3i INFOTECH HOLDINGS PRIVATE LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31,2017

3I INFOTECH HOLDINGS PRIVATE 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) Financial Assets				
(i) Investments	4	9,218,964,375	8,996,912,107	9,758,649,357
(ii) Loans	4	154,290,264	54,878,743	31,181,566
		9,373,254,639	**9,051,790,850**	**9,789,830,923**
Current assets				
(a) Financial Assets				
(i) Trade Receivables	5	744,280,123	760,366,144	718,825,651
(ii) Cash and Cash Equivalents	6	3,236,172	664,971	1,482,790
(iii) Other Financial Assets	4	406,978,038	506,067,326	519,689,614
(b) Other Current Assets	7	139,563	142,526	-
		1,154,633,896	**1,267,240,967**	**1,239,998,055**
TOTAL		**10,527,888,535**	**10,319,031,817**	**11,029,828,978**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	8	9,696,892,418	9,696,892,418	9,696,892,418
(b) Other Equity	9	(7,090,383,786)	(7,009,697,305)	(5,313,055,672)
		2,606,508,632	**2,687,195,113**	**4,383,836,746**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	10	7,921,301,499	7,631,526,919	6,645,881,136
		7,921,301,499	**7,631,526,919**	**6,645,881,136**
Current Liabilities				
(b) Other Current Liabilities	11	78,404	309,785	111,097
		78,404	**309,785**	**111,097**
TOTAL		**10,527,888,536**	**10,319,031,817**	**11,029,828,978**

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements. 1 to 22

As per our report of even date attached

For and on behalf of the board

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

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

Sd/-
Padmanabhan Iyer
Director
DIN: 05282942

Sd/-
Mrinal Ghosh
Director
DIN:07232477

Place : Navi Mumbai
Date : April 28,2017

Place : Navi Mumbai
Date : April 28,2017

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

(Amount in INR)

Particulars	Notes	2016-17	2015-16
REVENUE			
Other income	12	562,271,925	374,132,768
Total Revenue (I)		**562,271,925**	**374,132,768**
EXPENSES			
Finance costs	13	575,072,620	524,006,274
Other expenses	14	335,978	73,152,894
Total Expenses (II)		**575,408,598**	**597,159,168**
Profit/(loss) before exceptional items and tax (I-II)		**(13,136,673)**	**(223,026,401)**
Exceptional Items	15	-	1,500,000,000
Profit/(loss) before tax		**(13,136,673)**	**(1,723,026,401)**
Tax expense:			
Current tax		-	-
Adjustment of tax relating to earlier periods		-	-
Deferred tax		-	-
Profit/(loss) for the period		**(13,136,673)**	**(1,723,026,401)**
OTHER COMPREHENSIVE INCOME		**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**(13,136,673)**	**(1,723,026,401)**
Earnings per share for profit attributable to equity shareholders	16		
Basic EPS		(0.00)	(0.28)
Dilluted EPS		(0.00)	(0.28)

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements. 1 to 22

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/-	**Sd/-**	**Sd/-**
S. Maheshwari	**Padmanabhan Iyer**	**Mrinal Ghosh**
Partner	**Director**	**Director**
M.No.: 38755	**DIN: 05282942**	**DIN:07232477**
Place : Navi Mumbai	**Place : Navi Mumbai**	
Date : April 28,2017	**Date : April 28,2017**	

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

(Amount in INR)

Particulars	Notes	2016-17	2015-16
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit/(Loss) before income tax from:			
Continuing operations		(13,136,673)	(1,723,026,401)
Discontinued operations		-	-
Profit before income tax including discontinued operations		**(13,136,673)**	**(1,723,026,401)**
Adjustments for:			
Impairment of Investment		-	1,500,000,000
Translation effect		(66,653,229)	26,384,768
Investments written off through retained earnings		(71,799,760)	-
Changes in fair value of financial assets at fair value through profit or loss		(415,585,583)	(374,132,768)
Difference due to change in Forex rate for opening retained earnings		70,903,181	-
Finance costs		575,072,620	524,006,274
Net foreign exchange differences		(98,382,281)	95,446,206
(Increase)/Decrease in trade receivables		16,086,021	(41,540,493)
(Increase) in other financial assets		(322,232)	(10,074,889)
(Increase)/decrease in other non-current assets		2,963	(142,526)
Increase in other current liabilities		(231,381)	198,688
Cash generated from operations		**(4,046,354)**	**(2,881,141)**
Less: Income taxes paid		-	-
Net cash inflow from operating activities		**(4,046,354)**	**(2,881,141)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received		6,617,555	2,063,321
Net cash outflow from investing activities		6,617,555	2,063,321
CASH FLOWS FROM FINANCING ACTIVITIES:		-	-
Net cash inflow (outflow) from financing activities		-	-
Net increase (decrease) in cash and cash equivalents		2,571,201	(817,819)
Cash and Cash Equivalents at the beginning of the financial year		664,971	1,482,790
Effects of exchange rate changes on Cash and Cash Equivalents		-	-
Cash and Cash Equivalents at end of the year		**3,236,172**	**664,971**

