58
Locuz Enterprise Solutions Limited	Rent Income	0.16	0.06
	Purchase of Services	0.92	0.13
	Expenses	-	0.11
	Financial Guarantee Commission income	0.51	0.51
3i Infotech Financial Software Inc	Income	0.19	1.21
3i Infotech Trusteeship Services Limited	Income	-	0.20
3i Infotech SDN BHD	Income	2.02	0.28
	Corporate Charges (Royalty Income)	0.69	0.69
3i Infotech (Thailand) Limited	Income	0.34	0.33
	Corporate Charges (Royalty Income)	0.32	0.26
ICICI Bank Limited (upto July 31, 2015)*	Income	-	69.48
	Expenses	-	1.11

\*excludes normal banking transactions.

**(iii) Outstanding balances arising from sales/purchases of goods and services**
**₹ in Crores**

<b>Name</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
<b>Trade Receivables</b>			
3i Infotech Inc	366.49	377.32	356.19
3i Infotech (UK) Limited and its subsidiaries	6.85	5.44	8.70
3i Infotech (Middle East) FZ LLC	-	37.98	45.67
3i Infotech Saudi Arabia LLC	104.46	105.76	94.82
3i Infotech Asia Pacific Pte Ltd	0.14	1.06	-
3i Infotech BPO Limited	1.66	-	-
3i Infotech Financial Software Inc	2.86	1.21	-
Professional Access Software Development Private Limited	2.51	2.51	2.51
3i Infotech SDN BHD	4.51	-	-
3i Infotech (Thailand) Limited	2.47	10.07	6.65
3i Infotech (Africa) Limited	21.05	19.23	18.98
3i Infotech (South Africa) (Pty) Limited	0.01	0.01	0.01
3i Infotech Trusteeship Services Limited	-	-	0.32
<b>Trade Payables</b>			
3i Infotech (Middle East) FZ LLC	6.42	-	-
3i Infotech Asia Pacific Pte Ltd	-	-	2.83
Elegon Infotech Limited	-	-	2.59
Locuz Enterprise Solutions Limited	1.11	1.13	2.54
3i Infotech Consultancy Services Limited	38.58	35.76	26.38
3i Infotech BPO Limited	-	3.94	9.46
3i Infotech Financial Software Inc	-	-	2.58
3i Infotech SDN BHD	-	4.79	3.58
<b>Unbilled Revenue</b>			
Locuz Enterprise Solutions Limited	0.01	0.01	-
3i Infotech Consultancy Services Limited	1.45	1.13	0.59
3i Infotech BPO Limited	0.36	0.61	0.65
3i Infotech Trusteeship Services Limited	-	-	0.03
ICICI Bank Limited (upto July 31, 2015)	-	-	6.02
<b>IPR Payables</b>			
3i Infotech (Middle East) FZ LLC	1,066.39	1,097.58	1,038.31
<b>Provision for bad &amp; doubtful debts</b>			
3i Infotech (UK) Limited and its subsidiaries	4.95	5.44	-
<b>Earnest Money Deposit</b>			
3i Infotech Consultancy Services Limited	5.00	5.00	5.00
<b>Advance Payable</b>			
ICICI Bank Limited (upto July 31, 2015)	-	-	52.44
<b>Other Payable - Deposits</b>			
ICICI Bank Limited (upto July 31, 2015)	-	-	1.55

**(iv) Loans to and Interest Receivable from related parties :****₹ in Crores**

(v) Loans to and interest Receivable from related parties :				
Name	Nature of Relationship	Particulars	March 31, 2017	March 31, 2016
<b>Loans to related parties</b>				
3i Infotech (Middle East) FZ LLC	Subsidiary	<b>Beginning of the year</b>	<b>40.83</b>	-
		Recognised as loan given consequent to DRS	-	40.83
		Loans received	-	-
		Loan repayments made	-	-
		<b>End of the year</b>	<b>40.83</b>	<b>40.83</b>
3i Infotech Consultancy Services Limited	Subsidiary	<b>Beginning of the year</b>	<b>16.68</b>	-
		Recognised as loan given consequent to DRS	-	16.68
		Loans received	-	-
		Loan repayments made	-	-
		<b>End of the year</b>	<b>16.68</b>	<b>16.68</b>
3i Infotech BPO Limited	Subsidiary	<b>Beginning of the year</b>	<b>25.36</b>	-
		Recognised as loan given consequent to DRS	-	25.36
		Adjusted Agnst Loan Receivable	(25.36)	-
		Loans received	-	-
		Loan repayments made	-	-
		<b>End of the year</b>	-	<b>25.36</b>
<b>Interest Receivable from related parties</b>				
3i Infotech (Middle East) FZ LLC	Subsidiary	<b>Beginning of the year</b>	-	-
		Interest received	-	-
		Interest repayments made	-	-
		Interest income recognised	4.08	-
		Interest paid	-	-
		<b>End of the year</b>	<b>4.08</b>	-
3i Infotech Consultancy Services Limited	Subsidiary	<b>Beginning of the year</b>	-	-
		Interests received	-	-
		Interest repayments made	-	-
		Interest income recognised	2.11	-
		Interest charged	-	-
		Interest paid	-	-
		TDS Deducted	(0.21)	-
		<b>End of the year</b>	<b>1.90</b>	-
<b>(v) Loans from and Interest Payable from related parties :</b>				
<b>Loans from related parties</b>				
3i Infotech Holdings Private Limited, Mauritius	Subsidiary	<b>Beginning of the year</b>	<b>11.57</b>	<b>10.94</b>
		Loans received	-	-
		Reinstatement of FC Loan	(0.24)	0.62
		Loan repayments made	-	-
		<b>End of the year</b>	<b>11.33</b>	<b>11.57</b>
3i Infotech BPO Limited	Subsidiary	<b>Beginning of the year</b>	<b>36.31</b>	<b>30.56</b>
		Adjusted Agnst Loan Receivable	(25.36)	-
		Loans received	7.21	5.75
		<b>End of the year</b>	<b>18.15</b>	<b>36.31</b>
Professional Access Software Development Private Limited	Subsidiary	<b>Beginning of the year</b>	<b>129.55</b>	<b>129.60</b>
		Loan repayments made	(0.87)	(0.05)
		<b>End of the year</b>	<b>128.67</b>	<b>129.55</b>
3i Infotech Trusteeship Pvt Ltd	Subsidiary	<b>Beginning of the year</b>	-	<b>2.25</b>
		Loans received	-	-
		Loan Adjusted Agnst Sale Consideration	-	2.25
		Interest paid	-	-
		<b>End of the year</b>	-	-

₹ in Crores

Name	Nature of Relationship	Particulars	March 31, 2017	March 31, 2016
3i Infotech UK Limited	Subsidiary	Beginning of the year	-	33.97
		Loan Taken		5.87
		Dividend Income recognised	-	(39.84)
		End of the year	-	-
3i Infotech Consultancy Services Limited	Subsidiary	Beginning of the year	-	5.74
		Loan repaid		(5.74)
		End of the year		-
Interest Payable to related parties				
3i Infotech BPO Limited	Subsidiary	Beginning of the year	8.94	5.73
		Interest charged	1.30	3.56
		TDS Deducted	(0.01)	(0.36)
		End of the year	10.23	8.94
Professional Access Software Development Private Limited	Subsidiary	Beginning of the year	2.26	2.26
		Interests received	-	-
		Interest repayments made	-	-
		Interest charged	15.48	15.52
		Interest Payable written back	15.48	15.52
		Interest paid	-	-
3i Infotech Trusteeship Pvt Ltd	Subsidiary	End of the year	2.26	2.26
		Beginning of the year	-	0.62
		Interest charged	-	0.17
		Adjusted against Sale Consideration	-	(0.79)
3i Infotech Consultancy Services Limited	Subsidiary	Interest paid	-	-
		End of the year	-	-
		Beginning of the year	0.78	0.76
		Interests received	-	-
		Interest charged	-	0.02
		Interest paid	-	-
TDS Deducted	-	-		
		End of the year	0.78	0.78



**(vi) Key management personnel compensation**

Particulars	₹ in Crores	
	2016-17	2015-16
Short term employee benefits		
Salaries and other employee benefits to Managing Director and Company Secretary	4.80	8.09
Commission and other benefits to non-executive / independent directors	0.43	0.33
Post-employment benefits *	-	-
Long term employee benefits *	-	-
Employee share based payment *	-	-
<b>Total</b>	<b>5.23</b>	<b>8.42</b>

The Company has paid remuneration to the managerial personnel amounting to ₹1.23 crores in the current financial year ended March 31, 2017, which is subject to the approval of the Central Government. The Company is in process of filing an application with the Central Government for obtaining the approval.

\* The amounts of Post employment benefits, Long term employee benefits and employee share based payments cannot be separately identified from the composite amount advised by the actuary / valuer.

