

3i INFOTECH BPO LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31,2017

3I INFOTECH BPO LIMITED
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	3,509,296	6,301,749	10,034,737
(b) Financial Assets				
(i) Loans	5	6,700,000	6,700,000	115,000,000
(ii) Other Financial Assets	5	183,999	703,999	193,999
(c) Deferred Tax Asset (Net)	6	10,329,000	10,639,000	5,230,000
(d) Other Non-Current Assets	7	61,935,570	74,280,442	71,555,149
		82,657,865	98,625,190	202,013,885
Current assets				
(a) Financial Assets				
(i) Trade Receivables	8	24,762,824	71,233,137	34,939,377
(ii) Cash and Cash Equivalents	9	10,957,006	11,290,982	1,080,576
(iii) Bank Balances Other than (ii) above	10	-	-	1,000,000
(iv) Loans	5	38,659	438,883	50,000
(v) Other Financial Assets	5	134,648,550	140,249,881	106,051,945
(b) Other Current Assets	7	360,684,078	282,188,861	350,824,312
		531,091,117	505,401,744	493,946,210
TOTAL		613,748,982	604,026,934	695,960,095
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	1,000,000	1,000,000	1,000,000
(b) Other Equity	12	396,377,178	391,776,816	381,212,930
Total Equity		397,377,178	392,776,816	382,212,930
Liabilities				
Non Current Liabilities				
(a) Provisions	13	4,850,688	7,125,196	5,598,562
		4,850,688	7,125,196	5,598,562
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	-	16,500,000	111,500,000
(ii) Trade Payables	15			
Micro, Small and Medium Enterprises		-	-	-
Others		175,790,491	129,203,386	64,911,509
(iii) Other Financial Liabilities	16	19,753,803	24,737,901	37,516,293
(b) Other Current Liabilities	17	14,929,527	31,964,421	91,954,343
(c) Provisions	13	1,047,295	1,719,214	2,266,458
		211,521,116	204,124,922	308,148,603
TOTAL		613,748,982	604,026,934	695,960,095

Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 36

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
Navi Mumbai
Date : April 28,2017

Sd/-
Padmanabhan Iyer
Chairman
DIN: 05282942
Navi Mumbai
Date : April 28,2017

Sd/-
Ajay Kumar
Director
DIN:07652605

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

(Amount in INR)

Particulars	Notes	For the year ended March 31,2017	For the year ended March 31,2016
REVENUE			
Revenue from operations (net)	18	432,202,820	545,253,534
Other income	19	18,207,064	40,040,321
Total Revenue (I)		450,409,884	585,293,855
EXPENSES			
Employee benefits expense	20	259,547,853	337,686,015
Cost of third party products and services	21	145,476,717	121,433,567
Finance costs	22	(234,682)	30,263,540
Depreciation and amortization expense	23	4,065,563	6,539,936
Other expenses	24	37,783,343	58,471,299
Total Expenses (II)		446,638,794	554,394,357
Profit/(loss) before exceptional items and tax (I-II)		3,771,090	30,899,498
Exceptional Items	25	-	27,916,354
Profit/(loss) before tax		3,771,090	2,983,144
Tax expense:			
Current tax		2,207,000	9,460,000
Adjustment of tax relating to earlier periods		(244,321)	(11,791,353)
Deferred tax		(696,429)	(5,357,214)
Profit/(loss) for the year		2,504,840	10,671,711
OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans		3,101,951	(159,611)
Income tax effect		(1,006,429)	51,786
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:		-	-
Other Comprehensive income for the year, net of tax		2,095,522	(107,825)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		4,600,362	10,563,886
Earnings per share for profit attributable to equity shareholders	26		
Basic EPS		25	107
Dilluted EPS		25	107

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Navi Mumbai
Date : April 28,2017

3I INFOTECH BPO LIMITED**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017**

(Amount in INR)

Particulars	For the year ended March 31,2017	For the year ended March 31,2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax from:	3,771,090	30,899,498
Adjustments for:		
Depreciation and amortisation expense	4,065,563	6,539,936
Old Irrecoverable written off	-	2,856,478
Remeasurement of gains (losses) on defined benefit plans	3,101,951	(159,611)
Interest income	(18,191,010)	(37,939,513)
Allowance for doubtful debts and advances	6,614,165	1,057,870
Finance costs	(582,954)	30,263,540
Net foreign exchange differences	39,339	2,199,117
Sundry balances written off / (written back)	-	(2,100,808)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	22,172,323	(119,491,501)
Increase/(decrease) in trade payables	46,587,105	64,291,877
(Increase) in other financial assets	19,478,264	73,203,181
(Increase) in other current assets	(78,495,216)	56,782,115
Increase/(decrease) in other financial liability	6,071,616	(8,201,935)
Increase in employee benefit obligations	(2,946,427)	979,390
Increase in other current liabilities	(17,034,894)	(44,791,635)
Cash generated from operations	(5,349,085)	56,387,999
Less: Income taxes paid	16,075,023	1,906,172
Net Cash from / (used in) Operating Activities before Exceptional item	10,725,939	58,294,171
Exceptional Item	-	27,916,354
Net cash inflow from operating activities	10,725,939	30,377,817
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(1,273,110)	(2,806,948)
Interest received	1,268,911	32,335
Net cash outflow from investing activities	(4,199)	(2,774,613)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds / (Repayment) from / to borrowings	(11,055,716)	(14,611,135)
Interest paid	-	(3,781,663)
Net cash inflow (outflow) from financing activities	(11,055,716)	(18,392,798)
Net increase (decrease) in cash and cash equivalents	(333,976)	9,210,406
Cash and Cash Equivalents at the beginning of the financial year	11,290,982	2,080,576
Effects of exchange rate changes on Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at end of the year	10,957,006	11,290,982

Note:

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

Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 36

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
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Navi Mumbai
Date : April 28,2017

Sd/-
Padmanabhan Iyer
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DIN: 05282942

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Date : April 28,2017

Sd/-
Ajay Kumar
Director
DIN:07652605

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

(Amount in INR)

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	100,000	-	100,000
Amount	1,000,000	-	1,000,000
March 31, 2017			
Numbers	100,000	-	100,000
Amount	1,000,000	-	1,000,000

B Other Equity

(Amount in INR)

Reserves and Surplus			
Particulars	Securities Premium Reserve	Retained Earnings	Total other equity
As at April 1, 2015	507,475,152	(126,262,222)	381,212,930
Profit for the period	-	10,671,711	10,671,711
Other comprehensive income	-	(107,825)	(107,825)
Total comprehensive income for the year	-	10,563,886	10,563,886
			-
As at March 31, 2016	507,475,152	(115,698,336)	391,776,816
			-
Profit for the period	-	2,504,840	2,504,840
Other comprehensive income	-	2,095,522	2,095,522
Total comprehensive income for the year	-	4,600,362	4,600,362
			-
As at March 31, 2017	507,475,152	(111,097,974)	396,377,178

Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 36

As per our report of even date attached

For and on behalf of the board

For GMJ & CO
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Navi Mumbai
Date : April 28,2017

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Date : April 28,2017

3I INFOTECH BPO LIMITED

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

1 Corporate Information

3i Infotech BPO Limited (referred to as "the Company") is engaged in Business process outsourced service.