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements. 1 to 22

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/-	**Sd/-**	**Sd/-**
S. Maheshwari	**Padmanabhan Iyer**	**Mrinal Ghosh**
Partner	**Director**	**Director**
M.No.: 38755	**DIN: 05282942**	**DIN:07232477**

Place : Navi Mumbai
Date : April 28,2017

Place : Navi Mumbai
Date : April 28,2017

3I INFOTECH HOLDINGS PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2017

A Equity Share Capital

Particulars	Balance at the Beginning of the period	Changes in Equity share capital during the year	Balance at the end of the period
March 31, 2016			
Numbers	**6,258,371,598**	**-**	**6,258,371,598**
Amount	**9,696,892,418**	**-**	**9,696,892,418**
March 31, 2017			
Numbers	**6,258,371,598**	**-**	**6,258,371,598**
Amount	**9,696,892,418**	**-**	**9,696,892,418**

B Other Equity

Particulars	Share Application money pending allotment	Equity Component of Compound financial instruments	Reserves and Surplus		Total
			Capital Reserve	Retained Earnings	
As at April 1, 2015	**-**	**69,653,126**	**-**	**(5,382,708,798)**	**(5,313,055,672)**
Profit for the period				(1,723,026,401)	**(1,723,026,401)**
Other comprehensive income				-	**-**
Total comprehensive income for the year	-	69,653,126	-	(7,105,735,199)	**(7,036,082,073)**
Translation effect		-		26,384,768	**26,384,768**
As at March 31, 2016	**-**	**69,653,126**	**-**	**(7,079,350,431)**	**(7,009,697,305)**
Profit for the period				(13,136,673)	**(13,136,673)**
Other comprehensive income				-	**-**
Total comprehensive income for the year	-	69,653,126	-	(7,092,487,104)	**(7,022,833,978)**
Investment w/off				(71,799,760)	**(71,799,760)**
Translation Effect		-		(66,653,229)	**(66,653,229)**
Difference due to change in Forex rate for opening retained earnings				70,903,181	**70,903,181**
As at March 31, 2017	**-**	**69,653,126**	**-**	**(7,160,036,912)**	**(7,090,383,786)**

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements. 1 to 22

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

Place : Navi Mumbai
Date : April 28,2017

Sd/-
Padmanabhan Iyer
Director
DIN: 05282942

Sd/-
Mrinal Ghosh
Director
DIN:07232477

Place : Navi Mumbai
Date : April 28,2017

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

1 Corporate Information

3i Infotech Holdings Private Limited (referred to as ‘’3i’’ or “the Company”). The main activity is that of Investment holdings.
The Company was incorporated in the Republic of Mauritius on November 20, 2006 under the Companies Act 2001. Its registered office is 5th Floor, Ebene Esplanade, 24 Cybercity, Ebene.
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 34 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) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

(iii) Provisions and Contingent liabilities

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

d) Revenue Recognition

Revenues earned by the Company are recognised on the following bases:
• Interest income - on a time-proportion basis using the effective interest method.
• Dividend income - when the shareholder's right to receive payment is established.
• Other income - as it accrues unless collectibility is in doubt.

f) 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.

g) Foreign currency

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

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity’s net investment in that foreign operation.

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

Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.
Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined

h) Income taxes

Current income taxes

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

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

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

Deferred income taxes

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

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.
Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.
Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

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.

i) Financial instruments

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

(i) Cash and cash equivalents

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

(ii) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTOCI

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:
(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset’s contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

- 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 43 details how the Company determines whether there has been a significant increase in credit risk.
For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iii) Financial liabilities

Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

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

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

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

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

- **Loans and borrowings**

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

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

- **Financial guarantee contracts**

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

Derecognition

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

(iv) Reclassification of financial assets

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

(v) Offsetting of financial instruments

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

j) 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.

k) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund.