**(vii) Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest bearing and settlement occurs in cash. For the year ended March 31, 2017, the Company has reversed ₹ 0.49 crore impairment of receivables relating to amount owed by related parties (March 31, 2016: ₹ 5.44 crores provided as impairment loss). This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

**(viii) There are no Commitments with Related parties****35. FAIR VALUE MEASUREMENTS****i. Financial Instruments by Category**

₹ in Crores

Particulars	Carrying Amount			Fair Value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
<b>FINANCIAL ASSETS</b>						
<b>Amortised cost</b>						
Investments in Preference Shares	562.77	542.76	471.14	562.77	542.76	471.14
Trade Receivables	560.41	603.32	578.02	560.41	603.32	578.02
Loans	57.59	82.97	0.06	57.59	82.97	0.06
Cash and Cash Equivalents	94.81	20.65	7.83	94.81	20.65	7.83
Other Bank Balances	1.74	0.53	4.53	1.74	0.53	4.53
Other Financial Assets	38.47	29.47	52.42	38.47	29.47	52.42
<b>FVTPL</b>						
Investment in Equity Instruments	0.16	0.16	0.16	0.16	0.16	0.16
Investment in Preference shares (unquoted)	-	12.50	25.00	-	12.50	25.00
<b>Total</b>	<b>1,315.95</b>	<b>1,292.36</b>	<b>1,139.16</b>	<b>1,315.95</b>	<b>1,292.36</b>	<b>1,139.16</b>
<b>FINANCIAL LIABILITIES</b>						
<b>Amortised cost</b>						
Borrowings	1,040.92	1,003.10	2,125.31	1,040.92	1,003.10	2,125.31
Trade Payables	91.39	122.94	142.76	91.39	122.94	142.76
Other financial liabilities	1,107.90	1,167.85	1,621.52	1,107.90	1,167.85	1,621.52
<b>Total</b>	<b>2,240.21</b>	<b>2,293.89</b>	<b>3,889.59</b>	<b>2,240.21</b>	<b>2,293.89</b>	<b>3,889.59</b>

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other

current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Accordingly, fair value of such instruments is not materially different from their carrying amounts

The fair values for loans, security deposits and investments in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The fair value of investments in preference shares and unquoted equity instruments carried at fair value through profit or loss are not materially different from their carrying amount. Hence the impact of fair valuation is considered to be insignificant in the financial statements.

## ii. Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

### Assets and liabilities measured at fair value - recurring fair value measurement:

₹ in Crores

Particulars	March 31, 2017			Total
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Financial Assets</b>				
Investment in Preference Shares	-	-	562.77	562.77
Loans	-	-	57.51	57.51
Deposits	-	-	9.53	9.53
<b>Total Financial Assets</b>	-	-	<b>629.81</b>	<b>629.81</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	1,029.59	1,029.59
<b>Total Financial Assets</b>	-	-	<b>1,029.59</b>	<b>1,029.59</b>

₹ in Crores

Particulars	March 31, 2016			Total
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets				
Investment in Preference Shares	-	-	542.76	542.76
Loans	-	-	82.87	82.87
Deposits	-	-	8.99	8.99
Total Financial Assets	-	-	634.632	634.62
Financial Liabilities				
Borrowings	-	-	991.41	991.41
Total Financial Assets	-	-	991.41	991.41

₹ in Crores

Particulars	March 31, 2015			Total
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets				
Investment in Preference Shares	-	-	471.14	471.14
Loans	-	-	-	-
Deposits	-	-	7.82	7.82
Total Financial Assets	-	-	478.96	478.96
Financial Liabilities				
Borrowings	-	-	1,985.15	1,985.15
Total Financial Assets	-	-	1,985.15	1,985.15

There have been no transfers among Level 1, Level 2 and Level 3 during the period

**Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2** - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3** - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

### iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of foreign currency option contracts is determined using discounted cash flow analysis

### iv. Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Managing Director (MD) and the audit committee (AC). Discussions of valuation processes and results are held between the MD, AC and the valuation team at least once every three months, in line with the Company's quarterly reporting periods.

## 36. FINANCIAL RISK MANAGEMENT

The Company is exposed primarily to fluctuations in foreign currency exchange rates ,credit ,liquidity and interest rate risk ,which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities . The risk management policy is approved by Board of Directors . The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

### i. Market Risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of the change in market prices . Such changes in the value of financial instruments may result from changes in the foreign currency exchange, interest rates ,credit ,liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

#### (a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rate may have potential impact on the statement of profit and loss and the other comprehensive income and equity, where any transaction reference more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and the economic environment in which the Company operates, its operations are subject to risk arising from fluctuations in exchange rates in those countries. The risks primarily relates to fluctuations in US Dollar, Great Britain Pound and Euro against the functional currency of the Company.

The Company, as per its current risk management policy, does not use any derivatives instruments to hedge foreign exchange. Further, any movement in the functional currency of the various operations of the Company against major foreign currencies may impact the Company's revenue in international business.

The Company evaluates the impact of the foreign exchange rate fluctuation by assessing its exposure to exchange rate risks. Apart from exposures of foreign currency payables and receivables, which partially are naturally hedged against each other, the Company does not use any hedging instruments to hedge its foreign currency exposures; in line with the current risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 1% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of Balance Sheet which could affect the statement of profit and loss and the other comprehensive income and equity.

The following table set forth information relating to foreign currency exposure as at March 31, 2017:

	₹ in Crores			
	USD	GBP	EUR	Total
Total financial assets	939.40	6.79	138.27	1,084.46
Total financial liabilities	148.35	0.16	-	148.51

1% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease /increase in the Company's profit before tax by approximately ₹ 9.36 crores for the year ended March 31, 2017

The following table sets forth information relating to foreign currency exposure as at March 31, 2016:

	₹ in Crores			
	USD	GBP	EUR	Total
Total financial assets	937.28	5.47	150.11	1,092.87
Total financial liabilities	24.92	-	-	24.92

1% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease /increase in the Company's profit before tax by approximately ₹ 10.68 crores for the year ended March 31, 2016

The following table set forth information relating to foreign currency exposure as at April 1, 2015:

	₹ in Crores			
	USD	GBP	EUR	Total
Total financial assets	884.55	11.41	135.69	1,031.65
Total financial liabilities	1,345.46	32.00	-	1,377.46

1% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease /increase in the Company's profit before tax by approximately ₹ 3.46 crores for the year ended March 31, 2015

#### (b) Interest rate risk

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market.

## (ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables and unbilled revenues.

### (1) Credit risk management

#### - Trade receivables and Unbilled revenues

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables and unbilled revenue. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

#### - Other Financial Assets

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

### (2) Credit risk exposure

#### - Trade receivables and Unbilled revenues

The carrying amount of trade receivables and unbilled revenues represents the maximum credit exposure from customers. The maximum exposure to credit risk from customers is ₹ 628.23 crores (March 31, 2016: ₹ 670.46 crores, April 1, 2015: ₹ 660.04 crores). The lifetime expected credit loss on customer balance for the year ended March 31, 2017 is ₹ 49.18 crores (March 31, 2016: ₹ 50.31 crores, April 1, 2015: ₹ 41.90 crores).

#### Reconciliation of loss allowance provision - Trade receivables and Unbilled revenue

Particulars	₹ in Crores	
	March 31, 2017	March 31, 2016
Balance at the beginning	50.31	41.90
Impairment loss recognised/reversed	(1.13)	8.41
Balance at the end	49.18	50.31

#### - Other Financial Assets

The carrying amount of cash and cash equivalents, investments carried at amortised cost, deposits with banks and financial institutions and other financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 755.37 crores (March 31, 2016: ₹ 676.37 crores, April 1, 2015: ₹ 535.97 crores). The 12 months expected credit loss and lifetime expected credit loss on these financial assets for the year ended March 31, 2017 is ₹ 2.79 crores (March 31, 2016: ₹ 2.79 crores, April 1, 2015 : ₹ 3.55 crores)

**Reconciliation of loss allowance provision - other financial assets**
**₹ in Crores**

Particulars	March 31, 2017		March 31, 2016	
	12 month expected losses	life-time expected losses	12 month expected losses	life-time expected losses
<b>Balance at the beginning</b>		<b>2.79</b>		<b>3.55</b>
Add(Less): Changes in loss allowances due to Changes in risk parameters		-		(0.76)
<b>Balance at the end</b>		<b>2.79</b>		<b>2.79</b>

**(iii) Liquidity risks**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flow from operations to meet its financial obligation as and when they fall due .

