

3I INFOTECH ASIA PACIFIC PTE LTD.
BALANCE SHEET AS AT MARCH 31, 2017

(Amount in INR)

Particulars	Notes	March 31, 2017	March 31, 2016	April 1, 2015
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	4	8,62,067	17,76,428	21,90,598
(b) Financial Assets				
(i) Investments	5	2,62,23,347	2,62,23,347	2,62,23,347
(ii) Loans	5	24,17,94,483	23,13,89,186	20,52,24,603
(iii) Other Financial Assets	5	25,91,704	28,42,759	1,07,82,665
(c) Other Non-Current Assets	9	-	-	23,53,210
		27,14,71,601	26,22,31,720	24,67,74,423
Current assets				
(a) Financial Assets				
(i) Trade Receivables	6	42,02,56,123	38,12,94,069	24,23,87,051
(ii) Cash and Cash Equivalents	7	64,91,880	88,64,841	34,88,324
(iii) Bank Balances Other than (iii) above	8	-	41,56,827	-
(iv) Loans	5	-	-	-
(v) Other Financial Assets	5	2,01,09,019	16,30,043	6,19,11,194
(b) Other Current Assets	9	26,09,920	11,30,532	3,57,034
		44,94,66,942	39,70,76,312	30,81,43,603
		44,94,66,942	39,70,76,312	30,81,43,603
TOTAL		72,09,38,543	65,93,08,032	55,49,18,026
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	10	18,43,73,003	18,43,73,003	18,43,73,003
(b) Other Equity	11	(4,98,71,351)	(4,52,02,044)	(2,00,16,090)
		13,45,01,652	13,91,70,959	16,43,56,913
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	12	6,39,19,607	6,30,90,856	9,36,57,910
		6,39,19,607	6,30,90,856	9,36,57,910
Current Liabilities				
(a) Financial Liabilities				
(ii) Trade Payables	14			
Others		46,36,28,063	40,24,56,279	25,08,51,227
(iii) Other Financial Liabilities	13	41,57,791	1,30,36,229	35,73,676
(b) Other Current Liabilities	15	5,47,31,430	4,15,53,709	4,24,78,300
		52,25,17,284	45,70,46,217	29,69,03,203
		52,25,17,284	45,70,46,217	29,69,03,203
TOTAL		72,09,38,543	65,93,08,032	55,49,18,026

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

1 to 28

As per our report of even date attached

For and on behalf of the board

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

Sd/-
S. Maheshwari
Partner
M.No.: 38755

Sd/-
Padmanabhan Iyer
Director
DIN: 05282942

Sd/-
Mrinal Ghosh
Director
DIN:07232477

Place : Navi Mumbai
Date : April 28,2017

3I INFOTECH ASIA PACIFIC PTE LTD.**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

(Amount in INR)

Particulars	Notes	2016-17	2015-16
CONTINUING OPERATIONS			
REVENUE			
Revenue from operations (net)	16	39,10,21,490	34,27,65,364
Other income	17	1,25,23,487	5,65,75,149
Total Revenue (I)		40,35,44,977	39,93,40,513
EXPENSES			
Employee benefits expense	19	17,86,84,620	17,62,85,250
Cost of party products and services	18	19,45,11,661	14,86,91,086
Finance costs	20	53,23,694	67,55,288
Depreciation and amortization expense	21	4,40,853	5,95,548
Other expenses	22	2,92,53,750	9,11,64,271
Total Expenses (II)		40,82,14,578	42,34,91,443
Profit/(loss) before exceptional items and tax from continuing operations (I-II)		(46,69,601)	(2,41,50,930)
Exceptional Items	23	-	-
Profit/(loss) before tax from continuing operations		(46,69,601)	(2,41,50,930)
Tax expense:			
Current tax		-	-
Adjustment of tax relating to earlier periods		-	25,25,424
Deferred tax		-	-
Profit/(loss) for the period from continuing operations		(46,69,601)	(2,66,76,354)
Profit/(loss) for the period		(46,69,601)	(2,66,76,354)
Earnings per share for profit from continuing operations attributable to equity shareholders			
Basic EPS	23	(0.87)	(4.99)
Dilluted EPS		(0.87)	(4.99)

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

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

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Partner
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Mrinal Ghosh
Director
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Place : Navi Mumbai
Date : April 28,2017

3I INFOTECH ASIA PACIFIC PTE LTD.**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017**

(Amount in INR)