Gratuity obligations

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

The present value of the defined benefit obligation denominated in 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.

l) 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.

m) Borrowing costs
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

n) 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.

o) 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.

p) 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.

q) 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.

r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s) 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.

t) 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.

3. FIRST TIME ADOPTION OF IND AS

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

1. Ind AS optional exemptions

i. Cumulative translation differences

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired. The company elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

Ind AS 101 also permits to continue the accounting policy adopted under Indian GAAP for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. The company has elected to continue with the adopted policy for accounting of exchange differences on long term foreign currency monetory items existing at the period ending March 31, 2016.

ii. Estimates

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTOCI – unquoted equity shares
- Impairment of financial assets based on expected credit loss model

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

iii. Investments in subsidiaries, joint ventures and associates

In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost , may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary, associate and joint venture. The company elects to carry all its investments in subsidiaries, associates and joint ventures at previous GAAP carrying amount as deemed cost.

iv. Compound financial instruments

When the liability component of a compound financial instrument is no longer outstanding at the date of transition to Ind AS, a first-time adopter may elect not to apply Ind AS 32 retrospectively to split the liability and equity components of the instrument.

v. Extinguishing financial liabilities with equity instruments

Appendix D to Ind AS 109 addresses accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor to extinguish all or part of the financial liability. It broadly requires that equity instruments issued to a creditor to extinguish all or part of a financial liability is treated as consideration paid and measured at their fair value at the date of extinguishment. The difference between the carrying amount of the financial liability and the consideration paid (including any cash or other financial asset) should be recognised in profit or loss. The consideration amount is the fair value of the equity shares issued, and if that is not reliably measurable, the fair value of the liability that is being redeemed. A first-time adopter may apply these requirements either retrospectively or from the date of transition to Ind AS.

vi. 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 HOLDINGS PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

3A. FIRST TIME ADOPTION OF IND AS

B. Reconciliations between previous GAAP and Ind AS

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

i. Reconciliation of equity as at date of transition (April 1, 2015) **(Amount in INR)**

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS				
Non-Current Assets				
(a) Financial Assets				
(i) Investments	1	9,158,029,543	600,619,814	9,758,649,357
(ii) Loans		31,181,566	-	31,181,566
Current assets				
(a) Financial Assets				
(i) Trade Receivables		718,825,651	-	718,825,651
(ii) Cash and Cash Equivalents		1,482,790	-	1,482,790
(iii) Other Financial Assets		519,689,614	-	519,689,614
TOTAL		**10,429,209,164**	**600,619,814**	**11,029,828,978**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	3	13,074,336,930	(3,377,444,513)	9,696,892,418
(b) Other Equity	2	(4,909,679,006)	(403,376,666)	(5,313,055,672)
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	3	-	6,645,881,136	6,645,881,136
(ii) Other Financial Liabilities	3	2,264,440,143	(2,264,440,143)	-
Current Liabilities				
(a) Other Current Liabilities		111,097	-	111,097
TOTAL		**10,429,209,164**	**600,619,814**	**11,029,828,978**

3I INFOTECH HOLDINGS PRIVATE 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) Financial Assets				
(i) Investments	1	8,141,035,530	855,876,577	8,996,912,107
(iii) Loans		54,878,743	-	54,878,743
		8,195,914,274	**855,876,577**	**9,051,790,850**
Current assets				
(a) Financial Assets				
(i) Trade Receivables		760,366,144	-	760,366,144
(ii) Cash and Cash Equivalents		664,971	-	664,971
(iii) Other Financial Assets		506,067,326	-	506,067,326
(d) Other Current Assets		142,526	-	142,526
		1,267,240,967	-	**1,267,240,967**
TOTAL		**9,463,155,241**	**855,876,577**	**10,319,031,817**
EQUITY AND LIABILITIES				-
Equity				-
(a) Equity Share capital	3	13,106,637,601	(3,409,745,183)	9,696,892,418
(b) Other Equity	2	(6,061,672,284)	(948,025,021)	(7,009,697,305)
		7,044,965,317	**(4,357,770,204)**	**2,687,195,113**
Liabilities				
Non Current Liabilities			-	-
(a) Financial Liabilities				
(i) Borrowings	3	-	7,631,526,919	7,631,526,919
(ii) Other Financial Liabilities			-	-
		-	**7,631,526,919**	**7,631,526,919**
Current Liabilities			-	-
(a) Financial Liabilities				
(i) Other Financial Liabilities	3	2,417,880,102	(2,417,880,102)	-
(b) Other Current Liabilities		309,785	-	309,785
		2,418,189,887	**(2,417,880,102)**	**309,785**
			-	-
TOTAL		**9,463,155,204**	**855,876,614**	**10,319,031,817**