The table below provides details regarding the contractual maturities of significant financial liabilities as at :

**March 31, 2017**
**₹ in Crores**

Particulars	Due in 1 year	Due in 1-2 year	Due in 2-5 year	Due after 5 years	Total
<b>Non-derivative financial liabilities :</b>					
Trade and other payables	91.39	-	-	-	91.39
Borrowings including Interest thereon	50.04	119.43	390.27	1,126.95	1,686.69
Other financial liabilities	1,107.90	-	-	-	1,107.90
<b>Total</b>	<b>1,249.33</b>	<b>119.43</b>	<b>390.27</b>	<b>1,126.95</b>	<b>2,885.98</b>

**March 31, 2016**
**₹ in Crores**

Particulars	Due in 1 year	Due in 1-2 year	Due in 2-5 year	Due after 5 years	Total
<b>Non-derivative financial liabilities :</b>					
Trade and other payables	122.94	-	-	-	122.94
Borrowings	52.15	52.15	405.44	1,263.28	1,773.02
Other financial liabilities	1,167.85	-	-	-	1,167.85
<b>Total</b>	<b>1,342.94</b>	<b>52.15</b>	<b>405.44</b>	<b>1,263.28</b>	<b>3,063.81</b>

**April 1, 2015**
**₹ in Crores**

Particulars	Due in 1 year	Due in 1-2 year	Due in 2-5 year	Due after 5 years	Total
<b>Non-derivative financial liabilities :</b>					
Trade and other payables	133.61	-	-	-	133.61
Borrowings	555.97	336.59	1,517.65	478.81	2,889.02
Other financial liabilities	1,621.52	-	-	-	1,621.52
<b>Total</b>	<b>2,311.10</b>	<b>336.59</b>	<b>1,517.65</b>	<b>478.81</b>	<b>4,644.15</b>

### 37. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings other than convertible preference shares	729.22	719.42	2,072.60
Trade payables	91.39	122.94	133.61
Provision for Employee Benefits	15.13	20.62	21.78
Other payables	1,118.09	1,191.35	1,652.30
Less: cash and cash equivalents	(94.81)	(20.65)	(7.83)
<b>Net Debt</b>	<b>1,859.02</b>	<b>2,033.68</b>	<b>3,872.46</b>
Convertible preference shares	311.70	283.68	52.70
Equity	1,183.65	640.80	603.75
<b>Total Capital</b>	<b>1,495.35</b>	<b>924.48</b>	<b>656.45</b>
<b>Capital and net debt</b>	<b>3,354.37</b>	<b>2,958.16</b>	<b>4,528.91</b>
<b>Gearing ratio</b>	<b>55.42</b>	<b>68.75</b>	<b>85.51</b>

### 38. ASSETS PLEDGED AS SECURITY

The carrying amount of assets pledged as security for current and non current borrowings are:

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>CURRENT ASSETS</b>			
<b>i. Financial Assets</b>			
Trade Receivable	52.34	48.18	44.17
Cash and cash equivalents	94.81	20.65	7.82
Bank Balances Other than above	1.74	0.53	4.53
Loans	0.08	0.09	0.06
Other Financial Assets	21.14	18.72	43.33
<b>ii. Non Financial Assets</b>			
Inventories	-	0.37	0.89
Other Current Assets (excluding Prepaid Expenses)	3.76	4.50	1.72
<b>Total current assets pledge as security</b>	<b>173.87</b>	<b>93.04</b>	<b>102.52</b>
<b>NON CURRENT ASSETS</b>			
<b>Property, Plant and Equipment</b>			
Land - Leasehold	0.37	0.38	0.40
Building - Leasehold	134.26	137.36	140.47
Plants and equipments	0.47	0.58	0.30
Furniture and Fixtures	0.12	0.15	0.24
Vehicle	0.02	0.22	0.55
Office	1.70	1.52	1.65
Computer Hardware	2.33	3.40	6.75
<b>Intangible Assets</b>			
Software Products - meant for sale	223.67	223.67	1,095.95
<b>Total non current assets pledge as security</b>	<b>362.94</b>	<b>367.28</b>	<b>1,246.31</b>



### 39. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table presents the recognised financial instruments that are offset and other agreements but not offset, as at March 31, 2017, March 31, 2016 and April 1, 2015. The column 'net amount' shows the impact on the company's balance sheet if all set-off rights were exercised.

₹ in Crores

Particulars	Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amount	Gross amounts set off in the balance sheet	Net amount presented in the balance sheet	Financial instruments collateral	Net amount
<b>March 31, 2017</b>					
<b>Financial assets</b>					
Cash and cash equivalents	94.81	-	<b>94.81</b>	(94.81)	-
Bank Balances Other than above	1.74	-	<b>1.74</b>	(1.74)	-
Trade receivables	569.47	(9.06)	<b>560.41</b>	(52.34)	<b>508.07</b>
Other financial assets	96.06	-	<b>96.06</b>	(21.14)	<b>74.92</b>
<b>Total</b>	<b>762.08</b>	<b>(9.06)</b>	<b>753.02</b>	<b>(170.03)</b>	<b>582.99</b>
<b>Financial liabilities</b>					
Trade payables	99.91	(8.52)	<b>91.39</b>	-	<b>91.39</b>
Borrowings	2,149.36	(0.54)	<b>2,148.82</b>	(170.03)	<b>1,978.79</b>
<b>Total</b>	<b>2,249.27</b>	<b>(9.06)</b>	<b>2,240.21</b>	<b>(170.03)</b>	<b>2,070.18</b>
<b>March 31, 2016</b>					
<b>Financial assets</b>					
Cash and cash equivalents	20.65	-	<b>20.65</b>	(20.65)	-
Bank Balances Other than above	0.53	-	<b>0.53</b>	(0.53)	-
Trade receivables	609.16	(5.84)	<b>603.32</b>	(48.18)	<b>555.14</b>
Other financial assets	112.94	(0.51)	<b>112.44</b>	(18.72)	<b>93.72</b>
<b>Total</b>	<b>743.28</b>	<b>(6.35)</b>	<b>736.94</b>	<b>(88.08)</b>	<b>648.86</b>
<b>Financial liabilities</b>					
Trade payables	122.94	-	<b>122.94</b>	-	<b>122.94</b>
Borrowings	2,177.30	(6.35)	<b>2,170.95</b>	(88.08)	<b>2,082.87</b>
<b>Total</b>	<b>2,300.24</b>	<b>(6.35)</b>	<b>2,293.89</b>	<b>(88.08)</b>	<b>2,205.81</b>
<b>April 1, 2015</b>					
<b>Financial assets</b>					
Cash and cash equivalents	7.82	-	<b>7.82</b>	(7.82)	-
Bank Balances Other than above	4.53	-	<b>4.53</b>	(4.53)	-
Trade receivables	582.83	(4.81)	<b>578.02</b>	(44.17)	<b>533.85</b>
Other financial assets	53.06	(0.58)	<b>52.48</b>	(43.33)	<b>9.15</b>
<b>Total</b>	<b>648.24</b>	<b>(5.39)</b>	<b>642.85</b>	<b>(99.85)</b>	<b>543.00</b>
<b>Financial liabilities</b>					
Trade payables	133.61	-	<b>133.61</b>	-	<b>133.61</b>
Borrowings	3,752.22	(5.39)	<b>3,746.83</b>	(99.85)	<b>3,646.98</b>
<b>Total</b>	<b>3,885.83</b>	<b>(5.39)</b>	<b>3,880.44</b>	<b>(99.85)</b>	<b>3,780.59</b>



**40. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)**

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Principal amount due to suppliers under MSMED Act, 2006*	-	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-	-
Payment made to suppliers ( other than interest ) beyond the appointed day, during the year	-	-	-
Interest paid to suppliers under MSMED Act, ( other than Section 16 )	-	-	-
Interest paid to suppliers under MSMED Act, ( Section 16 )	-	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made	-	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-	-

\* Amount includes due and unpaid of ₹ Nil (March 31, 2016: ₹ Nil)

The information has been given in respect of such vendors to the extent they could be identified as "Mico and Small" enterprises on the basis of information available with the Company.

**41. DEFERRAL/CAPITALISATION OF EXCHANGE DIFFERENCES**

The Ministry of Corporate Affairs (MCA) has issued the amendment dated December 29, 2011 to AS 11 "The Effects of Changes in Foreign Exchange Rates", to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/earlier amendment to AS 11, the Company has capitalised exchange loss, 'arising on long-term foreign currency loan to the cost of plant and equipments. The Company also has other long-term foreign currency monetary item, where the gain/(loss) due to fluctuation in foreign currency is accounted for as FCMITDA and disclosed under reserve and surplus.

Accordingly foreign exchange gain/(loss) adjusted against:

₹ in Crores

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Cost of the assets/ Capital work in progress	-	(59.27)	(46.48)
FCMITDA	(20.83)	6.83	(12.19)
Amortised in the current year	18.75	(44.96)	(7.35)

**42. DISCLOSURES REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013**

₹ in Crores

Name of the Party	Nature	Rate of interest	March 31, 2017	March 31, 2016	March 31, 2015
3i Infotech (Middle East) FZ LLC	Loan given consequent to DRS	10%	-	40.83	-
3i Infotech Consultancy Services Limited	Loan given consequent to DRS	10%	-	16.68	-
3i Infotech BPO Limited	Loan given consequent to DRS	10%	-	25.36	-

**43. DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)**

The Company did not hold specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) and hence there are no transactions during the period from November 8, 2016 to December, 30 2016.