Particulars	2016-17	2015-16
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax from:		
Continuing operations	(46,69,601)	(2,41,50,930)
Discontinued operations		
Profit before income tax including discontinued operations	(46,69,601)	(2,41,50,930)
Adjustments for:		
Depreciation and amortisation expense	4,40,853	5,95,548
Loss on disposal of property, plant and equipment	12,56,614	
Guarantee Commission	14,87,222	14,90,400
Provision for Bad Debts	(7,15,904)	4,94,13,367
Dividend and interest income classified as investing cash flows	(1,54,92,089)	(1,40,00,019)
Finance costs	53,23,694	44,29,170
Net foreign exchange differences	(14,86,928)	41,73,214
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	(3,82,46,150)	(13,89,07,018)
Increase/(decrease) in trade payables	6,11,71,784	15,16,05,052
(Increase) in other financial assets	(1,82,27,921)	1,46,34,477
(Increase)/decrease in other non-current assets	-	(1,72,213)
(Increase)/decrease in other current assets	(14,79,388)	(7,73,497)
Increase in other current liabilities	1,31,77,721	85,37,961
Increase in other current financial liabilities	(88,78,438)	
Cash generated from operations	(63,38,531)	5,68,75,510
Less: Income taxes paid		
Net cash inflow from operating activities	(63,38,531)	5,68,75,510
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for acquisition of subsidiary, net of cash acquired		
Payments for property, plant and equipment	(40,933)	(1,81,378)
Loans to employees and related parties	(1,04,05,297)	(2,61,64,583)
Proceeds from sale of property, plant and equipment		
Deductions\Adjustments during the period	(7,42,174)	-
Interest received	1,54,92,089	1,40,00,019
Net cash outflow from investing activities	43,03,686	(1,23,45,943)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	8,28,751	(3,05,67,054)
Repayment of borrowings		
Interest paid	(53,23,694)	(44,29,170)
Net cash inflow (outflow) from financing activities	(44,94,942)	(3,49,96,223)
Net increase (decrease) in cash and cash equivalents	(65,29,788)	95,33,345
Cash and Cash Equivalents at the beginning of the financial year	1,30,21,668	34,88,324
Effects of exchange rate changes on Cash and Cash Equivalents		
Cash and Cash Equivalents at end of the year	64,91,880	1,30,21,668
Balances per statement of cash flows	64,91,880	1,30,21,668

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 on Accounts form an integral part of the financial statements.

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As per our report of even date attached

For and on behalf of the board

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

Sd/-
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Mrinal Ghosh
Director
DIN:07232477

Place : Navi Mumbai
Date : April 28,2017

3I INFOTECH ASIA PACIFIC PTE LTD.
STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2017

A Equity Share Capital

Particulars	Balance at the Beginning of the period	Changes in Equity share capital during the year	Balance at the end of the period
March 31, 2016			
Numbers	53,46,202	-	53,46,202
Amount	18,43,73,003	-	18,43,73,003
March 31, 2017			
Numbers	53,46,202	-	53,46,202
Amount	18,43,73,003	-	18,43,73,003

B Other Equity

Particulars	Share Application money pending allotment	Equity Component of Compound financial instruments	Reserves and Surplus			Total
			Capital Reserve	Securities Premium Reserve	Retained Earnings	
As at April 1, 2015	-	-	-	2,06,52,444	(4,06,68,534)	(2,00,16,091)
Profit for the period					(2,66,76,354)	(2,66,76,354)
Other comprehensive income					-	-
Total comprehensive income for the year	-	-	-	2,06,52,444	(6,73,44,888)	(4,66,92,445)
Other Reserves (Guarantee Commission) (IND AS)					14,90,400	14,90,400
As at March 31, 2016	-	-	-	2,06,52,444	(6,58,54,488)	(4,52,02,045)
Profit for the period					(46,69,601)	(46,69,601)
Other comprehensive income					-	-
Total comprehensive income for the year	-	-	-	2,06,52,444	(7,05,24,090)	(4,98,71,646)
As at March 31, 2017	-	-	-	2,06,52,444	(7,05,24,090)	(4,98,71,646)

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

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As per our report of even date attached

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

Sd/-
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Partner
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DIN: 05282942

Sd/-
Mrinal Ghosh
Director
DIN:07232477

Place : Navi Mumbai
Date : April 28,2017

3i Infotech Asia Pacific Pte Ltd.

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

1 Corporate Information

3i Infotech Asia Pacific Pte Ltd (referred to as "3i" or "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, predominantly Banking, Insurance, Capital Markets, Asset & Wealth Management (BFSI). The Company also provides solutions for other verticals such as Government, Manufacturing, Retail, Distribution, Telecom and Healthcare.

The address of its registered office is at 8 Cross Street # 11-00 PWC Building, Singapore -048424.

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 30 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)

3i Infotech Asia Pacific Pte Ltd.

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

(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 is neither recognised nor disclosed in the financial statements.

d) Revenue Recognition

The Company earns primarily from providing services of 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.

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.

3i Infotech Asia Pacific Pte Ltd.

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

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 ,communication, repairs and maintenance etc.

h) Foreign currency

The functional currency of the Company is Indian rupee (INR).

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 profit or 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 profit or loss is recognised outside profit or 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.

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

3i Infotech Asia Pacific Pte Ltd.

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

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:

- 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 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 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 P&L.

3i Infotech Asia Pacific Pte Ltd.

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

- 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 P&L, 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 P&L. 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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 43 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or 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 or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or 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 profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or 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 P&L. 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 or loss. The Company has not designated any financial liability as at fair value through profit and loss.

3i Infotech Asia Pacific Pte Ltd.

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

- 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 profit or 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 or 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 convertible preference shares 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 profit or loss during the reporting period in which they are incurred.

3i Infotech Asia Pacific Pte Ltd.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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

Category of Assets	Useful lives adopted by Company	Useful Lives prescribed under Schedule II of the Act
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
Leasehold Improvement	5 years	5 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) 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.

(iii) Computer software

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.

3i Infotech Asia Pacific Pte Ltd.

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

(iv) 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 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 products	10 years
Software others	5 years or as per license period

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

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.

3i Infotech Asia Pacific Pte Ltd.

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

- 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 INR 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 INR, 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 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.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Option Plan and share-appreciation rights.

(v) Employee options

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. The amounts are unsecured and are usually paid within XX days of recognition. 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.

3i Infotech Asia Pacific Pte Ltd.

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

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) 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.