iii. Reconciliation of total comprehensive income for the year ended March 31, 2016 **(Amount in INR)**

Particulars	Notes	IGAAP	Adjustments	IND AS Balance
REVENUE				
Other income	1	19,152,109	354,980,658	374,132,768
Total Revenue (I)				
EXPENSES			**-**	**-**
Finance costs	1,3	187,358	523,818,917	524,006,274
Other expenses	4	469,233	72,683,661	73,152,894
Total Expenses (II)		**656,591**	**596,502,578**	**597,159,168**
Profit/(loss) before exceptional items and tax (I-II)		**18,495,519**	**(241,521,920)**	**(223,026,401)**
Exceptional Items		1,500,000,000	-	1,500,000,000
Profit/(loss) before tax		**(1,481,504,481)**	**(241,521,920)**	**(1,723,026,401)**
Profit/(loss) for the period		**(1,481,504,481)**	**(241,521,920)**	**(1,723,026,401)**
			-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**(1,481,504,481)**	**(241,521,920)**	**(1,723,026,401)**

* 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	Note	March 31, 2016	April 1, 2015
Equity as per previous GAAP		7,044,965,317	8,164,657,924
Impact of transition to Ind AS:			
Reclassification from equity to financial liabilities	3	(3,409,745,139)	(3,377,444,509)
FCMITDA	4	(944,367)	(90,731,306)
Fair valuation of financial instruments & Translation effect adjusted in Retained earnings	1	(1,016,733,781)	(382,298,491)
Equity Component of Compound financial instruments	1, 3	69,653,126	69,653,127
Total adjustments		**(4,357,770,160)**	**(3,780,821,178)**
Total equity as per Ind AS		**2,687,195,156**	**4,383,836,746**

v. Reconciliation of total comprehensive income for the year ended March 31, 2016 **(Amount in INR)**

Particulars	Note	March 31, 2016
Profit after tax as per previous GAAP		(1,481,504,481)
Adjustments:		
Fair valuation of investments	1	354,980,658
Borrowings – Interest expense	3	(523,818,917)
Forex on translation	4	(72,683,661)
Total adjustments		**(241,521,920)**
Profit after tax as per Ind AS		**(1,723,026,401)**
Other comprehensive income		-
Total comprehensive income as per Ind AS		**(1,723,026,401)**

-

v. 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: Fair valuation of investments

Under Indian GAAP,the Company accounted for long term investments in unquoted debt instruments(preferenceshares)as investments measured at cost less provision for other than temporary diminution in the value of investments.Under IndAS,such investments are to be measured initially at fair value and these investments have been designated as financial assets at amortised cost.

Note 2: Retained earnings

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

Note 3: Redeemable Convertible preference shares

The company has issued convertible redeemable preference shares. The preference shares carry fixed cumulative dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit.

Under Ind AS, convertible preference shares are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised using the effective interest method.

Note 4: Foreign currency translation reserve

The Company elected to reset the balance appearing in the foreign currency translation reserve to zero as at April 1, 2015. Accordingly, translation reserve balance under previous GAAP has been transferred to retained earnings.