The Company is a public limited Company incorporated and domiciled in India. The registered office of the company is located at E-1, Lower Ground Floor Jhandewala Extension New Delhi -110055

The financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on April 28, 2017.

2 Significant Accounting Policies

a) Statement of compliance

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

b) Basis of preparation

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

c) Use of estimates and judgments

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

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

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

(i) Impairment of investments

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

(ii) Useful lives of property, plant and equipment

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

(iii) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 6

3I INFOTECH BPO LIMITED

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 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.

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 Statement of 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.

3I INFOTECH BPO LIMITED

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

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

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

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

i) Income taxes

Current income taxes

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

Current income tax relating to items recognised outside Statement of profit 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.

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

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

3I INFOTECH BPO LIMITED

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.

3I INFOTECH BPO LIMITED

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

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.

- 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 in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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 31 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.

3I INFOTECH BPO LIMITED

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

(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.

- 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.

3I INFOTECH BPO LIMITED

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

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.

(vi) 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) 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.

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	3 years	3-6 years
Office Equipment	5 years	5 years
Furniture and Fixtures	5 years	10 years

3I INFOTECH BPO LIMITED

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

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).

l) 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.

m) 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.

3I INFOTECH BPO LIMITED

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

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

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

- Gratuity obligations

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

The present value of the defined benefit obligation denominated in 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.

n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

o) 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.

3I INFOTECH BPO LIMITED

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

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.

p) 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.

q) 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.

r) 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.

s) 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.

t) 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

(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

3I INFOTECH BPO LIMITED

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

u) 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.

v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee as per the requirement of Schedule III, unless otherwise stated.

3I INFOTECH BPO LIMITED

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 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under 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.

i. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets covered by Ind AS 38 - Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

ii. 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 BPO LIMITED

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

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i. Reconciliation of equity as at date of transition (April 1, 2015)

(Amount in INR)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	4	10,034,737	-	10,034,737
(b) Financial Assets				
(i) Loans	5	115,000,000	-	115,000,000
(ii) Other Financial Assets	5	193,999	-	193,999
(c) Deferred Tax Asset (Net)	6	5,230,000	-	5,230,000
(d) Other Non-Current Assets	7	71,555,149	-	71,555,149
Current assets				
(a) Financial Assets				
(i) Trade Receivables	8	34,939,377	-	34,939,377
(ii) Cash and Cash Equivalents	9	1,080,576	-	1,080,576
(iii) Bank Balances Other than (iii) above	10	1,000,000	-	1,000,000
(iv) Loans	5	50,000	-	50,000
(v) Other Financial Assets	5	106,051,945	-	106,051,945
(b) Other Current Assets	7	350,824,312	-	350,824,312
TOTAL		695,960,095	-	695,960,095
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	1,000,000	-	1,000,000
(b) Other Equity	12	381,212,930	-	381,212,930
Total Equity		382,212,930	-	382,212,930
Liabilities				
Non Current Liabilities				
(a) Provisions	13	5,598,562	-	5,598,562
		5,598,562	-	5,598,562
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	111,500,000	-	111,500,000
(ii) Trade Payables	15			
Micro, Small and Medium Enterprises		-	-	-
Others		64,911,509	-	64,911,509
(iii) Other Financial Liabilities	16	37,516,293	-	37,516,293
(b) Other Current Liabilities	17	91,954,343	-	91,954,343
(c) Provisions	13	2,266,458	-	2,266,458
		308,148,603	-	308,148,603
TOTAL		695,960,095	-	695,960,095

3I INFOTECH BPO LIMITED
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	4	6,301,749	-	6,301,749
(b) Financial Assets				
(i) Loans	5	6,700,000	-	6,700,000
(ii) Other Financial Assets	5	703,999	-	703,999
(c) Deferred Tax Asset (Net)	6	10,639,000	-	10,639,000
(d) Other Non-Current Assets	7	74,280,442	-	74,280,442
		98,625,190	-	98,625,190
Current assets				
(a) Financial Assets				
(i) Trade Receivables	8	71,233,137	-	71,233,137
(ii) Cash and Cash Equivalents	9	11,290,982	-	11,290,982
(iii) Loans	5	438,883	-	438,883
(vi) Other Financial Assets	5	140,249,881	-	140,249,881
(b) Other Current Assets		282,188,861	-	282,188,861
		505,401,744	-	505,401,744
TOTAL		604,026,934	-	604,026,934
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	1,000,000	-	1,000,000
(b) Other Equity	12	391,776,816	-	391,776,816
Total Equity		392,776,816	-	392,776,816
Liabilities				
Non Current Liabilities				
(a) Provisions	13	7,125,196	-	7,125,196
		7,125,196	-	7,125,196
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	16,500,000	-	16,500,000
(ii) Trade Payables	15			
Micro, Small and Medium Enterprises		-	-	-
Others		129,203,386	-	129,203,386
(iii) Other Financial Liabilities	16	24,737,901	-	24,737,901
(b) Other Current Liabilities	17	31,964,421	-	31,964,421
(c) Provisions	13	1,719,214	-	1,719,214
		204,124,922	-	204,124,922
TOTAL		604,026,934	-	604,026,934

3I INFOTECH BPO LIMITED**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	Ind-AS Adjustments	IND AS Balance
REVENUE				
Revenue from operations (net)	18	545,253,534	-	545,253,534
Other income	19	40,040,321	-	40,040,321
Total Revenue (I)		585,293,855	-	585,293,855
EXPENSES				
Employee benefits expense	20	337,845,626	(159,611)	337,686,015
Finance costs	22	30,263,540	-	30,263,540
Depreciation and amortization expense	23	6,539,936	-	6,539,936
Cost of third party products and services	21	121,433,567	-	121,433,567
Other expenses	24	58,471,299	-	58,471,299
Total Expenses (II)		554,553,968	(159,611)	554,394,357
Profit/(loss) before exceptional items and tax (I-II)		30,739,887	159,611	30,899,498
Exceptional Items		27,916,354	-	27,916,354
Profit/(loss) before tax		2,823,533	159,611	2,983,144
Tax expense:				
Current tax		9,460,000	-	9,460,000
Adjustment of tax relating to earlier periods		(11,791,353)	-	(11,791,353)
Deferred tax		(5,409,000)	51,786	(5,357,214)
Profit/(loss) for the year		10,563,886	107,825	10,671,711
OTHER COMPREHENSIVE INCOME				
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:				
Remeasurement of gains (losses) on defined benefit plans		-	(159,611)	(159,611)
Income tax effect		-	51,786	51,786
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:				
Other Comprehensive income for the year, net of tax		-	(107,825)	(107,825)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		10,563,886	-	10,563,886