3I INFOTECH ASIA PACIFIC PTE LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
3. FIRST TIME ADOPTION OF IND AS
A. 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)
(Amount in INR)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment		21,90,598		21,90,598
(i) Investments		2,62,23,347		2,62,23,347
(ii) Trade Receivables		-		-
(iii) Loans		20,52,24,603		20,52,24,603
(iv) Other Financial Assets		1,07,82,665		1,07,82,665
(b) Other Non-Current Assets		23,53,210		23,53,210
		24,67,74,423		24,67,74,423
Current assets				
(a) Financial Assets		-		-
(i) Trade Receivables		24,23,87,051		24,23,87,051
(ii) Cash and Cash Equivalents		34,88,324		34,88,324
(iii) Bank Balances Other than (iii) above		-		-
(iv) Other Financial Assets		6,19,11,194		6,19,11,194
(c) Current Tax Assets (Net)		-		-
(d) Other Current Assets		3,57,034		3,57,034
		30,81,43,602		30,81,43,602
		30,81,43,602		30,81,43,602
TOTAL		55,49,18,026		55,49,18,026
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		18,43,73,003		18,43,73,003
(b) Other Equity		(2,00,16,090)		(2,00,16,090)
		16,43,56,914		16,43,56,914
Liabilities				
Non Current Liabilities				
(a) (i) Borrowings		9,36,57,910		9,36,57,910
(ii) Trade Payables		-		-
Others		-		-
		9,36,57,910		9,36,57,910
Current Liabilities				
(a) Financial Liabilities		-		-
(i) Borrowings		-		-
(ii) Trade Payables		-		-
Micro, Small and Medium Enterprises		-		-
Others		25,08,51,227		25,08,51,227
(iii) Other Financial Liabilities		35,73,676		35,73,676
(b) Other Current Liabilities		4,24,78,300		4,24,78,300
(c) Provisions		-		-
(d) Current Tax Liabilities (Net)		-		-
		29,69,03,203		29,69,03,203
(e) Liabilities directly associated with assets classified as held for sale		-		-
		29,69,03,203		29,69,03,203
TOTAL		55,49,18,027		55,49,18,027

3I INFOTECH ASIA PACIFIC PTE LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
ii. Reconciliation of equity as at March 31, 2016
(Amount in INR)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment		17,76,428	-	17,76,428
(b) Capital Work-in-Progress		-	-	-
(c) Investment Property		-	-	-
(d) Goodwill		-	-	-
(e) Other Intangible Assets		(0)	-	(0)
(f) Intangible Assets Under Development		-	-	-
(g) Financial Assets		-	-	-
(i) Investments		2,62,23,347	-	2,62,23,347
(ii) Trade Receivables		-	-	-
(iii) Loans		23,13,89,186	-	23,13,89,186
(iv) Other Financial Assets		28,42,759	-	28,42,759
(h) Deferred Tax Asset (Net)		-	-	-
(i) Other Non-Current Assets		-	-	-
		26,22,31,720	-	26,22,31,720
Current assets				
(a) Inventories		-	-	-
(b) Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Trade Receivables		38,12,94,069	-	38,12,94,069
(iii) Cash and Cash Equivalents		88,64,841	-	88,64,841
(iv) Bank Balances Other than (iii) above		41,56,827	-	41,56,827
(v) Loans		-	-	-
(vi) Other Financial Assets		16,30,043	-	16,30,043
(c) Current Tax Assets (Net)		-	-	-
(d) Other Current Assets		11,30,532	-	11,30,532
		39,70,76,312	-	39,70,76,312
(e) Assets classified as held for sale		-	-	-
		65,93,08,033	-	65,93,08,033
TOTAL				
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		18,43,73,003	-	18,43,73,003
(b) Other Equity		(4,52,02,044)	(3,82,67,192)	(8,34,69,236)
		13,91,70,959	(3,82,67,192)	10,09,03,767
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities		-	-	-
(i) Borrowings		6,30,90,856	3,82,67,192	10,13,58,049
(ii) Trade Payables		-	-	-
Micro, Small and Medium Enterprises		-	-	-
Others		-	-	-
(iii) Other Financial Liabilities		-	-	-
(b) Provisions		-	-	-
(c) Deferred Tax liabilities (Net)		-	-	-
(d) Other Non-Current Liabilities		-	-	-
		6,30,90,856	3,82,67,192	10,13,58,049
Current Liabilities				
(a) Financial Liabilities		-	-	-
(i) Borrowings		-	-	-
(ii) Trade Payables		-	-	-
Micro, Small and Medium Enterprises		-	-	-
Others		40,24,56,279	-	40,24,56,279
(iii) Other Financial Liabilities		1,30,36,229	-	1,30,36,229
(b) Other Current Liabilities		4,15,53,709	-	4,15,53,709
(c) Provisions		-	-	-
(d) Current Tax Liabilities (Net)		-	-	-
		45,70,46,217	-	45,70,46,217
(e) Liabilities directly associated with assets classified as held for sale		-	-	-
		45,70,46,217	-	45,70,46,217
TOTAL				
		65,93,08,032	-	65,93,08,032

3I INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

iii. Reconciliation of total comprehensive income for the year ended March 31, 2016

(Amount in INR)