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

For and on behalf of the board

Padmanabhan Iyer  
CFO, Managing Director and Global  
CEO  
(DIN: 05282942)

Shashank Desai  
Director  
(DIN: 00143638)

Rajeev Limaye  
Company Secretary  
(M.No.: A17168)

Navi Mumbai  
Date: April 30, 2017

**3i INFOTECH LIMITED****Corporate Identification Number (CIN): L67120MH1993PLC074411****Registered Office:** Tower # 5, 3<sup>rd</sup> to 6<sup>th</sup> Floors, International Infotech Park, Vashi, Navi Mumbai - 400 703**E-mail:** investors@3i-infotech.com **Website:** www.3i-infotech.com**Tel:** 91-22-7123 8000 **Fax:** 91-22-7123 8098**NOTICE**

Notice is hereby given that the Twenty Fourth Annual General Meeting ("AGM") of the Members of 3i Infotech Limited ("Company") will be held on Wednesday, September 6, 2017 at 4:00 p.m. at Arya Samaj Hall, Plot No. 6, Sector 9A, Vashi, Navi Mumbai - 400 703 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Sarojini Dikhale (DIN-02755309), who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the rules framed thereunder, as amended from time to time, pursuant to the recommendations of the Audit Committee and Board of Directors of the Company and pursuant to the Resolution passed by the Members at the Annual General Meeting ("AGM") held on December 7, 2016, the appointment of M/s. GMJ & Co., Chartered Accountants (Firm Registration No.103429W) as the Statutory Auditors of the Company ("Statutory Auditors") to hold office from the conclusion of this AGM till the conclusion of the Twenty Fifth AGM of the Company be and is hereby ratified.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 143 (8) and any other applicable provisions, if any, of the Act and the rules framed thereunder, as amended from time to time, pursuant to the recommendations of the Audit Committee and Board of Directors of the Company, the Branch accounts of the Company shall be audited by the Statutory Auditors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to determine the remuneration to be paid to the Statutory Auditors for the financial year ended March 31, 2018 as may be recommended by the Audit Committee in consultation with the Auditors."

**SPECIAL BUSINESS**

4. **Approval for waiver of remuneration paid to Mr. Padmanabhan Iyer (DIN - 05282942) as the Managing Director and Global CEO in excess of limits prescribed under Companies Act, 2013 for the period from August 11, 2016 to March 31, 2017:**

**To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197 and Schedule V of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act and the rules framed thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company and subject to the approval of the Central Government and any other sanctions and approvals as may be necessary and further to the resolution passed by the Members at the 23<sup>rd</sup> Annual General Meeting ("**AGM**") held on December, 7, 2016 regarding appointment and payment of remuneration to Mr. Padmanabhan Nemmara Ranganathan Iyer, Managing Director and Global CEO of the Company and as approved by the Board of Directors and the Nomination and Remuneration Committee at their meetings held on April 30, 2017, the Members hereby confirm and ratify the payment of remuneration totalling to ₹12,308,903, inclusive of base salary, PF contribution, target bonus and all other allowances

for the period from August 11, 2016 to March 31, 2017 paid to Mr. Iyer, as per the terms of appointment approved at the AGM held on December, 7, 2016, notwithstanding inadequacy of profits during the financial year ended on March 31, 2017, which is in excess of the limits prescribed under the Companies Act, 2013, but is within the limits approved by the resolution passed by the Members at the 23<sup>rd</sup> AGM held on December 7, 2016.

**5. Approval for payment of remuneration to Mr. Padmanabhan Iyer (DIN-05282942) as the Managing Director and Global CEO for the period from April 1, 2017 till August 10, 2019**

**To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:**

**“RESOLVED THAT** in partial modification of the special resolution passed by the Members at their 23<sup>rd</sup> Annual General Meeting held on December 7, 2016 and subject to the provisions of Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the rules framed thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company and subject to the approval of the Central Government, if required and any other sanctions and approvals as may be necessary, the Members do hereby approve the payment of remuneration to Mr. Padmanabhan Iyer (DIN-05282942) as the Managing Director and Global CEO of the Company for the period from April 1, 2017 till August 10, 2019 on following terms:

**Annual Remuneration:**

The annual remuneration would be in the range of ₹18,000,000 to ₹30,000,000 inclusive of Base Salary, PF contribution and all other allowances.

Additionally, he will be eligible for Target Bonus, perquisites and other benefits, details of which are given below:

**Target bonus shall be:**

An amount up to 100% of his total fixed pay or any such amount, as may be determined by the Board of Directors or any Committee thereof, based on achievement of such performance parameters as may be laid down from time to time.

**Perquisites, Benefits and other terms:**

Mr. Padmanabhan Iyer shall be eligible for one Company car once in a block of 5 years costing ₹25 lacs, car running and maintenance cost on actuals, driver's salary upto ₹2 lacs per annum or Company provided driver, group life insurance as per Company policy, personal accident insurance of ₹2.8 crores, mediclaim of ₹6 lacs per annum, one club membership or reimbursement of annual fees of one club membership at actuals (in case of personal membership), one Company provided telephone at residence, soft furnishing allowance of ₹15 lacs once in a block of 5 years.

**FURTHER RESOLVED THAT** in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Padmanabhan Iyer shall be governed by Section II of Part II of Schedule V of the Act, including any modification(s) thereto.

**FURTHER RESOLVED THAT** the Board of Directors of the Company or any Committee thereof, be and is hereby authorized to decide at its absolute discretion from time to time, all the terms and conditions of the remuneration (salary, perquisites and bonus) payable to Mr. Padmanabhan Iyer, within the terms mentioned above, and obtain such approvals of the Central Government, as may be necessary for the purpose of payment of such remuneration, during the tenure of his appointment from time to time."

By Order of the Board

Sd/-  
Rajeev Limaye  
Company Secretary

Navi Mumbai  
July 22, 2017

Tower # 5, 3<sup>rd</sup> to 6<sup>th</sup> Floors,  
International Infotech Park, Vashi,  
Navi Mumbai - 400 703

## NOTES:

- a) The explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”) is annexed hereto.
- b) **A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company.** The instrument appointing a proxy/ies must be deposited with the Company at its Registered Office not less than FORTY-EIGHT HOURS before the time for holding the AGM. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions/authorisations as applicable. A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company, then such proxy shall not act as a proxy for any other person or shareholder.
- c) Members/proxies should bring the attendance slip sent herewith, duly filled in, for attending the Meeting.
- d) The Members are informed that in case of joint holders attending the Meeting, only such joint holder whose name is higher in the order of names, will be entitled to vote.
- e) The Members holding shares in physical form are requested to immediately notify any change in their address, name, bank particulars, ECS mandates, nominations, power of attorney under the signature of the Sole/First joint holder to the Company at its Registered Office, quoting their Folio Number(s)/Client ID and DP ID in all correspondence and consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names. Members holding shares in electronic form shall directly update such details with their respective Depository Participant(s) and not to the Company and/or to its Registrar and Transfer Agent. Information captured by the Depository Participants will automatically be updated in the Company's record.
- f) Please note that as per the Securities and Exchange Board of India (SEBI) circular no.MRD/DoP/Cir-05/2009 dated May 20, 2009, it has become mandatory to furnish a copy of PAN card of the transferee for registration of transfer of shares in physical form.
- g) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, August 30, 2017 to Wednesday, September 6, 2017 (both days inclusive).
- h) Under the Act, dividend which is unclaimed for a period of seven years is required to be transferred to the Investors Education and Protection Fund (IEPF) administered by the Central Government. An amount of ₹ 590,448/- being unclaimed dividend of the Company for the financial year ended March 31, 2009 was transferred to IEPF on September 19, 2016 and no claim lies against the Company in respect thereof.
- i) Members are requested to note that trading in equity shares of the Company on the Stock Exchanges is permitted only in dematerialized form as per the notification issued by SEBI. The shares of the Company are available for trading under both the Depository systems in India, i.e. National Securities Depository Limited (NSDL) & Central Depository Services Limited (CDSL). Members who continue to hold shares in physical form are, therefore, requested to note that they will not be able to trade in the shares of the Company, unless the same are dematerialized.
- j) To support the Green Initiative, the Company delivers the Documents in electronic form to Shareholders whose e-mail addresses are available with the Company. The Documents shall mean all notices/documents including those covered under Section 136 or any other relevant sections read with Section 20 of the Act. For shareholders whose e-mail addresses are not available, physical copies are being sent.  
  