3I INFOTECH BPO LIMITED

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

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

iv. Reconciliation of total equity as at March 31, 2016 and April 1, 2015

(Amount in INR)

Particulars	March 31, 2016	April 1, 2015
Total equity (shareholder's funds) as per previous GAAP	392,776,816	382,212,930
Adjustments:	-	-
Total equity as per Ind AS	392,776,816	382,212,930

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

(Amount in INR)

Particulars	March 31, 2016
Profit after tax as per previous GAAP	10,563,886
Adjustments:	
Remeasurements of post-employment benefit obligations	159,611
Tax effects of adjustments	(51,786)
Total adjustments	107,825
Profit after tax as per Ind AS	10,671,711
Other comprehensive income	(107,825)
Total comprehensive income as per Ind AS	10,563,886

vi. Reconciliation of statement of cash flows:

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

C. Notes to first-time adoption:

Note 1: Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Note 2: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in OCI instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the statement of profit and loss for the year.

Note 3: Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 4: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

3I INFOTECH BPO LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****4. PROPERTY, PLANT AND EQUIPMENT**

(Amount in INR)			
Particulars	Computer Hardwares	Office Equipments	Total
GROSS CARRYING VALUE			
As at April 1, 2015	9,672,371	362,366	10,034,737
Additions	2,806,948	-	2,806,948
As at March 31, 2016	12,479,319	362,366	12,841,685
Additions	1,197,677	75,433	1,273,110
Other Adjustments	(262,307)	-	(262,307)
			-
As at March 31, 2017	13,414,689	437,799	13,852,488
ACCUMULATED DEPRECIATION/IMPAIRMENT			
As at April 1, 2015	-	-	-
Depreciation for the year	6,457,171	82,765	6,539,936
As at March 31, 2016	6,457,171	82,765	6,539,936
			-
Depreciation for the year	3,968,908	96,655	4,065,563
Deductions\Adjustments during the period	(262,307)	-	(262,307)
As at March 31, 2017	10,163,772	179,420	10,343,192
			-
Net Carrying value as at March 31, 2017	3,250,917	258,379	3,509,296
Net Carrying value as at March 31, 2016	6,022,148	279,601	6,301,749
Net Carrying value as at April 1, 2015	9,672,371	362,366	10,034,737

3I INFOTECH BPO LIMITED
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
(A) LOANS			
Non Current			
<i>Unsecured, considered good unless otherwise stated</i>			
Loans to Related Parties (Refer note 29)	6,700,000	6,700,000	115,000,000
Total	6,700,000	6,700,000	115,000,000
Current			
<i>Unsecured, considered good unless otherwise stated</i>			
Loans to Employees	38,659	438,883	50,000
Total	38,659	438,883	50,000
(B) OTHER FINANCIAL ASSETS			
Non Current			
Financial assets carried at amortised cost			
Security Deposits	218,999	738,999	193,999
Less: Loss Allowances	(35,000)	(35,000)	-
Total	183,999	703,999	193,999
Current			
Financial assets carried at amortised cost			
Security Deposits	4,468,012	4,468,012	4,468,012
Unbilled Revenue	30,557,746	48,299,657	14,572,396
Unbilled Revenue from Related parties (Refer note 29)	14,446	830,575	29,011,763
Interest Accrued but not due from Related parties (Refer note 29)	102,317,358	89,360,649	57,314,290
Interest Accrued but not due from others	-	-	685,484
Less: Loss Allowances	(2,709,012)	(2,709,012)	-
Total	134,648,550	140,249,881	106,051,945

6. INCOME TAX			
(Amount in INR)			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Deferred tax relates to the following:			
Fixed Assets	382,000	1,208,000	5,230,000
Expenses allowable on payment basis	9,947,000	9,431,000	-
Net Deferred Tax Assets / (Liabilities)	10,329,000	10,639,000	5,230,000

3I INFOTECH BPO LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****Movement in deferred tax liabilities/assets****(Amount in INR)**

Particulars	March 31, 2017	March 31, 2016
Opening balance as of April 1	10,639,000	5,230,000
Tax income/(expense) during the period recognised in profit or loss	696,429	5,357,214
Tax income/(expense) during the period recognised in OCI	(1,006,429)	51,786
Closing balance as at March 31	10,329,000	10,639,000

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Major Components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are as follows:**i. Income tax recognised in profit or loss****(Amount in INR)**

Particulars	2016-17	2015-16
Current income tax charge	2,207,000	9,460,000
Adjustment in respect of current income tax of previous year	(244,321)	(11,791,353)
Deferred tax		
Relating to origination and reversal of temporary differences	(696,429)	(5,357,214)
Income tax expense recognised in profit or loss	1,266,250	(7,688,567)

ii. Income tax recognised in OCI**(Amount in INR)**

Particulars	March 31, 2017	March 31, 2016
Net loss/(gain) on remeasurements of defined benefit plans	(1,006,429)	51,786
Income tax expense recognised in OCI	(1,006,429)	51,786

iii. Amounts recognised directly in equity**(Amount in INR)**

Particulars	March 31, 2017	March 31, 2016
Aggregate current and deferred tax arising in the reporting period and not recognised in profit or loss or other comprehensive income but directly debited/(credited) to equity	-	-

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2017 and March 31, 2016**(Amount in INR)**

Particulars	March 31, 2017	March 31, 2016
Profit before tax as per IND AS	3,771,090	2,983,144
Adjustments:		
Remeasurement of gains (losses) on defined benefit plans	3,101,951	(159,611)
Accounting profit before income tax	6,873,041	2,823,533
Enacted tax rate in India	30.90%	33.06%
Income tax on accounting profits	2,123,770	933,545
Effect of		
Depreciation	302,085	5,813,776
Other non deductible expenses	2,954,102	6,859,892
Expenditure allowable on payment basis	(2,862,957)	(9,556,214)
Adjustment of tax relating to earlier periods	(244,321)	(11,791,353)
Tax at effective income tax rate	2,272,679	(7,740,353)