Particulars	Notes	IGAAP	Adjustments	IND AS Balance
CONTINUING OPERATIONS				
REVENUE				
Revenue from operations (net)		34,27,65,364	-	34,27,65,364
Other income		1,83,07,956	3,82,67,192	5,65,75,149
Total Revenue (I)		36,10,73,320	3,82,67,192	39,93,40,513
EXPENSES				
Cost of party products and services		14,86,91,086	-	14,86,91,086
Purchases of stock-in-trade			-	-
Changes in inventories of finished goods, work-in-process and Stock-in-Trade			-	-
Excise duty on sale of goods			-	-
Employee benefits expense		17,62,85,250	-	17,62,85,250
Finance costs		52,64,888	14,90,400	67,55,288
Depreciation and amortization expense		5,95,548	-	33,17,31,624
Impairment of non-current assets		-	-	-
Other expenses		9,11,64,271	-	(27,51,56,476)
Total Expenses (II)		42,20,01,043	14,90,400	42,34,91,443
Profit/(loss) before exceptional items and tax from continuing operations (I-II)		(6,09,27,723)	3,67,76,792	(2,41,50,931)
Exceptional Items				
Profit/(loss) before tax from continuing operations			-	-
		(6,09,27,723)	3,67,76,792	(2,41,50,931)
Tax expense:			-	-
Current tax				
Adjustment of tax relating to earlier periods		25,25,424	-	25,25,424
Deferred tax				
Profit/(loss) for the period		(6,34,53,147)	3,67,76,792	(2,66,76,354)

iv. Reconciliation of statement of cash flows:

There are no material adjustments to the Statement of Cash flows as reported under the previous GAAP.

B. Notes to first-time adoption:**Note 1: Borrowings**

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.

Note 2: Financial Guarantees

Under Indian GAAP, no impact is required in case of the bank guarantees given by parent company to the banks in relation to loans availed by the company. Under Ind AS, the guarantee received by company measured at fair value at the time of initial recognition. Hence the company booked guarantee commission expenses as contribution received from shareholders.

3I INFOTECH ASIA PACIFIC PTE LTD.

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

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 1 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 Companies (Accounting Standards) Rules, 2006 (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 company'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.

1. Ind AS optional exemptions

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 company 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 financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. The company 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 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. This exemption can also be used for investment property covered by Ind AS 40 Investment Properties since there is no change in the functional currency. Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

iii. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

iv. 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:

- 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.

v. Investments in subsidiaries, joint ventures and associates

In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate 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, associate and joint venture. The company elects to carry all its investments in subsidiaries, associates and joint ventures at previous GAAP carrying amount as deemed cost.

vi. 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.

3I INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****4. PROPERTY, PLANT AND EQUIPMENT**

(Amount in INR)

Particulars	Office Equipments	Computer Hardwares	Leasehold Improvements	Total
GROSS CARRYING VALUE				
As at April 1, 2015	-	92,469	20,98,129	21,90,598
Additions	77,768	1,03,610	-	1,81,378
Disposals	-	-	-	-
Discontinued operations (Note 19)	-	-	-	-
Acquisition through business combinations	-	-	-	-
Other Adjustments	-	-	-	-
As at March 31, 2016	77,768	1,96,079	20,98,129	23,71,976
Additions	-	40,933	-	40,933
Disposals	-	-	20,01,724	20,01,724
Discontinued operations (Note 19)	-	-	-	-
Acquisition through business combinations	-	-	-	-
Other Adjustments	6,70,017	-	-	6,70,017
As at March 31, 2017	7,47,785	2,37,012	96,405	10,81,202
ACCUMULATED DEPRECIATION/IMPAIRMENT				
As at April 1, 2015				
Depreciation for the year	13,380	1,18,636	4,63,532	5,95,548
Impairment Loss for the year				-
Discontinued operations (Note 19)				-
Acquisition through business combinations				-
Deductions\Adjustments during the period				-
As at March 31, 2016	13,380	1,18,636	4,63,532	5,95,548
Depreciation for the year	16,111	65,944	3,58,798	4,40,853
Impairment Loss for the year				-
Discontinued operations (Note 19)				-
Acquisition through business combinations				-
Deductions\Adjustments during the period		91,341	7,25,925	8,17,266
As at March 31, 2017	29,491	93,239	96,405	2,19,135
Net Carrying value as at March 31, 2017	7,18,294	1,43,772	(0)	8,62,067
Net Carrying value as at March 31, 2016	64,389	77,443	16,34,597	17,76,428
Net Carrying value as at April 1, 2015	-	92,469	20,98,129	21,90,598

3I INFOTECH ASIA PACIFIC PTE LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

5. FINANCIAL ASSETS			
(Amount in INR)			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
(1) Investments carried at Cost			
Unquoted			
(A). Investments in Equity Instruments			
(i) (5,000,000 Ordinary Shares of RM.1 each fully paid up of 3i Infotech Sdn Bhd)	31,77,340	31,77,340	31,77,340
(ii) (100,000 common shares of THB 100 each of 3i Infotech (Thailand) Limited)	1,66,78,182	1,66,78,182	1,66,78,182
(iii) (555,000 ordinary shares of RM 1.00 each of 3i Infotech Services Sdn Bhd) (formerly known as Datacons Asia Pacific Sdn. Bhd.)	63,67,825	63,67,825	63,67,825
	2,62,23,347	2,62,23,347	2,62,23,347
Total	2,62,23,347	2,62,23,347	2,62,23,347
Aggregate amount of quoted investments	-	-	-
Market value of quoted investments	-	-	-
Aggregate amount of unquoted investments	2,62,23,347	2,62,23,347	2,62,23,347
Aggregate amount of impairment in the value of investments	-	-	-
Investments carried at amortised cost	-	-	-
Investments carried at fair value through other comprehensive income	-	-	-
Investments carried at fair value through profit and loss	-	-	-
Investments carried at cost	2,62,23,347	2,62,23,347	2,62,23,347
(B) LOANS			
Non Current			
Unsecured, considered good unless otherwise stated			
Loans to Related Parties	24,17,94,483	23,13,89,186	20,52,24,603
Loans to Directors	-	-	-
Loans to Employees	-	-	-
Other loans and advances	-	-	-
Total	24,17,94,483	23,13,89,186	20,52,24,603
(C) OTHER FINANCIAL ASSETS			
Non Current			
Financial assets carried at amortised cost			
Security Deposits	25,91,704	28,42,759	1,07,82,665
Less: Loss Allowances	-	-	-
Total	25,91,704	28,42,759	1,07,82,665
Current			
Financial assets carried at amortised cost			
Security Deposits	3,60,139	-	-
Lease Deposits	-	-	-
Unbilled Revenue	9,89,86,900	8,44,64,975	8,56,70,405
Interest Accrued but not due	-	-	-
Less: Loss Allowances	(7,92,38,019)	(8,28,34,932)	(2,37,59,211)
Total	2,01,09,019	16,30,043	6,19,11,194