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

4. FINANCIAL ASSETS

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
(A) INVESTMENTS			
Non Current			
(1) Investments carried at Amortised Cost			
Unquoted			
Investments in Preference Shares of Subsidiaries			
(i) 3i Infotech Inc.			
Series B - Optionally Convertible Preferred Stock : 23,129,051 shares of USD 1 each (As at March 31,2016 -23,129,051 shares , As at March 31,2015 -23,129,051 shares)	978,298,546	994,668,886	928,701,153
Series C - Optionally Convertible Preferred Stock: 36,069,425 shares of USD 1 each (As at March 31,2016 -36,069,425 shares , As at March 31,2016 -36,069,425 shares)	1,616,443,703	1,470,667,360	1,367,791,621
(ii) 3i Infotech Financial Software Inc.			
Series A - 30,297,500 Optionally Convertible Preferred Stock of of USD 1 each (As at March 31,2015 - 30,297,500 shares , As at March 31,2016 - 30,297,500 shares)	1,327,976,809	1,235,330,631	1,148,917,341
	3,922,719,058	**3,700,666,877**	**3,445,410,114**
(2) Investments carried at Cost			
Unquoted			
Investments in Equity Instruments of wholly owned subsidiaries			
(i) 3i Infotech Inc			
Class A Shares: 100,138,408 Shares of USD 0.30 each (As at March 31,2016 - 100,138,408 shares , As at March 31,2015 - 100,138,408 shares)	7,176,758,476	7,176,758,495	7,176,758,495
Class B Shares:1,000,000 Shares of USD 0.01 each (As at March 31,2016 - 1,00,000, shares , As at March 31,2015 - 1,00,000 shares)	448,148	448,148	448,148
	7,177,206,624	**7,177,206,643**	**7,177,206,643**
Less : Impairment loss allowance	(3,310,410,415)	(3,310,410,415)	(2,293,416,402)
	3,866,796,209	**3,866,796,228**	**4,883,790,240**
(ii) 3i Infotech (Middle East) FZ LLC			
46174 shares of AED 1000 each (As at March 31,2016- 46174 shares , As at March 31,2015- 46174 shares)	564,626,826	564,626,813	564,626,813
Less : Impairment loss allowance	-	-	-
(iii) 3i Infotech Financial Software Inc			
280,556 shares of USD 1 each (As at Mar 31,2016 -280,556 shares , As at March 31, 2015 -280,556 shares)	864,822,282	864,822,189	864,822,189
(iv) Black Barret Holdings Limited			
1710 **Class A Shares** of 1 Euro each (As at March 31,2016 - 1710 shares , As at March 31,2015 - 1710 shares)	1,748,810,011	1,748,810,011	1,748,810,011
Less : Impairment loss allowance	(1,748,810,011)	(1,748,810,011)	(1,748,810,011)
138 **Class B shares** of 1 Euro each (As at March 31,2016 - 138 shares , As at March 31,2015 - 138 shares)	130,244,328	130,244,328	130,244,328
Less : Impairment loss allowance	(130,244,328)	(130,244,328)	(130,244,328)
	5,296,245,317	**5,296,245,230**	**6,313,239,242**
Total	**9,218,964,375**	**8,996,912,107**	**9,758,649,357**

Aggregate amount of quoted investments	-	-	-
Market value of quoted investments	-	-	-
Aggregate amount of unquoted investments	9,218,964,375	8,996,912,107	9,758,649,357
Aggregate amount of impairment in the value of investments	(5,189,464,753)	(5,189,464,753)	(4,172,470,740)
Investments carried at amortised cost	**3,922,719,058**	**3,700,666,877**	**3,445,410,114**
Investments carried at fair value through other comprehensive income	**-**	**-**	**-**
Investments carried at fair value through profit and loss	**-**	**-**	**-**
Investments carried at cost	**5,296,245,317**	**5,296,245,230**	**6,313,239,242**
(B) LOANS			
Non Current			
Unsecured, considered good unless otherwise stated			
Loans to Related Parties	154,290,264	54,878,743	31,181,566
Total	**154,290,264**	**54,878,743**	**31,181,566**
(C) OTHER FINANCIAL ASSETS			
Current			
Financial assets carried at amortised cost			
Share Application Money	406,978,038	406,978,038	406,978,038
Other financial assets*	-	99,089,288	112,711,576
Total	**406,978,038**	**506,067,326**	**519,689,614**

*Includes receivables on sale of investement

5. TRADE RECEIVABLES

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Receivables from other related parties	744,280,123	760,366,144	718,825,651
	744,280,123	**760,366,144**	**718,825,651**

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)

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

6. CASH AND CASH EQUIVALENTS

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks:			
- On current accounts	3,236,172	664,971	1,482,790
	3,236,172	**664,971**	**1,482,790**

7. OTHER ASSETS

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Others			
- Prepaid expenses	139,563	142,526	-
Total	**139,563**	**142,526**	**-**