3I INFOTECH BPO LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****7. OTHER ASSETS**

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Non Current			
- Payment of Taxes (Net of Provisions)	61,935,570	74,280,442	71,555,149
Total	61,935,570	74,280,442	71,555,149
Current			
Advances other than Capital advances			
- Advances to Related Parties (Refer note 29)	352,310,939	278,712,888	338,179,917
- Advances to creditors	185,125	1,077,320	-
- Other Advances	136,010	125,550	533,201
Others			
- Prepaid expenses	410,145	-	11,853,335
- Balances with Statutory, Government Authorities	7,641,859	2,273,103	257,859
Total	360,684,078	282,188,861	350,824,312

8. TRADE RECEIVABLES

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Trade Receivables from customers	29,220,593	71,375,347	18,648,191
Receivables from other related parties (Refer note 29)	3,491,863	1,193,257	16,568,783
Total	32,712,456	72,568,604	35,216,974
Impairment Allowance (allowance for bad and doubtful debts)			
Doubtful	(7,949,632)	(1,335,467)	(277,597)
Total	24,762,824	71,233,137	34,939,377

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

Trade or Other Receivable due from firms or private companies respectively in which any director is a partner, a director or a member amounted to INR NIL (Previous year INR NIL)

9. CASH AND CASH EQUIVALENTS

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks:			
- On current accounts	10,957,006	11,290,982	1,080,576
Total	10,957,006	11,290,982	1,080,576

10. OTHER BANK BALANCES

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Deposits with banks as security against borrowings	-	-	1,000,000
Total	-	-	1,000,000

3I INFOTECH BPO LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****11. SHARE CAPITAL****i. Authorised Share Capital****(Amount in INR)**

Particulars	Equity Share	
	Number	Amount
At April 1, 2015	100,000	1,000,000
Increase/(decrease) during the year	-	-
At March 31, 2016	100,000	1,000,000
Increase/(decrease) during the year	-	-
At March 31, 2017	100,000	1,000,000

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii. Issued, subscribed and paid up capital**(Amount in INR)**

Particulars	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2015	100,000	1,000,000
Issued during the period	-	-
At March 31, 2016	100,000	1,000,000
Issued during the period	-	-
At March 31, 2017	100,000	1,000,000

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

Out of equity issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	March 31, 2017	March 31, 2016
3i Infotech Limited (The Holding company) and by its nominees Equity shares	100,000	100,000

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 INR 10 each fully paid				
3i Infotech Limited (The Holding company) and by its nominees	100,000	100%	100,000	100%

v. No equity shares are issued as bonus , for consideration other than cash or bought back during the period of five years immediately preceding the reporting date.

3I INFOTECH BPO LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****12. OTHER EQUITY****i. Reserves and Surplus****(Amount in INR)**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Securities Premium Reserve	507,475,152	507,475,152	507,475,152
Retained Earnings	(111,097,974)	(115,698,336)	(126,262,222)
Total	396,377,178	391,776,816	381,212,930

(a) Securities Premium Reserve**(Amount in INR)**

	March 31, 2017	March 31, 2016
Opening balance	507,475,152	507,475,152
Add/(Less):		
Exercise of options - proceeds received	-	-
Acquisition of subsidiary	-	-
Rights issue	-	-
Other issue	-	-
Transaction costs arising on share issue	-	-
Closing balance	507,475,152	507,475,152

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

	March 31, 2017	March 31, 2016
Opening balance	(115,698,336)	(126,262,222)
Net Profit/(Loss) for the period	2,504,840	10,671,711
Items of Other Comprehensive Income directly recognised in Retained Earnings		
Remeasurement of post employment benefit obligation, net of tax	2,095,522	(107,825)
Closing balance	(111,097,974)	(115,698,336)

3I INFOTECH BPO LIMITED

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

13. PROVISIONS

(Amount in INR)			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Non Current			
Provision for employee benefits Gratuity (Refer Note 27)	4,850,688	7,125,196	5,598,562
Total	4,850,688	7,125,196	5,598,562
Current			
Provision for employee benefits Gratuity (Refer Note 27)	348,774	510,449	678,981
Leave encashment	698,521	1,208,765	1,587,477
Total	1,047,295	1,719,214	2,266,458

14. BORROWINGS

(Amount in INR)			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current Borrowings			
Unsecured			
(a) Loans repayable on demand			
From Banks	-	16,500,000	16,500,000
Other Parties	-	-	95,000,000
Total	-	16,500,000	111,500,000

(Amount in INR)

Particulars	Coupon / Interest Rate	March 31, 2017	March 31, 2016	April 1, 2015
Current Borrowings				
Unsecured				
Loans repayable on demand				
From Banks	13%	-	16,500,000	16,500,000
From Other Parties	14%	-	-	95,000,000

3I INFOTECH BPO LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****15. TRADE PAYABLES****(Amount in INR)**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Trade Payables to Micro, Small and Medium Enterprises	-	-	-
Trade Payables to Related Parties (Refer note 29)	146,343,499	89,928,045	35,961,992
Trade Payables to Others	29,446,992	39,275,341	28,949,517
Total	175,790,491	129,203,386	64,911,509

16. OTHER FINANCIAL LIABILITIES**(Amount in INR)**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Interest accrued but not due on borrowings	-	-	4,576,457
Dues to employees	19,753,803	13,682,185	7,272,984
Bank Overdraft	-	11,055,716	25,666,852
Total	19,753,803	24,737,901	37,516,293

17. OTHER LIABILITIES**(Amount in INR)**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Advance received from Customers	4,897,555	176,853	292,188
Advance received from Related parties (Refer note 29)	1,087,661	1,681,980	62,658,734
Others			
Statutory Liabilities	5,741,739	26,998,825	29,001,771
Others	3,202,572	3,106,763	1,650
Total	14,929,527	31,964,421	91,954,343

3I INFOTECH BPO LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****18. REVENUE FROM OPERATIONS**

(Amount in INR)

Particulars	2016-17	2015-16
Sale of services		
Transaction service	432,202,820	545,253,534
Total	432,202,820	545,253,534

19. OTHER INCOME

(Amount in INR)

Particulars	2016-17	2015-16
Interest income on		
Loans to related parties	13,021,818	35,607,066
Others	5,169,192	2,332,447
Miscellaneous Income	16,054	2,100,808
Total	18,207,064	40,040,321

20. EMPLOYEE BENEFITS EXPENSE

(Amount in INR)

Particulars	2016-17	2015-16
Salaries, wages and bonus	226,654,322	292,613,093
Contribution to provident and other funds	26,208,327	35,958,276
Staff welfare expenses	3,415,328	6,223,401
Gratuity Expense	2,753,197	2,633,172
Recruitment and training expenses	516,679	258,073
Total	259,547,853	337,686,015