3I INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****6. TRADE RECEIVABLES****(Amount in INR)**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Trade Receivables from customers	5,20,47,284	9,17,77,836	4,67,91,644
Receivables from directors and other officers	-	-	-
Receivables from other related parties	36,82,08,838	28,95,16,233	19,55,95,406
	42,02,56,123	38,12,94,069	24,23,87,051
Breakup of Security details			
Secured, considered good			
Unsecured, considered good	42,02,56,123	38,12,94,069	24,23,87,050
Doubtful	92,99,512	1,70,98,020	37,53,756
	42,95,55,635	39,83,92,089	24,61,40,806
Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good			
Doubtful	92,99,512	1,70,98,020	37,53,756
	92,99,512	1,70,98,020	37,53,756
	42,02,56,123	38,12,94,069	24,23,87,051

Trade or Other Receivable due from directors or other officers of the company either severally or jointly with any other person amounted to INR 0 (Previous year INR 0)

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 INR 0 (Previous year INR 0)

3I INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****7. CASH AND CASH EQUIVALENTS**

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks:			
- On current accounts	64,91,880	87,98,868	34,49,961
Cash on hand	-	65,973	38,363
	64,91,880	88,64,841	34,88,324

8. OTHER BANK BALANCES

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks to the extent held as margin money	-	41,56,827	-
	-	41,56,827	-

9. OTHER ASSETS

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Non Current			
Others			
- Payment of Taxes (Net of Provisions)	-	-	23,53,210
Total	-	-	23,53,210
Current			
Advances other than Capital advances			
- Other Advances	5,11,880	8,26,123	12
Others			
- Prepaid expenses	20,98,040	3,04,409	3,57,022
Total	26,09,920	11,30,532	3,57,034

10. SHARE CAPITAL
i. Authorised Share Capital

(Amount in INR)

	Equity Share (SGD 1 Each)	
	Number	Amount
At April 1, 2015	53,46,202	18,43,73,003
Increase/(decrease) during the year	-	-
At March 31, 2016	53,46,202	18,43,73,003
Increase/(decrease) during the year	-	-
At March 31, 2017	53,46,202	18,43,73,003

During the year ended March 31, 2017, the authorised share capital was increased by INR 0 Equity shares of INR 0 each.

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of SGD 1 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.

ii. Issued Capital
Equity Shares

	Number	Amount
Equity shares of SGD 1 each issued, subscribed and fully paid		
At April 1, 2015	53,46,202	18,43,73,003
Issued during the period		
Shares issued towards conversion of FCCB	-	-
Shares issued under CDR	-	-
At March 31, 2016	53,46,202	18,43,73,003
Issued during the period		
Shares issued towards conversion of FCCB	-	-
Shares issued under CDR	-	-
At March 31, 2017	53,46,202	18,43,73,003

iii. Shares held by holding/ ultimate holding company and / or their subsidiaries / associates

The company does not have a holding company or ultimate holding company

iv. 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
Equity shares of SGD 1 each fully paid				
3i INFOTECH LIMITED	5346202	100	5346202	100

v. 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:

The Company has not issued any class of shares as fully paid up shares pursuant to contract(s) without payment being received in cash and bonus shares during the period of 5 years immediately preceding the Balance Sheet date.

The Company has not bought back any class of shares during the period of 5 years immediately preceding the Balance Sheet date.

3I INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****11. OTHER EQUITY****i. Reserves and Surplus****(Amount in INR)**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Securities Premium Reserve	2,06,52,444	2,06,52,444	2,06,52,444
Retained Earnings	(7,05,23,795)	(6,58,54,488)	(4,06,68,534)
Foreign Currency Monetary Item Translation Difference Account	-	-	-
	(4,98,71,351)	(4,52,02,044)	(2,00,16,090)

(a) Securities Premium Reserve

	March 31, 2017	March 31, 2016
Opening balance	2,06,52,444	2,06,52,444
Closing balance	2,06,52,444	2,06,52,444

(d) Retained Earnings**(Amount in INR)**

	March 31, 2017	March 31, 2016
Opening balance	(6,58,54,488)	(4,06,68,534)
Net Profit/(Loss) for the period	(46,69,601)	(2,66,76,354)
Add/(Less):		
Other Reserves (Guarantee Commission)	14,87,222.00	14,90,400.00
Foreign Exchange Fluctuation Gain	(14,86,928)	
Closing balance	(7,05,23,795)	(6,58,54,488)