8. SHARE CAPITAL

i. Authorised Share Capital **(Amount in INR)**

	Equity Share (MUR 1 Each)		Series A - Redeemable Convertible Preference Shares of MUR 1 each	
	Number	Amount	Number	Amount
At April 1, 2015	6,258,371,598	218,553,775	891,631,605	22,624,600
Increase/(decrease) during the year	-			
At March 31, 2016	6,258,371,598	218,553,775	891,631,605	22,624,600
Increase/(decrease) during the year	-			
At March 31, 2017	**6,258,371,598**	**218,553,775**	**891,631,605**	**22,624,600**

	Series C - Redeemable Convertible Preference Shares of MUR 1 each		Series D - Redeemable Convertible Preference Shares of MUR 1 each	
	Number	Amount	Number	Amount
At April 1, 2015	1,780,361,142	66,367,000	21,878,720	800,000
Increase/(decrease) during the year				-
At March 31, 2016	1,780,361,142	66,367,000	21,878,720	800,000
Increase/(decrease) during the year				
At March 31, 2017	**1,780,361,142**	**66,367,000**	**21,878,720**	**800,000**

During the year ended March 31, 2017, the authorised share capital remains unchanged.

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of MUR 1 each. Each shareholder has right to vote in respect of such share, on every resolution placed before the Company and his voting right on a poll shall be in proportion to his share of the paid up equity capital of the Company. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments of preferential amounts in proportion to their shareholding.

Terms/rights attached to preference shares

The Company has three series of Redeemable Convertible Preference Shares having no par value – Series A, C and D. The preference shareholder shall have the right to apply for conversion of the preference shares into 1 ordinary share for consideration of 1 MUR each for every 1 preference share held by it, irrespective of the Series. The preference shareholder is entitled to receive premium on redemption of preference shares, as applicable to the respective series of preference shares, in case the shareholder does not exercise the right of conversion.

ii. Issued Capital

Equity Shares

	Number	Amount
Equity shares of MUR 1 each issued, subscribed and fully paid		
At April 1, 2015	**6,258,371,598**	**9,696,892,418**
Issued during the period		
Shares issued towards conversion of FCCB	-	-
Shares issued under CDR	-	-
At March 31, 2016	**6,258,371,598**	**9,696,892,418**
Issued during the period		
Shares issued towards conversion of FCCB	-	-
Shares issued under CDR	-	-
At March 31, 2017	**6,258,371,598**	**9,696,892,418**

Preference Shares

	Series A - Redeemable Convertible Preference Shares of MUR 1 each		Series C - Redeemable Convertible Preference Shares of MUR 1 each	
	Number	Amount	Number	Amount
At April 1, 2015	891,631,605	-	1,780,361,142	-
Issued during the period		-		-
At March 31, 2016	891,631,605	-	1,780,361,142	-
Issued during the period		-		-
At March 31, 2017	**891,631,605**	**-**	**1,780,361,142**	**-**

	Series D - Redeemable Convertible Preference Shares of MUR 1 each	
	Number	Amount
At April 1, 2015	21,878,720	-
Issued during the period		-
At March 31, 2016	21,878,720	-
Issued during the period		-
At March 31, 2017	**21,878,720**	**-**

This note covers the equity component of the issued convertible preference shares. The liability component is reflected in financial liabilities

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

3i Infotech Limited is the ultimate holding company of the Company.

iv. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	Number	% holding	Number	% holding
Equity shares of MUR 1/- each fully paid				
3i Infotech Limited	6,258,371,598	100	6,258,371,598	100
Details of members holding Series A, Series C and Series D Preference shares more than 5%				
3i Infotech Limited	2,693,871,467	100	2,693,871,467	100

v. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

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

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

vi. Shares reserved for issue under options

The Company has not reserved any shares for issue under options.