21. COST OF THIRD PARTY PRODUCTS AND SERVICES

(Amount in INR)

Particulars	2016-17	2015-16
Cost of third party products / outsourced services		
For own use		
Service delivery to clients	145,476,717	121,433,567
Total	145,476,717	121,433,567

22. FINANCE COST

(Amount in INR)

Particulars	2016-17	2015-16
Interest expense on debts and borrowings	(2,159,333)	12,872,587
Other borrowing costs		
Finance charges	348,272	424,001
Others	1,576,379	16,966,952
Total	(234,682)	30,263,540

3I INFOTECH BPO LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****23. DEPRECIATION AND AMORTISATION EXPENSE**

(Amount in INR)

Particulars	2016-17	2015-16
Depreciation on tangible assets	4,065,563	6,539,936
Total	4,065,563	6,539,936

24. OTHER EXPENSES

(Amount in INR)

Particulars	2016-17	2015-16
Selling, Administration and Other Expenses		
Auditor's remuneration	900,000	1,300,000
Electricity charges	778,741	777,824
Insurance	994,160	847,867
Legal and professional fees	2,487,189	10,305,253
Rates and taxes	1,233,537	551,528
Rent	3,428,575	18,678,397
Hire Charges	16,399,686	13,618,068
Repairs & maintenance	6,868	254,901
Telephone and internet expenses	1,307,528	721,069
Travelling & conveyance expenses	1,095,235	1,379,777
Allowance for doubtful debts and advances	6,614,165	1,057,870
Foreign exchange fluctuation loss	39,339	2,199,117
Miscellaneous expenses	2,498,320	6,779,628
Total	37,783,343	58,471,299

(a) Details of Payments to auditors

(Amount in INR)

Particulars	2016-17	2015-16
As auditor		
Audit Fee	800,000	1,200,000
Tax audit fee	100,000	100,000
Limited review fee		
In other capacity		
Other services (certification fees)	-	40,000
Re-imburement of expenses	15,340	17,110
Total	915,340	1,357,110

(b) Corporate social responsibility expenditure

As per Section 135 of the Companies Act 2013 , the Company does not meet the applicability threshold . Hence the provision of the said section are not applicable during the current financial year.

(c) Earnings in foreign currency

(Amount in INR)

Particulars	2016-17	2015-16
Income from Operations	2,116,135	43,903,647
Total	2,116,135	43,903,647

25. EXCEPTIONAL ITEMS

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016
Sundry balances written off \Debt restructuring	-	27,916,354
Total	-	27,916,354

3I INFOTECH BPO LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

26. EARNINGS PER SHARE		
	(Amount in INR)	
Particulars	March 31, 2017	March 31, 2016
(a) Basic earnings per share	25	107
(b) Diluted earnings per share	25	107
(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	2,504,840	10,671,711
<i>Diluted earnings per share</i>		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	2,504,840	10,671,711
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	100,000	100,000
Adjustments for calculation of diluted earnings per share:		
Options	-	-
Convertible Bonds	-	-
Convertible Preference shares	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	100,000	100,000

3I INFOTECH BPO LIMITED

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

27. EMPLOYEE BENEFIT OBLIGATIONS						
(Amount in INR)						
Particulars	March 31, 2017			March 31, 2016		
	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	698,521	-	698,521	1,208,765	-	1,208,765
Gratuity	348,774	4,850,688	5,199,462	510,449	7,125,196	7,635,645
Defined pension benefits			-			-
Total Employee Benefit Obligation	1,047,295	4,850,688	5,897,983	1,719,214	7,125,196	8,844,410

(i) Leave Obligations

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of INR 698,521 (March 31, 2016: INR 1,208,765) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post Employment obligations

a) Gratuity

The company provides for gratuity for employees in india as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service upto 10 years and 26 days salary multiplied by number of years of service beyond 11 years.

The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2015	6,277,543	-	6,277,543
Current service cost	2,035,835		2,035,835
Interest expense/(income)	497,337	-	497,337
Total amount recognised in profit or loss	2,533,172	-	2,533,172
<i>Remeasurements</i>			
Retrun of plan assets, excluding amount included in interest (income)		-	-
(Gain)/Loss from change in demographic assumptions	1,319,153		1,319,153
(Gain)/Loss from change in financial assumptions	-		-
Experience (gains)/losses	(1,159,542)		(1,159,542)
Total amount recognised in other comprehensive income	159,611	-	159,611
Benefit payments	(1,334,681)		(1,334,681)
As at March 31, 2016	7,635,645	-	7,635,645
Current service cost	1,469,034		1,469,034
Interest expense/(income)	602,787	-	602,787
Total amount recognised in profit or loss	2,071,821	-	2,071,821
<i>Remeasurements</i>			
Retrun of plan assets, excluding amount included in interest (income)		-	-
(Gain)/Loss from change in demographic assumptions			-
(Gain)/Loss from change in financial assumptions	273,962		273,962
Experience (gains)/losses	(3,375,913)		(3,375,913)
Total amount recognised in other comprehensive income	(3,101,951)	-	(3,101,951)
Benefit payments	(1,406,053)		(1,406,053)
As at March 31, 2017	5,199,462	-	5,199,462

3I INFOTECH BPO LIMITED

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

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Present value of funded obligations	5,199,462	7,635,645	6,277,543
Fair value of plan assets	-	-	-
Deficit of funded plan	5,199,462	7,635,645	6,277,543
Unfunded plans	-	-	-
Deficit of gratuity plan	5,199,462	7,635,645	6,277,543

The significant actuarial assumptions were as follows:

Particulars	March 31, 2017	March 31, 2016
Discount rate	7.40%	7.90%
Expected return on plan assets		
Salary growth rate		
For first 3 years	3.00%	3.00%
After 3 years	2.00%	2.00%
Withdrawal rate		
Upto 4 years	9.00%	9.00%
5 years and above	4%	4.00%
Mortality rate	100%	100.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is shown below:

Assumptions	Discount rate		Salary growth rate		Attrition rate	
	1% increase	1% decrease	1% increase	1% decrease	50% increase	50% decrease
March 31, 2017						
Impact on defined benefit obligation	4,675,347	5,827,174	5,855,120	4,646,359	5,679,417	4,458,750
% Impact	-10.10%	12.10%	12.60%	-10.60%	9.20%	-14.20%
March 31, 2016						
Impact on defined benefit obligation	6,916,737	8,493,124	8,498,116	6,903,820	8,424,632	6,432,726
% Impact	-9.40%	11.20%	11.30%	-9.60%	10.30%	-15.80%

Assumptions	Mortality rate	
	10% increase	10% decrease
March 31, 2017		
Impact on defined benefit obligation	5,208,009	5,190,884
% Impact	0.20%	-0.20%
March 31, 2016		
Impact on defined benefit obligation	7,649,055	7,622,189
% Impact	0.20%	-0.20%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Since the scheme is managed on unfunded basis, the next year contribution is nil.