3I INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****12. BORROWINGS****(Amount in INR)**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Non Current Borrowings			
Secured			
(a) Term Loans			
From Banks	-	-	-
From Others	6,39,19,607	6,30,90,856	9,36,57,910
	6,39,19,607	6,30,90,856	9,36,57,910
Current Maturity of Non Current Borrowings			
Secured			
(a) Term Loans			
From Banks	-	-	-
From Others	-	-	-
	-	-	-
Total (A)-(B)	6,39,19,607	6,30,90,856	9,36,57,910

3I INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	Maturity Date	Terms of Repayment	Coupon / Interest Rate	March 31, 2017	March 31, 2016	April 1, 2015
(Amount in INR)						
Non Current Borrowings						
Secured						
(a) Term Loans						
From Banks						
From Others						
Rupee Loan						
				6,39,19,607	6,30,90,856	9,36,57,910
Gross Non Current Borrowings				6,39,19,607	6,30,90,856	9,36,57,910
Less: Current maturity				-	-	-
Net Non Current Borrowings (as per Balance sheet)				6,39,19,607	6,30,90,856	9,36,57,910

3I INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****13. OTHER FINANCIAL LIABILITIES****(Amount in INR)**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Financial Liabilities at amortised cost			
Interest accrued and due on borrowings	2,02,214	-	-
Dues to employees	39,55,577	1,30,36,229	35,73,676
	41,57,791	1,30,36,229	35,73,676
Total	41,57,791	1,30,36,229	35,73,676

3I INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****14. TRADE PAYABLES**

(Amount in INR)			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Trade Payables to Related Parties	45,55,89,540	39,10,62,373	24,32,97,824
Trade Payables to Others	80,38,523	1,13,93,907	75,53,403
Total	46,36,28,063	40,24,56,279	25,08,51,227

For terms and conditions with related parties, refer note 25

15. OTHER LIABILITIES

(Amount in INR)			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Unearned Revenue	4,96,40,616	3,53,15,252	3,91,97,912
Advance received from Customers	25,975	13,111	-
Others			
Statutory Liabilities	50,34,277	61,92,995	32,80,388
Others	30,562	32,351	-
Total	5,47,31,430	4,15,53,709	4,24,78,300

3I INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****16. REVENUE FROM OPERATIONS**

(Amount in INR)

Particulars	2016-17	2015-16
Sale of products		
IT Solutions	1,37,48,978	78,74,768
Sale of services		
IT Solutions	37,72,72,512	33,48,90,596
	39,10,21,490	34,27,65,364

17. OTHER INCOME

(Amount in INR)

Particulars	2016-17	2015-16
Interest income on Loans to others	1,54,92,089	1,40,00,019
Other Non Operating Income (Net of expenses directly attributable to such income)		-
Fair value gain on financial instruments at amortised cost	-	3,67,80,265
Net gain on disposal of property, plant and equipment	(12,56,614)	-
Foreign Exchange Fluctuation Gain	(28,63,634)	41,73,214
Others		
Miscellaneous Income	11,51,646	16,21,652
	1,25,23,487	5,65,75,149

18. COST OF THIRD PARTY PRODUCTS AND SERVICES

(Amount in INR)

Particulars	2016-17	2015-16
Cost of third party products / outsourced services		
For service delivery to clients	19,45,11,661	14,86,91,086
	19,45,11,661	14,86,91,086

19. EMPLOYEE BENEFITS EXPENSE

(Amount in INR)

Particulars	2016-17	2015-16
Salaries, wages and bonus	17,85,25,627	17,48,73,005
Staff welfare expenses	1,59,018	3,51,434
Recruitment and training expenses	(24)	10,60,811
	17,86,84,620	17,62,85,250

20. FINANCE COST

(Amount in INR)

Particulars	2016-17	2015-16
Interest expense on debts and borrowings	30,70,481	44,29,170
Total Interest Expense	30,70,481	44,29,170
Other borrowing costs		
Guarantee Commission Expense	14,87,225	14,90,400
Others	7,65,988	8,35,718
	53,23,694	67,55,288

3I INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****21. DEPRECIATION AND AMORTISATION EXPENSE****(Amount in INR)**

Particulars	2016-17	2015-16
Depreciation on tangible assets	4,40,853	5,95,548
Amortisation on intangible assets	-	-
	4,40,853	5,95,548

22. OTHER EXPENSES**(Amount in INR)**

Particulars	2016-17	2015-16
Electricity power, fuel and water	1,33,324	1,92,165
Commission	74,991	83,623
Bad Debts written off	-	13,81,038
Insurance	19,89,445	17,92,896
Legal and professional fees	31,80,337	70,26,660
Rates and taxes	1,75,043	6,58,686
Rent	1,27,17,238	1,54,03,061
Sales promotion expenses	2,70,949	4,26,132
Telephone and internet expenses	11,35,958	20,80,037
Travelling & conveyance expenses	66,53,551	1,06,30,960
Allowance for doubtful debts and advances	(7,15,904)	4,94,13,367
Printing and stationery	91,867	1,42,407
Office Expenses	58,055	42,096
Hire Charges	3,26,575	2,12,003
Miscellaneous expenses	8,14,958	10,38,442
	2,92,53,750	9,11,64,271

3I INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****23. EARNINGS PER SHARE****(Amount in INR)**

Particulars	March 31, 2017	March 31, 2016
(a) Basic earnings per share	(1)	(5)
(b) Dilluted earnings per share	(1)	(4.99)
(c) Reconciliations of earnings used in calculating earnings per share		
<i>Basic earnings per share</i>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(46,69,601)	(2,66,76,354)
<i>Dilluted earnings per share</i>		
Profit from continuing operations attributable to the equity holders of the company	(46,69,601)	(2,66,76,354)
(d) Weighted average number of shares used as the denominator	53,46,202.00	53,46,202.00

3I INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****24. COMMITMENTS AND CONTINGENCIES****(Amount in INR)****A. Commitments****i. Leases****Operating lease commitments - Company as lessee**

The company leases various offices, warehouses and retail stores under non-cancellable operating leases expiring within one to two years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The company has paid INR 1,27,17,237.93 (March 31, 2016: INR 1,54,03,061). during the year towards minimum lease payment.