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

9. OTHER EQUITY

i. Reserves and Surplus **(Amount in INR)**

Particulars	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
Retained Earnings	(7,160,036,912)	(7,079,350,431)	(5,382,708,798)
	(7,160,036,912)	**(7,079,350,431)**	**(5,382,708,798)**

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

	March 31, 2017	**March 31, 2016**
Opening balance	(7,079,350,431)	(5,382,708,798)
Net Profit/(Loss) for the period	(13,136,673)	(1,723,026,401)
Translation effect	(66,653,229)	26,384,768
Investment w/off	(71,799,760)	-
Difference due to change in Forex rate for opening retained earnings	70,903,181	-
Closing balance	**(7,160,036,912)**	**(7,079,350,431)**

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

ii. Other Components of Equity **(Amount in INR)**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Equity Component of Compound financial instruments	69,653,126	69,653,126	69,653,126
Total	**69,653,126**	**69,653,126**	**69,653,126**

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

10. BORROWINGS

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Non Current Borrowings			
Unsecured			
Liability Component of Compound Financial Instruments	7,921,301,499	7,631,526,919	6,645,881,136
Total	**7,921,301,499**	**7,631,526,919**	**6,645,881,136**

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

11. OTHER LIABILITIES

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Others	78,404	309,785	111,097
Total	**78,404**	**309,785**	**111,097**

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

12. OTHER INCOME

(Amount in INR)

Particulars	2016-17	2015-16
Interest income on		
Financial assets at amortised cost	408,968,027	372,069,447
Others	6,617,555	2,063,321
Foreign Exchange Fluctuation Gain	146,686,342	-
	562,271,925	**374,132,768**

13. FINANCE COST

(Amount in INR)

Particulars	2016-17	2015-16
Interest expense on debts and borrowings	575,072,620	524,006,274
	575,072,620	**524,006,274**

14. OTHER EXPENSES

(Amount in INR)

Particulars	2016-17	2015-16
Legal and professional fees	299,146	469,233
Bank charges	36,833	187,358
Foreign exchange fluctuation loss	-	72,496,303
	335,978	**73,152,894**

15. EXCEPTIONAL ITEMS

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016
Impairment loss on non current investments	-	1,500,000,000
	-	**1,500,000,000**

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

16. EARNINGS PER SHARE

(Amount in INR)

Particulars	**2016-17**	**2015-16**
(a) Basic earnings per share		
From continuing operations attributable to the equity holders of the company	(0.00)	(0.28)
From discontinuing operations attributable to the equity holders of the company	-	-
Total basic earnings per share attributable to the equity holders of the company	**(0.00)**	**(0.28)**
(b) Dilluted earnings per share		
From continuing operations attributable to the equity holders of the company	(0.00)	(0.28)
From discontinuing operations attributable to the equity holders of the company	-	-
Total dilluted earnings per share attributable to the equity holders of the company	**(0.00)**	**(0.28)**
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share		
From continuing operations	(13,136,673)	(1,723,026,401)
From discontinuing operations	-	-
	(13,136,673)	**(1,723,026,401)**
Dilluted earnings per share		
Profit from continuing operations attributable to the equity holders of the company		
Used in calculating basic earnings per share	(13,136,673)	(1,723,026,401)
Add: Interest savings on convertible bonds	-	-
Add: Interest savings on convertible preference shares	-	-
Add: Interest savings on other instruments	-	-
Profit from discontinuing operations	-	-
Profit attributable to the equity holders of the company used in calculating dilluted earnings per share	**(13,136,673)**	**(1,723,026,401)**
(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	6,258,371,598	6,258,371,598
Adjustments for calculation of dilluted earnings per share:		
Convertible Preference shares	-	-
Weighted average number of equity shares used as the denominator in calculating dilluted earnings per share	**6,258,371,598**	**6,258,371,598**

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

(Amount in INR)

20. 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 Inc.,USA	Subsidiary company	USA
3i Infotech (Middle East) FZ LLC,UAE	Subsidiary company	UAE
Black Barret Holdings Limited, Cyprus	Subsidiary company	Cyprus
3i Infotech (South Africa) Proprietary Limited, South Africa	Subsidiary company	Republic of South Africa
3i Infotech Financial Software Inc., USA	Subsidiary company	USA
3i Infotech Saudi Arabia LLC	Fellow Subsidiary	Saudi Arbia
3i Infotech SDN BHD, Malaysia	Fellow Subsidiary	Malaysia
3i Infotech (Western Europe) Holdings Limited (up to Fe	Fellow Subsidiary	UK
3i Infotech (Western Europe) Group Limited	Fellow Subsidiary	UK
3i Infotech (Flagship) Group Limited	Fellow Subsidiary	UK
Rhyme Systems Limited	Fellow Subsidiary	UK
3i Infotech Framework Limited (up to February 8,2016)	Fellow Subsidiary	UK
3i Infotech BPO Limited	Fellow Subsidiary	India
Professional Access Software Development Private Limi	Step down Subsidiary	India
Locuz Enterprise Solutions Limited	Fellow Subsidiary	India
Locus Inc	Fellow Subsidiary	USA
3i Infotech Consultancy Services Limited	Fellow Subsidiary	India
3i Infotech (UK) Limited	Fellow Subsidiary	UK
3i Infotech Service SDN BHD	Fellow Subsidiary	Malaysia
3i infotech (Thailand) Limited	Fellow Subsidiary	Thailand
3i Infotech Trusteeship Services Limited. (up to October	Fellow Subsidiary	India
Elegon Infotech Limited.	Fellow Subsidiary	China
IFRS Cloud Solution Limited (formerly known as 3i Infot	Fellow Subsidiary	India
3i Infotech (Africa) Limited	Fellow Subsidiary	Kenya