The average duration of the defined benefit plan obligation at the end of the reporting period is 11 years (March 31, 2016: 11 years)

3I INFOTECH BPO LIMITED

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

Expected cash flows over the next (valued on undiscounted basis)

Particulars	March 31, 2017	March 31, 2016
1 year	348,774	-
2 to 5 years	1,545,786	-
6 to 10 years	2,258,965	-
More than 10 years	10,985,178	-

b) Defined pension benefits

Disclosures would be same as given for Gratuity

(iii) Defined contribution plans

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 16,803,738 (March 31, 2016: INR 23,354,855)

3I INFOTECH BPO LIMITED

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

28. COMMITMENTS AND CONTINGENCIES

(Amount in INR)

A. Commitments

i. Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Property, plant and equipment	-	149,348	-

ii. Leases

Operating lease commitments - Company as lessee

The company has various leases various offices under non-cancellable operating leases expiring within a 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 3,673,116 (March 31, 2016: INR 4,545,148) during the year towards minimum lease payment.

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Commitments for minimum lease payments in relation to non cancellable operating leases are as follows			
Within one year	1,300,602	1,939,484	3,115,422
Later than one year but not later than five years	-	468,757	1,523,259
later than five years	-	-	-
	1,300,602	2,408,241	4,638,681

(Amount in INR)

B. Contingent Liabilities	March 31, 2017	March 31, 2016	April 1, 2015
i. Claim against the company not acknowledged as debt			
(a) Disputed ESIC matter (including interest upto the date of demand)	547,402	547,402	547,402
(b) Disputed Income Tax matter (including interest upto the date of demand)	8,005,700	4,047,966	4,047,966
ii. Guarantees excluding financial guarantees			
(a) Corporate Guarantee(Secured with first charge on all present and future movable assets (except current assets) and second charge on current assets of the Company has been created in favour of CDR lenders of holding company as per Master Restructuring Agreement(MRA) entered by the holding company with its CDR lenders.)	Not ascertainable	Not ascertainable	Not ascertainable

3I INFOTECH BPO LIMITED

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

29. RELATED PARTY TRANSACTIONS

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party	Nature of Relationship	Country of Incorporation
3i Infotech Limited	Holding Company	India
3i Infotech Saudi Arabia LLC	Fellow Subsidiary	Saudi Arabia
3i Infotech (Africa) Limited	Fellow Subsidiary	Kenya
3i Infotech (Middle East) FZ LLC	Fellow Subsidiary	UAE
3i Infotech Holdings Private Limited	Fellow Subsidiary	Mauritius
3i Infotech (UK) Limited	Fellow Subsidiary	UK
3i Infotech (Western Europe) Holdings Limited	Fellow Subsidiary	UK
Rhyme Systems Limited	Fellow Subsidiary	UK
3i Infotech Financial Software Inc.	Fellow Subsidiary	USA
3i Infotech Framework Limited	Fellow Subsidiary	UK
Professional Access Software Development Private Limited	Fellow Subsidiary	India
Locuz Enterprise Solutions Limited	Fellow Subsidiary	India
3i Infotech Consultancy Services Limited	Fellow Subsidiary	India
3i Infotech Inc.	Fellow Subsidiary	USA
3i Infotech Asia Pacific Pte Limited	Fellow Subsidiary	Singapore
3i Infotech SDN BHD	Fellow Subsidiary	Malaysia
3i Infotech (Thailand) Limited	Fellow Subsidiary	Thailand
3i Infotech Services SDN BHD	Fellow Subsidiary	Malaysia
Black Barret Holdings Limited	Fellow Subsidiary	Cyprus
3i Infotech (Flagship-UK) Limited	Fellow Subsidiary	UK
Professional Access Limited (Upto 14th August, 2014)	Fellow Subsidiary	India
3i Infotech Outsourcing Services Limited	Fellow Subsidiary	India
3i Infotech Trusteeship Limited (upto 15th October, 2015)	Fellow Subsidiary	India
Locus INC	Fellow Subsidiary	USA
IFRS Cloud Solution Ltd	Fellow Subsidiary	India
Elegon Infotech Limited	Fellow Subsidiary	China
3i Infotech South Africa (PTY) Limited	Fellow Subsidiary	Republic of South Africa

Key Managerial Personnel (KMP) :	Designation
Mr. Padmanabhan Iyer	Director
Mr. Ajay Kumar	Director
Mr. Sagar Thakurdesai	Director

3i INFOTECH BPO LIMITED

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

(ii) Transactions with related parties

The following transactions occurred with related parties

(Amount in INR)

Name	Nature of Relationship	Nature of Transaction	March 31, 2017	March 31, 2016
3i Infotech Limited	Holding Company	Income	6,843,909	5,819,084
		Expenses	118,279,554	110,064,067
		Interest income on advance given	12,083,818	35,607,066
		Loan given	-	57,469,094
		Loan Received (Refer Note 35)	-	253,614,960
		Advance repaid	-	5,561,497
		Advance given	71,965,052	-
3i Infotech Consultancy Services Limited	Fellow Subsidiary	Advance given	1,633,000	33,940,334
		Advance Taken	-	5,363,552
3i Infotech Trusteeship Services Limited	Fellow Subsidiary (upto 15th October, 2015)	Income		109,200
3i Infotech Financial Software Service Limited	Fellow Subsidiary	Income	(499,175)	40,350,865
		Advance Taken	-	499,175
		Advance Repaid	499,175	-
3i Infotech Inc Limited	Fellow Subsidiary	Income	1,672,592	-
3i Infotech Saudi Arabia LLC	Fellow Subsidiary	Income	769,106	418,954
		Advance Repaid	95,144	361,941
		Advance given	-	343,126
3i Infotech (Middle East) FZ LLC	Fellow Subsidiary	Income	173,611	3,136,004
		Expenses	-	2,176
		Advance given	-	1,193,257
ICICI Bank Limited	Associate (Upto 31st July 2015)	Income		284,184,893
		Other borrowing costs		11,853,335
		Working capital loan paid back		60,770,862
		Provision for doubtful debts		2,400,000

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

(Amount in INR)