	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	37,46,453	84,99,917	1,10,44,988
Later than one year but not later than five years	15,40,640	-	62,05,859
later than five years			
	52,87,093	84,99,917	1,72,50,847

Contingent rents recognised as expense in the period

3i INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Amount in INR)

25. RELATED PARTY TRANSACTIONS**(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures**

3i Infotech Asia Pacific Pte Ltd.

Name of Related Party	Nature of Relationship	Country of Incorporation
3i Infotech Inc.	Fellow Subsidiary	USA
3i Infotech SDN BHD	Subsidiary	Malaysia
3i Infotech (Middle East) FZ LLC	Fellow Subsidiary	UAE
Black Barret Holdings Limited	Fellow Subsidiary	Cyprus
3i Infotech Financial Software Inc.	Fellow Subsidiary	USA
3i Infotech Saudi Arabia LLC	Fellow Subsidiary	Saudi Arabia
3i Infotech (UK) Limited	Fellow Subsidiary	UK
3i Infotech (Western Europe) Holdings Limited (up to February 8,2016)	Fellow Subsidiary	UK
3i Infotech (Western Europe) Group Limited	Fellow Subsidiary	UK
3i Infotech Service SDN BHD	Subsidiary	Malaysia
Rhyme Systems Limited	Fellow Subsidiary	UK
3i infotech (Thailand) Limited	Subsidiary	Thailand
3i Infotech Framework Limited (up to February 8,2016)	Fellow Subsidiary	UK
Professional Access Software Development Private Limited	Fellow Subsidiary	India
Locuz Enterprise Solutions Limited	Fellow Subsidiary	India
Locus Inc	Fellow Subsidiary	USA
3i Infotech Consultancy Services Limited	Fellow Subsidiary	India
3i Infotech Trusteeship Services Limited. (up to October 15, 2015)	Fellow Subsidiary	India
Elegon Infotech Limited.	Fellow Subsidiary	China
3i Infotech Holdings Private Limited	Fellow Subsidiary	Mauritius
3i Infotech BPO Limited	Fellow Subsidiary	India
IFRS Cloud Solution Limited (formerly known as 3i Infotech Outsourcing Services Limited)	Fellow Subsidiary	India
3i Infotech (Africa) Limited	Fellow Subsidiary	Kenya
3i Infotech (South Africa) (PTY) Limited	Fellow Subsidiary	Republic of South Africa
3i Infotech Limited	Holding company	India

(ii) Transactions with related parties

The following transactions occurred with related parties

Name	Nature of Relationship	Nature of Transaction	March 31, 2017	March 31, 2016
3i Infotech Limited	Holding company	IT solutions related expenses	9,06,99,054	6,03,83,255
		Corporate charge-out	7,37,92,247	6,35,59,597
		Reimbursement of operating expenses	2,08,97,321	1,15,02,421
3i Infotech Inc.	Fellow Subsidiary	Interest income	(1,54,92,089)	(1,40,00,019)

(iii) Outstanding balances arising from sales/purchases of goods and services

Name	Nature of Relationship	March 31, 2017	March 31, 2016	April 1, 2015
Trade Receivables				
3i Infotech Limited	Holding company	440303078.2	36,57,59,911	25,79,45,195
3i Infotech SDN BHD	Subsidiary	(11,15,06,954)	(11,78,85,255)	(10,36,85,213)
3i Infotech Thailand Ltd	Subsidiary	37610006.77	3,98,11,160	3,78,97,603
3i Infotech (Middle East) FZ LLC	Fellow Subsidiary	18,02,707	18,30,417	18,75,175
Elegon Infotech Limited	Fellow Subsidiary	-	-	15,62,646
Trade Payables				
3i Infotech Limited	Holding company	44,16,89,169	37,63,48,471	22,96,39,910
3i Infotech SDN BHD	Subsidiary	94,46,069	99,98,907	92,81,305
3i Infotech Thailand Ltd	Subsidiary	44,54,303	47,14,995	43,76,609

3i INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****(iv) Loans to/from related parties**

Name	Nature of Relationship	Particulars	March 31, 2017	March 31, 2016
Loans to related parties				
3i Infotech Inc.	Subsidiary	Beginning of the year	23,13,89,186	20,52,24,603
		Loans advanced		
		Loan repayments received		
		Interest charged	1,54,92,089	1,40,00,019
		Interest received		
		End of the year	24,17,94,483	23,13,89,186

Name	Guarrenty Commission		
	March 31, 2017	March 31, 2016	April 1, 2015
3i Infotech Limited	14,87,225.08	14,90,400.00	-

(v) 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 are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. As at the end of March 31, 2017, the group has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2016: INR Nil). The group undertakes each financial year through examining the financial position of the related party and market in which the related party operates.

3I INFOTECH ASIA PACIFIC PTE LTD.