The shareholders holding shares in electronic form who have not registered their e-mail address are requested to register the same with their concerned Depository Participant for this purpose and for receiving all such communications from the Company. Shareholders holding shares in physical form may write to the Registrar and Share Transfer Agent.
- k) Pursuant to the requirements of Corporate Governance under SEBI LODR, information about Directors proposed to be appointed/re-appointed has been given in the Annexure to this Notice.
- l) In compliance with the provisions of Section 108 of the Act and the rules framed thereunder and Regulation 44 of SEBI LODR, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by NSDL on all the resolutions set forth in this Notice. The facility of casting votes by a Member using an electronic voting system from a place other than the venue of the AGM (remote e-voting) will be provided by NSDL and the items of business as detailed in the Notice may be transacted through remote e-voting. Instructions for using this facility are mentioned under point (o) below. The facility for voting, either through electronic voting system or by ballot paper, shall also be made available at the AGM.
- m) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

n) The Members can opt for only one mode of voting i.e. either by ballot form or remote e-voting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through ballot form shall be treated as invalid. The Resolution(s) passed by the Members through ballot forms or remote e-voting are deemed to have been passed as if they have been passed at the AGM.

o) The Instructions for remote e-voting are given herein below:

Remote e-voting Facility:

1. The remote e-voting facility will be available at the link <https://www.evoting.nsdl.com> during the following period:  
Commencement of e-voting: 9:00 a.m. (IST) on Sunday, September 3, 2017  
End of e-voting: 5:00 p.m. (IST) on Tuesday, September 5, 2017
2. E-voting shall not be allowed beyond 5:00 p.m. (IST) on Tuesday, September 5, 2017. During the e-voting period, Shareholders of the Company, holding shares either in physical form or in dematerialized form as on the record date may cast their vote electronically. The record date for the purpose of e-voting is Friday, September 1, 2017.
3. Members who have registered their email IDs with the Company/their respective Depository participants are being forwarded the login ID and password for e-voting by e-mail. The instructions for remote e-voting have been given as under:
  - i. Open e-mail received from NSDL and open PDF file viz. "3iinfotech e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
  - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
  - iii. Click on Shareholder - Login
  - iv. Enter user ID and password mentioned in step (i) above. Click Login
  - v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - vi. Home page of remote e-voting opens. Click on e-voting: Active Voting Cycles
  - vii. Select "EVEN" (Remote E-voting Event Number) of 3i Infotech Limited.
  - viii. Now you are ready for e-voting as Cast Vote page opens.
  - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - xi. Please note that once you have voted on the resolution and clicked on "Submit" and "Confirm", you will not be allowed to modify your vote.
  - xii. Institutional Members (i.e. other than individuals, HUFs, NRIs, etc.) are required to send scanned copy (PDF/JPEG Format) of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to [scrutinizer3iinfotechagm@gmail.com](mailto:scrutinizer3iinfotechagm@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](https://www.evoting.nsdl.com) or call Mr. Rajiv Ranjan on +91 - 22 - 2499 4738.
4. For the benefit of the Members whose e-mail IDs are not yet registered with the Company or their respective Depository Participants or who have requested for a physical copy of the Notice and the Annual Report, the login ID and password for e-voting are being sent along with physical copy of the Notice.
  - i. Initial password is provided at the bottom of the Attendance Slip for the AGM in the manner indicated below:

<b>EVEN</b> <b>(remote E-Voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD</b>

- ii. Please follow all steps from Sr. No. ii to xiii above to caste the vote.

5. If you are already registered with NSDL for remote e-voting, you can use your existing user ID and password/ PIN for casting your vote.
  6. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  7. Login to the remote e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'forgot password' option available on the site to reset the password.
  8. The Company has appointed Mr. Prakash Pandya, Partner, BNP & Associates, Company Secretaries or failing him, Mr. B. Narasimhan, Partner, BNP & Associates, Company Secretaries or failing him, Mr. Keyoor Bakshi, Partner, BNP & Associates, Company Secretaries as Scrutinizer (the "Scrutinizer") to scrutinize the voting and remote e-voting in a fair and transparent manner.
- p) The Results of the AGM declared along with the Scrutinizer's Report shall be placed on the website of the Company ([www.3i-infotech.com](http://www.3i-infotech.com)) and on the website of NSDL. The Results shall also be simultaneously submitted to those Stock Exchanges on which the equity shares of the Company are listed.
- q) The Annual Report of the Company which contains the Notice of AGM circulated to the Members of the Company will be made available on the website of the Company.
- r) The Company is a SEBI Registered, Category I Share Transfer Agent and handles all Registrar and Transfer Agents' work in-house. The Company has adequate infrastructure to service its Shareholders.
- s) Members desirous of getting any information about the accounts and operations of the Company are requested to write to the Company at least seven days before the AGM to enable the Company to keep the information ready at the AGM.
- t) Members may avail of the nomination facility as provided under Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to the Company at its registered office address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
- u) All the documents referred to in the Notice will be available for inspection by the Members at the Registered Office of the Company between 10:30 a.m. to 12:30 p.m. on all working days i.e. (except Saturday, Sunday and National Holidays) from the date hereof, up to the conclusion of the AGM.



## Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

### Item No. 4

The Members of the Company, by Special Resolution passed at its 23<sup>rd</sup> Annual General Meeting (AGM) held on December 7, 2016, approved the appointment of Mr. Padmanabhan Nemmara Ranganathan Iyer, Managing Director and Global CEO of the Company, for a period of five years with effect from August 11, 2016 and terms of remuneration payable for a period of three years from the date of his appointment, subject to the approval of the Central Government, if required. Pursuant to this resolution, the Members had approved the payment of remuneration in the range of ₹18,000,000 to ₹30,000,000 Mr. Padmanabhan Nemmara Ranganathan Iyer.

Although the Company achieved a net profit after tax for FY 2016-17, in view of the accumulated losses of the previous years, the Company did not have adequate profits as per Section 197 read with Section 198 of the Companies Act, 2013 (the "Act"). As per Section 197 (3) of the Act, if in any financial year, a company has no profits or its profits are inadequate, the company shall not pay remuneration to its directors, including any Managing or Whole Time Director, in excess of the limits specified in Section II of Part II of Schedule V of the Act without previous approval of the Central Government. Section II of Part II of Schedule V of the Act allows payment of remuneration not exceeding the higher of the limits specified in Clause A and Clause B of Section II of Part II of Schedule V of the Act, provided that the Company has complied with the terms and conditions mentioned under the second proviso in Section II of Schedule V of the Act.

The Company was in compliance with all terms and conditions of Section II of Schedule V of the Act except one of the conditions prescribed under Paragraph (ii) to the second proviso to Section II of Schedule V of the Act i.e. *the Company had defaulted in payment of interest on its debts for a continuous period of 30 days in the preceding financial year (i.e. in FY 2014-15) before the date of appointment of Mr. Padmanabhan Iyer.*

Later, in FY 2015-16, the Company received Letter of Approval (LOA) dated June 14, 2016 from the Corporate Debt Restructuring (CDR) Cell wherein the CDR Empowered Group (CDR-EG) waived all the existing defaults of the Company till March 31, 2016. The FCCB holders of the Company also waived all defaults till March 31, 2016 at their meetings held on July 27, 2016 and August 10, 2016.

However, since the default was initially committed before being waived off, the Company was technically not in compliance with this condition as mentioned above and a prior approval from Central Government was required for payment of any remuneration to Mr. Iyer for the financial year ended March 31, 2017. Application to the Central Government was possible only after approval of the Members. Since the approval of the Shareholders was obtained on December 7 2016, the Company could not make a prior application to the Central Government in respect of the remuneration for FY 2016-17 due to paucity of time.

The Company has paid a remuneration totaling to ₹12,308,903, inclusive of base salary, PF contribution, target bonus and all other allowances for the period from August 11, 2016 to March 31, 2017 (the "Period"). This is within the range of ₹18,000,000 to ₹30,000,000 approved by the Members at the 23<sup>rd</sup> AGM of the Company. Accordingly, while the remuneration paid to Mr. Iyer exceeds the limits prescribed by the Companies Act, 2013, it is well within the limits approved by the Members at the 23<sup>rd</sup> AGM of the Company.

In light of the above mentioned facts, the Company is now seeking approval of the Central Government for waiver of excess remuneration paid to Mr. Iyer during the Period, as mentioned in the Special Resolution proposed to be passed under Item No. 4 of the Notice. Approval of the Members is sought for the same.

Looking at the contribution made by Mr. Iyer and his expertise, knowledge and valuable services rendered to the Company, the Board of Directors and the Nomination and Remuneration Committee, at their meetings held on April 30, 2017, have considered and approved the waiver of the said excess remuneration paid to Mr. Iyer for the Period, subject to the approval of Central Government. The Company has also received a No Objection Certificate from the Monitoring Institution to the CDR package, which represents its secured lenders for the payment of remuneration to Mr. Iyer for the Period.

Details of Mr. Padmanabhan Nemmara Ranganathan Iyer as required as per Secretarial Standard 2 (SS-2):

Sr. No.	Particulars	Details
	Name of the Director	Mr. Padmanabhan Nemmara Ranganathan Iyer
	Designation	Managing Director and Global CEO of the Company
	Age	53 years
	Qualifications	Advanced Master's Program in Management of Global Enterprises conducted by the Indian Institute of Management, Bangalore (IIM-B); Master's degree in Financial Management from the Jamnalal Bajaj Institute of Management Studies, University of Mumbai.
	Experience	36 years
	Terms and conditions of Appointment or re-appointment	The terms and conditions of appointment remain same as approved by the Members at the Annual General Meeting held on December 7, 2016.