Name	Nature of Relationship	March 31, 2017	March 31, 2016	April 1, 2015	
3i Infotech Limited	Holding Company	Trade payable	136,210,023	82,948,899	34,212,314
		Interest receivable from advance	64,500,072	52,481,363	57,314,290
		Advance receivable	290,924,714	218,959,663	312,367,026
		Unbilled revenue	-	-	500,000
3i Infotech Consultancy Services Limited	Fellow Subsidiary	Advance receivable	61,386,225	59,753,225	25,812,891
		Trade payables	10,133,476	6,979,146	1,615,594
3i Infotech Trusteeship Services Limited	Fellow Subsidiary (upto 15th October, 2015)	Trade receivable			251,711
		Trade payables			134,085
		Unbilled revenue			16,800
3i Infotech Financial Software Inc.	Fellow Subsidiary	Trade receivable	-	-	9,790,525
		Unbilled revenue	-	499,175	4,759,569
		Advance From customer	-	499,175	-
3i Infotech Inc Limited	Fellow Subsidiary	Trade receivable	1,134,078	-	-

3i INFOTECH BPO LIMITED

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

(Amount in INR)

Name	Nature of Relationship	March 31, 2017	March 31, 2016	April 1, 2015
3i Infotech Saudi Arabia LLC	Fellow Subsidiary			
Trade receivable		690,662	-	6,439,289
Unbilled revenue		14,446	31,145	470,000
Advance from Customer		1,087,661	1,182,805	-
3i Infotech (Middle East) FZ LLC	Fellow Subsidiary			
Advance from Customer		-	-	1,887,872
Trade Receivables		1,667,122	1,193,257	87,258
Advance to customer		-	-	-
Unbilled revenue		-	300,255	230,000
ICICI Bank Limited	Associate (Upto 31st July 2015)			
Unbilled revenue				23,035,394
Advance from Customer				60,770,862

(iv) Loans to related parties

(Amount in INR)

Name	Nature of Relationship	Particulars	March 31, 2017	March 31, 2016
Loans to /Interest receivable from related parties				
3i Infotech Limited	Holding Company	Loan at the beginning of the year (Refer Note 35)	6,700,000	115,000,000
		Loans advanced	-	145,314,960
		Loan repayments received	-	(253,614,960)
		Loan at the end of the year	6,700,000	6,700,000
		Interest at the beginning of the year	36,879,286	18,166,273
		Interest charged	938,000	18,713,013
		Interest received	-	-
		Interest receivable at the end of the year	37,817,286	36,879,286

3I INFOTECH BPO LIMITED

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

30. 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	24,762,824	71,233,137	34,939,377	24,762,824	71,233,137	34,939,377
Loans	6,738,659	7,138,883	115,050,000	6,738,659	7,138,883	115,050,000
Cash and Cash Equivalents	10,957,006	11,290,982	1,080,576	10,957,006	11,290,982	1,080,576
Other Bank Balances	-	-	1,000,000	-	-	1,000,000
Other Financial Assets	134,832,549	140,953,880	106,245,944	134,832,549	140,953,880	106,245,944
Total	177,291,038	230,616,882	258,315,897	177,291,038	230,616,882	258,315,897

FINANCIAL LIABILITIES						
Amortised cost						
Borrowings	-	16,500,000	111,500,000	-	16,500,000	111,500,000
Trade Payables	175,790,491	129,203,386	64,911,509	175,790,491	129,203,386	64,911,509
Other financial liabilities	19,753,803	24,737,901	37,516,293	19,753,803	24,737,901	37,516,293
Total	195,544,294	170,441,287	213,927,802	195,544,294	170,441,287	213,927,802

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.

ii. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

3I INFOTECH BPO LIMITED

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

Assets and liabilities measured at fair value - recurring fair value measurement:

Particulars	March 31, 2017			Total	March 31, 2016			Total
	Fair value measurement using				Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets								
Loans	-	-	38,659	38,659	-	-	438,883	438,883
Security deposits	-	-	4,687,011	4,687,011	-	-	5,207,011	5,207,011
Total Financial Assets	-	-	4,725,670	4,725,670	-	-	5,645,894	5,645,894
Financial Liabilities								
Borrowing	-	-	-	-	-	-	16,500,000	16,500,000
Total Financial Liabilities	-	-	-	-	-	-	16,500,000	16,500,000

Particulars	April 1, 2015			Total
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets				
Loans	-	-	50,000	50,000
Security deposits	-	-	4,662,011	4,662,011
Total Financial Assets	-	-	4,712,011	4,712,011
Financial Liabilities				
Borrowings	-	-	111,500,000	111,500,000
Total Financial Liabilities	-	-	111,500,000	111,500,000

31 INFOTECH BPO LIMITED

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

There have been no transfers among Level 1, Level 2 and Level 3 during the period

Level 1 - Level 1 hierarchy includes Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

vi. Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee. Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the company's quarterly reporting periods.

3I INFOTECH BPO LIMITED

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

31. FINANCIAL RISK MANAGEMENT

The Company is exposed primarily to fluctuations in foreign currency exchange rates ,credit ,liquidity and interest rate risk ,which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities . The risk management policy is approved by Board of Directors . The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

i. Market Risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of the change in market prices . Such changes in the value of financial instruments may result from changes in the foreign currency exchange, interest rates ,credit ,liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rate may have potential impact on the statement of profit and loss and the other comprehensive income and equity ,where any transaction reference more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and the economic environment in which the Company operates, its operations are subject to risk arising from fluctuations in exchange rates in those countries. The risks primarily relates to fluctuations in US Dollar, Great Britain Pound and Euro against the functional currency of the Company.

The Company , as per its current risk management policy ,does not use any derivatives instruments to hedge foreign exchange . Further ,any movement in the functional currency of the various operations of the Company against major foreign currencies may impact the Company's revenue in international business.

The Company evaluates the impact of the foreign exchange rate fluctuation by assessing its exposure to exchange rate risks. Apart from exposures of foreign currency payables and receivables, which partially are naturally hedged against each other, the Company does not use any hedging instruments to hedge its foreign currency exposures; in line with the current risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 1% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of Balance Sheet which could affect the statement of profit and loss and the other comprehensive income and equity .

The following table set forth information relating to foreign currency exposure as at March 31,2017:

	(Amount in INR)			
	USD	GBP	EUR	Total
Total financial assets	2,418,647	-	-	2,418,647

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 24,186 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	GBP	EUR	Total
Total financial assets	341,851	-	-	341,851

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 3,419 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	GBP	EUR	Total
Total financial assets	19,888,769	-	-	19,888,769

3I INFOTECH BPO LIMITED

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

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 198,888 for the year ended March 31,2015

(b)Interest rate risk

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market.

(ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables and unbilled revenues.