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

26. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

(Amount in INR)

Particulars	Carrying Amount			Fair Value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
FINANCIAL ASSETS						
Amortised cost						
Trade Receivables	42,02,56,123	38,12,94,069	24,23,87,051	42,02,56,123	38,12,94,069	24,23,87,051
Loans	24,17,94,483	23,13,89,186	20,52,24,603	24,17,94,483	23,13,89,186	20,52,24,603
Cash and Cash Equivalents	64,91,880	88,64,841	34,88,324	64,91,880	88,64,841	34,88,324
Other Bank Balances	-	41,56,827	-	-	41,56,827	-
Other Financial Assets	2,27,00,724	44,72,802	7,26,93,859	2,27,00,724	44,72,802	7,26,93,859
Total	69,12,43,209	63,01,77,725	52,37,93,836	69,12,43,209	63,01,77,725	52,37,93,836

FINANCIAL LIABILITIES						
Amortised cost						
Borrowings	6,39,19,607	6,30,90,856	9,36,57,910	6,39,19,607	6,30,90,856	9,36,57,910
Trade Payables	46,36,28,063	40,24,56,279	25,08,51,227	46,36,28,063	40,24,56,279	25,08,51,227
Other financial liabilities	41,57,791	1,30,36,229	35,73,676	41,57,791	1,30,36,229	35,73,676
Total	53,17,05,462	47,85,83,364	34,80,82,813	53,17,05,462	47,85,83,364	34,80,82,813

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.

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.

3I INFOTECH ASIA PACIFIC PTE LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****(Amount in INR)****27. 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's policy is to keep the gearing ratio between 20% to 40%. The company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings other than convertible preference shares	6,39,19,607	6,30,90,856	9,36,57,910
Trade payables	46,36,28,063	40,24,56,279	25,08,51,227
Other payables	5,47,31,430	4,15,53,709	4,24,78,300
Less: cash and cash equivalents	(64,91,880)	(47,08,014)	(34,88,324)
Net Debt	57,57,87,220	50,23,92,831	38,34,99,113
Convertible preference shares	-	-	-
Equity	18,43,73,003	18,43,73,003	18,43,73,003
Total Capital	18,43,73,003	18,43,73,003	18,43,73,003
Capital and net debt	76,01,60,223	68,67,65,834	56,78,72,116
Gearing ratio	76	73	68

3i INFOTECH LIMITED

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

28. 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 SGD Dollar 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:

	(Amount in INR)	
	USD	Total
Total financial assets	24,60,33,162	24,60,33,162
Total financial liabilities	13,99,951	13,99,951

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 INR 2422110.99 for the year ended March 31,2017

The following table sets forth information relating to foreign currency exposure as at March 31, 2016:

	(Amount in INR)	
	USD	Total
Total financial assets	23,55,51,798	23,55,51,798
Total financial liabilities	1,06,94,446	1,06,94,446

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 INR 2226310.42 for the year ended March 31,2016

The following table set forth information relating to foreign currency exposure as at April 1,2015:

	(Amount in INR)	
	USD	Total
Total financial assets	23,93,37,387	23,93,37,387
Total financial liabilities	-	-

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 INR 2369677.095 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.

3i INFOTECH LIMITED

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

(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 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.

(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 INR 628.23 crores (March 31, 2016: INR 670.46 crores, April 1, 2015: INR 660.04 crores). The lifetime expected credit loss on customer balance for the year ended March 31, 2017 is INR 49.18 crores (March 31, 2016: INR 50.31 crores, April 1, 2015: INR 41.90 crores).

Reconciliation of loss allowance provision - Trade receivables and Unbilled revenue

Particulars	(Amount in INR)	
	March 31, 2017	March 31, 2016
Balance at the beginning	1,70,98,020	37,53,756
Impairment loss recognised/reversed	(77,98,507)	1,33,44,263
Balance at the end	92,99,512	1,70,98,020

(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

(Amount in INR)

	Due in 1 year	Due in 1-2 year	Due in 2-5 year	Due after 5 years	Total
Non-derivative financial liabilities :					
Trade and other payables	46,36,28,063				46,36,28,063
Borrowings		40,45,223	1,21,35,668	8,09,04,450	9,70,85,340.00
Other financial liabilities	41,57,791				41,57,791
Total	46,77,85,854	40,45,223	1,21,35,668	8,09,04,450	56,48,71,194

March 31, 2016

(Amount in INR)

	Due in 1 year	Due in 1-2 year	Due in 2-5 year	Due after 5 years	Total
Non-derivative financial liabilities :					
Trade and other payables	40,24,56,279				40,24,56,279
Borrowings			1,23,93,544	8,67,54,806	9,91,48,350
Other financial liabilities	1,30,36,229				1,30,36,229
Total	41,54,92,508	-	1,23,93,544	8,67,54,806	51,46,40,858

April 1, 2015

(Amount in INR)

	Due in 1 year	Due in 1-2 year	Due in 2-5 year	Due after 5 years	Total
Non-derivative financial liabilities :					
Trade and other payables	25,08,51,227				25,08,51,227
Borrowings			78,16,250	8,59,78,750	9,37,95,000
Other financial liabilities	35,73,676				35,73,676
Total	25,44,24,903	-	78,16,250	8,59,78,750	34,82,19,903

3i INFOTECH LIMITED

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

As per our report of even date attached

For and on behalf of the board

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

Sd/-
S. Maheshwari
Partner
M.No.: 38755

Sd/-
Padmanabhan Iyer
Director
DIN: 05282942

Sd/-
Mrinal Ghosh
Director
DIN:07232477

Place : Navi Mumbai
Date : April 28,2017