Details of remuneration sought to be paid	₹12,308,903, inclusive of base salary, PF contribution, target bonus and all other allowances for the period from August 11, 2016 to March 31, 2017
Remuneration last drawn	Remuneration paid for the month of July 2016 before his appointment as Managing Director & Global CEO was ₹544,148/-.
Date of first appointment on the Board	May 18, 2016
Shareholding in the Company	1,920 shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None
The number of meetings of the Board attended during the year.	7
Other Directorships, Membership/ Chairmanship of Committees of other Boards	Details of other directorships of Mr. Iyer are given below. Mr. Iyer is a member of the Audit and Nomination and Remuneration Committees of Locuz Enterprise Solutions Limited.

Mr. Padmanabhan Iyer is on the Board of the following companies/entities:

Name of the Company	Position held
3i Infotech Consultancy Services Limited	Chairman
Locuz Enterprise Solutions Limited	Chairman
Professional Access Software Development Private Limited	Director
IFRS Cloud Solutions Limited	Chairman
3i Infotech BPO Limited	Chairman
3i Infotech Foundation	Managing Trustee
3i Infotech Holdings Private Limited	Director
3i Infotech (Middle East) FZ LLC	Chairman
3i Infotech (Africa) Limited	Director
3i Infotech (UK) Limited	Chairman
3i Infotech (Western Europe) Holdings Limited	Chairman
3i Infotech (Western Europe) Group Limited	Chairman
Rhyme Systems Limited	Chairman
3i Infotech Asia Pacific Pte. Limited	Director
3i Infotech (South Africa) (Pty) Limited	Director
3i Infotech Inc	Director
3i Infotech (Thailand) Limited	Director
3i Infotech Saudi Arabia LLC	Director
3i Infotech Financial Software Inc	Director
3i Infotech SDN BHD	Director
Elegon Infotech Limited	Director, General Manager & Legal Representative
Locuz Inc	Director

*A brief profile of Mr. Padmanabhan Iyer is given below:*

Mr. Padmanabhan Iyer was appointed as the Chief Financial Officer of 3i Infotech Limited effective November 11, 2014. He has spent more than 14 years with 3i Infotech Limited, having headed Product Development and Delivery Centres, Technology Services and the BPO Division. He was also the CEO of the China subsidiary of the Company. He brings with him profound knowledge and experience of more than 30 years in the techno-financial arena.

As the CFO, he plays an active part in key decisions of business, with a focus on running a metrics driven organisation. He provides key inputs on a wide range of strategic and operational decisions. He also ensures global compliance in the areas of corporate governance, financial reporting and compliances. He plays a pivotal role in managing various stakeholders, which include investors, board, auditors and regulators.



His broad range of experience both within 3i Infotech and outside has shaped him to lead from the front in tough situations, be responsive to needs of all around him, a strong understanding of business levers and a high degree of persuasion skills. A continuous learner, he has taken on demanding roles and achieved excellence in them.

With 35 years of overall experience, he has enriched his capabilities to be recognized as a leader. His work experience has been in the areas of Finance, Operations and Delivery both on services and products with a geography exposure across the globe. Some of the organisations that he has been associated with are Reliance Infocomm, Centurion Bank Ltd. Ispat Industries Ltd., ITC Classic Finance Limited, Empire Finance Co. Ltd. to name a few.

He holds a Master's degree in Financial Management from Jamnalal Bajaj Institute of Management Studies, University of Mumbai and has completed the Advanced Master's Program in Management of Global Enterprises, IIM, Bangalore.

**Statement pursuant to clause (iv) under Section II, Part II of Schedule V to the Companies Act, 2013**

<b>I. General Information:</b>	
Nature of industry	Information Technology (IT Solutions and Transaction Services)
Date or expected date of commencement of commercial production	Not Applicable
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
Financial performance based on given indicators	The details of financial performance of the Company for the years 2015-16 and 2016-17 are provided in the Annual Report 2017 which accompanies this Notice.
Foreign investments or collaborations, if any	There is no direct foreign investment in the Company except to the extent of shares held by Foreign Institutional Investors (FIIs) acquired through secondary market. There is no foreign collaboration in the Company. The Company has 18 wholly owned foreign subsidiaries and a joint venture abroad.
<b>II. Information about the appointee:</b>	
Background details	Details are given in the profile of Mr. Padmanabhan Iyer appearing above.
Past remuneration (₹ in crores)	₹1.20 crores (excluding the retention incentive accrued as on March 31, 2016).
Recognition or Awards	Under the leadership of Mr. Padmanabhan Iyer, the Company was conferred with the "Award for Excellence in IT Products-Large Enterprise Category" by the Indian Merchant Chambers of Commerce & Industry. The Company was featured in the CIO Review of 20 Most Promising ERP Solution Providers in 2016. Moreover, the Company also got featured in the FinTech Forward Top 100 ranking Companies in 2016.
Job profile and his suitability	Mr. Padmanabhan Iyer has vast experience in techno-finance area. Taking into consideration his association with the Company for more than 14 years, the Board has bestowed the leadership of the Company on Mr. Padmanabhan Iyer.
Remuneration proposed	Details of proposed remuneration are presented in the resolution above.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Commensurate with other organizations of the similar type, size and nature in the IT industry.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Apart from receiving remuneration from the Company in his capacity as the Managing Director & Global CEO and holding 1,920 equity shares of ₹10 each in the Company, Mr. Padmanabhan Iyer does not have any other pecuniary relationship with the Company or with any of the managerial personnel.

<b>III. Other information:</b>	
Reasons of loss or inadequate profits	Consequent to the approval of the Debt Realignment Scheme (DRS) package on June 14, 2016 and the subsequent reduction of its debt, the Company has posted net profits after tax for FY 2016-17. However, in view of the accumulated losses prior to the approval of the DRS package, the profits of the Company as calculated in terms of Section 198 of the Act were inadequate for paying remuneration to Mr. Iyer for FY 2016-17.
Steps taken or proposed to be taken for improvement	The Company has completed financial restructuring under Debt Realignment Scheme (DRS) proposal submitted to Lenders and FCCB (Foreign Currency Convertible Bond) holders to reduce debt burden in FY 2015-16. As a result of this restructuring, the Company could achieve positive net worth for FY 2015-16 and could sustain the same in FY 2016-17.
Expected increase in productivity and profits in measurable terms	Based on the operational efficiencies achieved, the Company is confident of improving its Revenue metrics across personnel, products and services. Further, continued support from its existing customers and the positive response from new customers for its Products and Services has enabled the Company to achieve positive EBIDTA on a quarter on quarter basis.

**IV. Disclosure:**

As required, the information is provided under Corporate Governance Section of Annual Report 2016-17.

Following are the additional disclosures under section 102 of the Companies Act, 2013

<b>Particulars</b>	<b>Remarks</b>
i) To specify the nature of concern or interest, financial or otherwise, of every director and the manager and of every other key managerial personnel (KMP) and relatives of the said persons.	Nil, except Mr. Padmanabhan Iyer, Managing Director & Global CEO and his relatives.
ii) To specify any other information and facts that may enable the Members to understand the meaning scope and implications of the items of business and to take a decision thereon.	As above
iii) Where any item of Special Business to be transacted at the meeting relates to or affects any other company, the extent of shareholding interest in that other company of every promoter director, manager and of every other key managerial personnel of the first mentioned company also to be set out in explanatory statement if such shareholding is not less than two percent of the paid-up share capital of that company.	Nil
iv) Where any document is referred to any Business to be transacted at the meeting, specification of time and place for inspection of such document.	Necessary documents are available for inspection of Members at the Registered Office of the Company during normal business hours (9:00 a.m. to 5:00 p.m.) on any working day, excluding Saturday and including the date of the Annual General Meeting.

Members' approval is being sought as set out in Item No.4 of the Notice, by means of a Special Resolution for waiving the excess remuneration as mentioned above for the period from August 11, 2016 to March 31, 2017.

Except Mr. Padmanabhan Iyer, Managing Director & Global CEO and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the Resolution.

**Item No. 5**

The Members of the Company had, vide special resolution passed at its 23<sup>rd</sup> Annual General Meeting (AGM) held on December 7, 2016, approved the appointment of Mr. Padmanabhan Iyer as the Managing Director and Global CEO of the Company for a period of five years with effect from August 11, 2016 and terms of remuneration payable for a period of three years from the date of his appointment, subject to the approval of the Central Government, if required.

As per Section 197 (3) of the Companies Act, 2013 (the "Act"), if in any financial year, a company has no profits or its profits are inadequate, the company shall not pay remuneration to its directors, including any Managing or Whole Time Director,

in excess of the limits specified in Section II of Part II of Schedule V of the Act without previous approval of the Central Government. Although the Company has earned a total comprehensive income of ₹95.09 crores in FY 2016-17, in view of the accumulated losses of previous years, the Company will have to seek waiver for remuneration paid to Mr. Iyer for FY 2016-17.

Section II of Part II of Schedule V of the Act allows payment of remuneration not exceeding the higher of the limits specified in Clause A and Clause B of Section II of Part II of Schedule V of the Act, provided that the Company has complied with the terms and conditions mentioned under the second proviso in Section II of Schedule V of the Act. The Company complied with all the said terms and conditions except for one condition prescribed under paragraph (ii) to the second proviso to Section II of Schedule V of the Act i.e. "the Company has not made any default in repayment of any of its debt (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person". There was a default by the Company in servicing of interest on its Foreign Currency Convertible Bonds (FCCBs) and its loans from Indian lenders which were under Corporate Debt Restructuring (CDR) for a continuous period of 30 days in the financial year preceding the date of appointment of Mr. Iyer i.e. in FY 2014-15.