(1) Credit risk management

- Trade receivables and Unbilled revenues

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables and unbilled revenue. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

- Other Financcails Assets

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(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 63,284,647 (March 31, 2016: INR 121,698,835, April 1, 2015: INR 78,801,133). The lifetime expected credit loss on customer balance for the year ended March 31, 2017 is INR 7,949,631 (March 31, 2016: INR 1,335,466, April 1, 2015: 277,597).

Reconciliation of loss allowance provision - Trade receivables and Unbilled revenue

Particulars	(Amount in INR)	
	March 31, 2017	March 31, 2016
Balance at the beginning	1,335,467	277,597
Impairment loss recognised/reversed	6,614,165	1,057,870
Balance at the end	7,949,632	1,335,467

- Other Financial Assets

The carrying amount of cash and cash equivalents, investments carried at amortised cost, deposits with banks and financial institutions and other financial assets represents the maximum credit exposure. The maximum exposure to credit risk is INR 124,700,034 (March 31, 2016: INR 112,997,525 , April 1, 2015: INR 179,792,361). The 12 months expected credit loss and lifetime expected credit loss on these financial assets for the year ended March 31, 2017 is INR 2,744,012 (March 31, 2016: INR 2,744,012, April 1, 2015 : NIL)

3I INFOTECH BPO LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****Reconciliation of loss allowance provision - other financial assets**

(Amount in INR)

Particulars	March 31, 2017		March 31, 2016	
	12 month expected losses	life-time expected losses	12 month expected losses	life-time expected losses
Balance at the beginning		2,744,012		-
Add(Less): Changes in loss allowances due to Changes in risk parameters		-		2,744,012
Balance at the end		2,744,012		2,744,012

(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	175,790,491	-	-	-	175,790,491
Borrowings	-	-	-	-	-
Other financial liabilities	19,753,803	-	-	-	19,753,803
Total	195,544,294	-	-	-	195,544,294

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	129,203,386	-	-	-	129,203,386
Borrowings	16,500,000	-	-	-	16,500,000
Other financial liabilities	24,737,901	-	-	-	24,737,901
Total	170,441,287	-	-	-	170,441,287

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	64,911,509	-	-	-	64,911,509
Borrowings	95,000,000	16,500,000	-	-	111,500,000
Other financial liabilities	37,516,293	-	-	-	37,516,293
Total	197,427,802	16,500,000	-	-	213,927,802

3I INFOTECH BPO LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Amount in INR)

32. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table presents the recognised financial instruments that are offset and other agreements but not offset, as at March 31, 2017, March 31, 2016 and April 1, 2015. The column 'net amount' shows the impact on the company's balance sheet if all set-off rights were exercised.

	Effects of offsetting on the balance sheet			Related amounts not offset		
	Gross amount	Gross amounts set off in the balance sheet	Net amount presented in the balance sheet	Amounts subjects to master netting arrangements	Financial instruments collateral	Net amount
March 31, 2017						
Financial assets						
Trade receivables	28,233,228	(3,470,404)	24,762,824	-	-	24,762,824
Total	28,233,228	(3,470,404)	24,762,824	-	-	24,762,824
Financial liabilities						
Borrowings	178,879,610	3,089,119	175,790,491	-	-	175,790,491
Interest Payable	381,285	381,285	-	-	-	-
Total	179,260,895	3,470,404	175,790,491	-	-	175,790,491
March 31, 2016						
Financial assets						
Trade receivables	74,711,116	(3,477,980)	71,233,137	-	-	71,233,137
Total	74,711,116	(3,477,980)	71,233,137	-	-	71,233,137
Financial liabilities						
Trade payables	129,986,191	782,805	129,203,386	-	-	129,203,386
Interest Payable	2,695,175	2,695,175	-	-	-	-
Total	132,681,366	3,477,980	129,203,386	-	-	129,203,386
April 1, 2015						
Financial assets						
Trade receivables	35,033,139	(93,761)	34,939,377	-	-	34,939,377
Total	35,033,139	(93,761)	34,939,377	-	-	34,939,377
Financial liabilities						
Interest Payable	4,670,218	93,761	4,576,457	-	-	4,576,457
Total	4,670,218	93,761	4,576,457	-	-	4,576,457

3I INFOTECH BPO LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Amount in INR)

33. CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings other than convertible preference shares	-	16,500,000	111,500,000
Trade payables	175,790,491	129,203,386	64,911,509
Other payables	34,683,330	56,702,322	129,470,636
Less: cash and cash equivalents	(10,957,006)	(11,290,982)	(1,080,576)
Net Debt	199,516,815	191,114,726	304,801,569
Convertible preference shares	-	-	-
Equity	397,377,178	392,776,816	382,212,930
Total Capital	397,377,178	392,776,816	382,212,930
Capital and net debt	596,893,993	583,891,542	687,014,499
Gearing ratio	33	33	44

3I INFOTECH BPO LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Amount in INR)

34. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Principal amount due to suppliers under MSMED Act, 2006*	-	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-	-
Interest paid to suppliers under MSMED Act, (other than Section 16)	-	-	-
Interest paid to suppliers under MSMED Act, (Section 16)	-	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made	-	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-	-

* Amount includes due and unpaid of INR Nil (March 31, 2016: INR Nil)

The information has been given in respect of such vendors to the extent they could be identified as "Mico and Small" enterprises on the basis of information available with the Company.

35.EXCEPTIONAL ITEMS

During previous year, with an objective to serve interest of the lenders in the long term and offer the possibility of value enhancement and simultaneously support the growth, the Holding Company submitted a Debt Restructuring Scheme ('DRS') to its lenders (including the lenders of subsidiary companies). In the current year, the DRS has been approved by the CDR Empowered Group.

As per the terms of DRS :

1. Lenders' exposure in the Company as at March 31, 2016 was recognized in the Holding Company; to be considered for conversion into equity/preference shares; as prescribed.
2. Waiver of all unpaid interest dues payable to lenders relating to the period upto March 31,2016.

Accordingly, the lenders' exposures as at March 31, 2016 amounting to Rs. 253,614,960 was recognized as a repayment against 'Loans to Related Parties' and the waiver of such unpaid interest dues payable for the year amounting to Rs. 5,399,059 was accounted as a credit to Interest Expense in financial statements.

36. DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

The Company did not hold specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) and hence are no transactions during the period from November 8, 2016 to December, 30 2016 to be reported relating thereto.

For and on behalf of the board

Sd/-
Padmanabhan Iyer
Chairman
DIN: 05282942

Sd/-
Ajay Kumar
Director
DIN:07652605

Navi Mumbai
Date : April 28,2017

Navi Mumbai
Date : April 28,2017