Later, in FY 2015-16, the Company received Letter of Approval (LOA) dated June 14, 2016 from the CDR Cell wherein the CDR Empowered Group (CDR-EG) waived all the existing defaults of the Company till March 31, 2016. The FCCB holders of the Company also waived all defaults till March 31, 2016 at their meetings held on July 27, 2016 and August 10, 2016.

Hence, as on August 11, 2016, i.e. the date of the appointment of the Managing Director, there was no continuing or existing default. However, since the default was initially committed before being waived off, the Company was technically not in compliance with this condition as mentioned above and prior approval from Central Government was required for payment of remuneration to Mr. Iyer for the financial year ended March 31, 2017. Application to the Central Government was possible only after approval of the Members to appoint Mr. Iyer, which was sought on December 7, 2016 at the AGM of the Company.

Since the approval of the Shareholders was received in December 2016, the Company could not approach the Central Government for a prior approval in respect of the remuneration paid for FY2016-17 due to paucity of time. The Company is in process of making application to Central Government for waiver of excess remuneration paid to Mr. Padmanabhan Iyer for FY 2016-17.

The Ministry of Corporate Affairs, vide its notification dated September 12, 2016, has made certain amendments in Schedule V of the Act. As per the said notification, the condition prescribed under paragraph (ii) to the second proviso in Section II has been modified to provide that "in case of a default, the Company obtains prior approval from Secured Creditors for the proposed remuneration and the fact of such prior approval having been obtained is mentioned in the explanatory statement to the notice convening the general meeting". Accordingly, the Company has received No Objection Certificate from the Monitoring Institution which represents its secured lenders for the payment of remuneration to Mr. Iyer for the financial years 2017-18 and 2018 -19.

Hence, the Company is now in compliance of all conditions as prescribed in Section II of the amended Schedule V of the Act and no prior approval from Central Government would be required for payment of remuneration to Mr. Iyer for the period April 1, 2017 to August 10, 2019 .

There is no increase in the quantum of the annual remuneration that was approved by the Shareholders at the previous Annual General Meeting held on December 7, 2016. However, this annual remuneration will be exclusive of target bonus.

This resolution only seeks approval for payment of remuneration to the Managing Director for the period from April 1, 2017 till August 10, 2019 and does not have the effect of re-appointment of Mr. Iyer as the Managing Director. The date of his appointment as the Managing Director continues to be August 11, 2016 and all other terms and conditions relating to appointment of Mr. Iyer as approved by the Members at the 23<sup>rd</sup> AGM held on December 7, 2016 shall remain unchanged.

The Nomination and Remuneration Committee and the Board of Directors at their Meetings held on April 30, 2017, subject to approval of the Members at the ensuing AGM, have approved the terms of remuneration to be paid to Mr. Iyer as Managing Director and Global CEO. The details of the terms of remuneration are as mentioned in the Resolution appearing

under Item No. 5 above.

*A brief profile of Mr. Padmanabhan Iyer is given below:*

Mr. Padmanabhan Iyer was appointed as the Chief Financial Officer of 3i Infotech Limited effective November 11, 2014. He has spent more than 14 years with 3i Infotech Limited, having headed Product Development and Delivery Centres, Technology Services and the BPO Division. He was also the CEO of the China subsidiary of the Company. He brings with him profound knowledge and experience of more than 30 years in the techno-financial arena.

As the CFO, he plays an active part in key decisions of business, with a focus on running a metrics driven organisation. He provides key inputs on a wide range of strategic and operational decisions. He also ensures global compliance in the areas of corporate governance, financial reporting and compliances. He plays a pivotal role in managing various stakeholders, which include investors, board, auditors and regulators.

His broad range of experience both within 3i Infotech and outside has shaped him to lead from the front in tough situations, be responsive to needs of all around him, a strong understanding of business levers and a high degree of persuasion skills. A continuous learner, he has taken on demanding roles and achieved excellence in them.

With nearly 35 years of overall experience, he has enriched his capabilities to be recognized as a leader. His work experience has been in the areas of Finance, Operations and Delivery both on services and products with a geography exposure across the globe. Some of the organisations that he has been associated with are Reliance Infocomm, Centurion Bank Ltd., Ispat Industries Ltd., ITC Classic Finance Limited, Empire Finance Co. Ltd. to name a few.

He holds a Master's degree in Financial Management from Jamnalal Bajaj Institute of Management Studies, University of Mumbai and has completed the Advanced Master's Program in Management of Global Enterprises, IIM, Bangalore.

Mr. Padmanabhan Iyer is on the Board of the following companies/entities:

<b>Name of the Company</b>	<b>Position held</b>
3i Infotech Consultancy Services Limited	Chairman
Locuz Enterprise Solutions Limited	Chairman
Professional Access Software Development Private Limited	Director
IFRS Cloud Solutions Limited	Chairman
3i Infotech BPO Limited	Chairman
3i Infotech Foundation	Managing Trustee
3i Infotech Holdings Private Limited	Director
3i Infotech (Middle East) FZ LLC	Chairman
3i Infotech (Africa) Limited	Director
3i Infotech (UK) Limited	Chairman
3i Infotech (Western Europe) Holdings Limited	Chairman
3i Infotech (Western Europe) Group Limited	Chairman
Rhyme Systems Limited	Chairman
3i Infotech Asia Pacific Pte. Limited	Director
3i Infotech (South Africa) (Pty) Limited	Director
3i Infotech Inc	Director
3i Infotech (Thailand) Limited	Director
3i Infotech Saudi Arabia LLC	Director
3i Infotech Financial Software Inc	Director
3i Infotech SDN BHD	Director
Elegon Infotech Limited	Director, General Manager & Legal Representative
Locuz Inc	Director

**Statement pursuant to clause (iv) under Section II, Part II of Schedule V to the Companies Act, 2013**

<b>I. General Information:</b>	
Nature of industry	Information Technology (IT Solutions and Transaction Services)
Date or expected date of commencement of commercial production	Not Applicable

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
Financial performance based on given indicators	The details of financial performance of the Company for the years 2015-16 and 2016-17 are provided in the Annual Report 2017 which accompanies this Notice.
Foreign investments or collaborations, if any	There is no direct foreign investment in the Company except to the extent of shares held by Foreign Institutional Investors (FIIs) acquired through secondary market. There is no foreign collaboration in the Company. The Company has 18 wholly owned foreign subsidiaries and a joint venture abroad.
<b>II. Information about the appointee:</b>	
Background details	Details are given in the profile of Mr. Padmanabhan Iyer appearing above.
Past remuneration (₹ in crores)	₹2.70 crores (including the retention incentive for FY 2015-16 & 2016-17).
Recognition or Awards	Under the leadership of Mr. Padmanabhan Iyer, the Company was conferred with the "Award for Excellence in IT Products-Large Enterprise Category" by the Indian Merchant Chambers of Commerce & Industry. The Company was featured in the CIO Review of 20 Most Promising ERP Solution Providers in 2016. Moreover, the Company also got featured in the FinTech Forward Top 100 ranking Companies in 2016.
Job profile and his suitability	Mr. Padmanabhan Iyer has vast experience in techno-finance area. Taking into consideration his association with the Company for the past 13 years, the Board has bestowed the leadership of the Company on Mr. Padmanabhan Iyer.
Remuneration proposed	Details of proposed remuneration are presented in the resolution above.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Commensurate with other organizations of the similar type, size and nature in the IT industry.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Apart from receiving remuneration from the Company in his capacity as the Managing Director & Global CEO and holding 1,920 equity shares of ₹10 each. Mr. Padmanabhan Iyer does not have any other pecuniary relationship with the Company or with any of the managerial personnel.
<b>III. Other information:</b>	
Reasons of loss or inadequate profits	Consequent to the approval of the Dept Realignement Scheme (DRS) package on June 14, 2016 and subsequent reduction of its debt, the Company has posted net profits after tax for FY 2016-17. However, in view of the accumulated losses prior to the approval of the DRS package, the profits of the Company as calculated in terms of Section 198 of the Act may be inadequate for paying remuneration to Mr. Iyer for FY 2017-18 and 2018-19.
Steps taken or proposed to be taken for improvement	The Company has completed financial restructuring under Debt Realignement Scheme (DRS) proposal submitted to Lenders and FCCB (Foreign Currency Convertible Bond) holders to reduce debt burden in FY 2015-16. As a result of this restructuring, the Company could achieve positive net worth for FY 2015-16 and could sustain the same in FY 2016-17.
Expected increase in productivity and profits in measurable terms	Based on the operational efficiencies achieved, the Company is confident of improving its Revenue metrics across personnel, products and services. Further, continued support from its existing customers and the positive response from new customers for its Products and Services has enabled the Company to achieve positive EBIDTA on a quarter on quarter basis.

**IV. Disclosure:**

As required, the information is provided under Corporate Governance Section of Annual Report 2016-17.

Your Directors recommend approval of the terms of remuneration to be paid to Mr. Padmanabhan Iyer, as set out in Item No.5 of the Notice, by way of a Special Resolution.

Except Mr. Padmanabhan Iyer, Managing Director & Global CEO and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the Resolution.

**Additional Information as required to be disclosed under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Directors proposed to be appointed/re-appointed:**

Particulars	Ms. Sarojini Dikhale
Age	57 years
Qualification	M.A., LL.B., PG Diploma in advance marketing
Number of shares held in the Company as on date of this Notice	Nil
Number of Board Meetings attended during the year	7

By Order of the Board

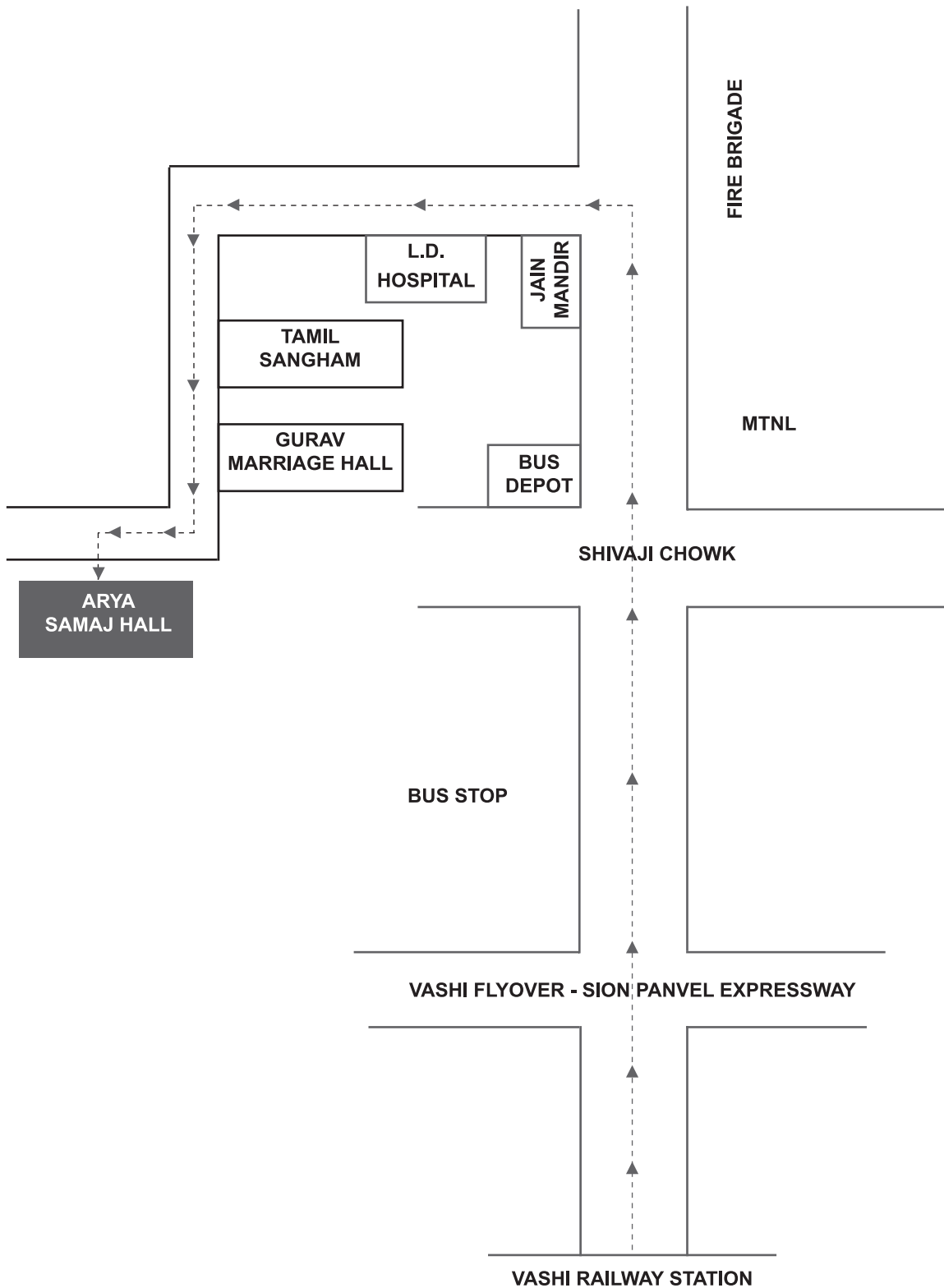
Navi Mumbai  
July 22, 2017

Tower # 5, 3<sup>rd</sup> to 6<sup>th</sup> Floors,  
International Infotech Park, Vashi,  
Navi Mumbai - 400 703

Sd/-  
Rajeev Limaye  
Company Secretary



**ROAD MAP FOR AGM HALL**







# 3i INFOTECH LIMITED

Corporate Identification Number (CIN): L67120MH1993PLC074411

Registered Office: Tower # 5, 3<sup>rd</sup> to 6<sup>th</sup> Floors, International Infotech Park, Vashi, Navi Mumbai - 400 703

E-mail: investors@3i-infotech.com Website: www.3i-infotech.com

Tel: 022-7123 8000 Fax: 022-7123 8098

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules 2014]

Name of the Member(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Folio No. / Client ID : \_\_\_\_\_

DP ID: \_\_\_\_\_

I/We, being the Member(s) holding \_\_\_\_\_ shares of the above named Company, hereby appoint :

1) Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature : \_\_\_\_\_

or failing him/her;

2) Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature : \_\_\_\_\_

or failing him/her;

3) Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, September 6, 2017 at 4:00 p.m. at Arya Samaj Hall, Plot No. 6, Sector 9A, Vashi, Navi Mumbai - 400 703, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For	Against
<b>Ordinary Business</b>			
1	To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and the Auditors thereon.		
2	To appoint a Director in place of Ms.Sarojini Dikhale (DIN-02755309), who retires by rotation and being eligible, offers herself for re-appointment.		
3	To ratify appointment of Statutory Auditors of the Company.		
<b>Special Business</b>			
4	Approval for waiver of remuneration paid to Mr. Padmanabhan Iyer (DIN-05282942) as the Managing Director and Global CEO in excess of the limits prescribed under Companies Act, 2013 for the period from August 11, 2016 to March 31, 2017.		
5	Approval for payment of remuneration to Mr. Padmanabhan Iyer (DIN-05282942) as the Managing Director and Global CEO for the period from April 1, 2017 till August 10, 2019.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxyholder(s)

Affix  
Revenue  
stamp

### Note:

- This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- For text of the Resolutions, Explanatory Statement and Notes, please refer the Notice of the 24<sup>th</sup> Annual General Meeting.
- Please complete all details including details of Member(s) before submission.



## NOTES

---

## NOTES

---



E-Mail: [marketing@3i-infotech.com](mailto:marketing@3i-infotech.com)

Website: [www.3i-infotech.com](http://www.3i-infotech.com)

---

Asia Pacific • India • Middle East, Africa • Kingdom of Saudi Arabia  
Western Europe • North America



**3i INFOTECH LIMITED**

**Corporate Identification Number (CIN):** L67120MH1993PLC074411

**Registered Office:** Tower # 5, 3<sup>rd</sup> to 6<sup>th</sup> Floors, International Infotech Park, Vashi, Navi Mumbai - 400 703

**E-mail:** investors@3i-infotech.com **Website:** www.3i-infotech.com

**Tel:** 022-7123 8000 **Fax:** 022-7123 8098

**24<sup>th</sup> Annual General Meeting**

**WEDNESDAY, SEPTEMBER 6, 2017 AT 4:00 P.M.**

**ATTENDANCE SLIP**

Folio / DP & Client ID No.	:
No. of Shares held	:
Name(s) and Registered Address of Member(s), including joint-holders, if any (in BLOCK letters)	:

I/We hereby record my/our presence at the 24<sup>th</sup> Annual General Meeting of the Company held on Wednesday, September 6, 2017 at 4:00 p.m. at Arya Samaj Hall, Plot No. 6, Sector 9A, Vashi, Navi Mumbai - 400 703.

\_\_\_\_\_  
Member's/Proxy's name in BLOCK Letters

\_\_\_\_\_  
Member's/Proxy's Signature

**Note:**

1. Please fill the name, sign this Attendance Slip and hand it over at the entrance of the Meeting Hall.
2. Members holding shares in physical form are requested to notify the change in their address, if any, to the Company at its Registered Office, quoting their Folio Number(s). Members holding shares in electronic form may update such details with their respective Depository Participant(s).
3. Members are requested to bring this slip along with them as duplicate slips will not be issued at the venue of the Meeting.

**ELECTRONIC VOTING PARTICULARS**

EVEN (remote Electronic Voting Event Number)	User ID	Password

Note: Please refer the instructions for remote E-Voting facility in the Notice of the Annual General Meeting.