Key Managerial Personnal (KMP) :

Name of Related Party	Designation
1. Mr. Padmanabhan Iyer	Director
2. Mr. Mrinal Ghosh	Director

(ii) Transactions with related parties

The following transactions occurred with related parties

Name	Nature of Relationship	Nature of Transaction	March 31, 2017	March 31, 2016
3i Infotech (Middle East) FZ LLC	Subsidiary Company	Interest Received	3,621,653	273,821
3i Infotech Inc.,USA	Subsidiary Company	Interest Received	1,325,977	1,789,500

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

(iv) Loans to/from related parties

Name	Nature of Relationship	Particulars	March 31, 2017	March 31, 2016
Loans to related parties				
3i Infotech Inc.,USA	Subsidiary	Beginning of the year	**34,772,002**	**32,961,254**
		Interest income recognised	1,325,977	1,789,500
		Forex Exchange Difference	(768,269)	21,248
		End of the year	**35,329,710**	**34,772,002**
3i Infotech (Middle East) FZ LLC	Subsidiary	Beginning of the year	**661,576,051**	**641,473,606**
		Loans advanced	95,771,398	19,829,670
		Interest income recognised	3,621,653	273,821
		Forex Exchange Difference	(14,151,410)	(1,046)
		End of the year	**746,817,693**	**661,576,051**
3i Infotech Limited	Ultimate Holding company	Beginning of the year	**115,659,459**	**135,488,468**
		Loan repayments received	-	(19,829,009)
		Forex Exchange Difference	(2,406,492)	-
		End of the year	**113,252,967**	**115,659,459**
Black Barret Holdings Limited, Cyprus	Subsidiary	Beginning of the year	**3,237,373**	**2,719,563**
		Loans advanced	-	517,810
		Forex Exchange Difference	(67,357)	-
		End of the year	**3,170,016**	**3,237,373**

(vii) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. For the year ended March 21, 2017, the group has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2016: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

(viii) Commitments with related parties

There are no commitments with related parties.

Redeemable Convertible Preference Shares

The Company has three series of Redeemable Convertible Preference Shares having no par value – Series A, C and D. The preference shareholder shall have the right to apply for conversion of the preference shares into 1 ordinary share for consideration of 1 MUR each for every 1 preference share held by it, irrespective of the Series. The preference shareholder is entitled to receive premium on redemption of preference shares, as applicable to the respective series of preference shares, in case the shareholder does not exercise the right of conversion.

Series A will be redeemable on 30th June 2017, at 139.627% of the Capital Amount denominated in Euro equivalent on the date of the allotment, redemption amount payable in Euro.

Series C will be redeemable on 30th June 2017, at 141.428% of the Capital Amount denominated in US$ equivalent on the date of the allotment, redemption amount payable in US$.

Series D will be redeemable on 30th June 2017, at 115% of the Capital Amount denominated in US$ equivalent on the date of the allotment, redemption amount payable in US$.

The preference shares rank ahead of the equity shares in the event of a liquidation. The presentation of the liability and equity components of these shares is explained below:

	March 31, 2017	March 31, 2016	April 1, 2015
Equity component of convertible bonds - value of conversion rights	69,653,126	69,653,126	69,653,126
Interest expense	575,072,620	524,006,274	NA
Non Current Borrowings	7,921,301,499	7,631,526,919	6,645,881,136

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

22. 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						
Investments in Preference Shares	3,922,719,058	3,700,666,877	3,445,410,114	3,922,719,058	3,700,666,877	3,445,410,114
Trade Receivables	744,280,123	760,366,144	718,825,651	744,280,123	760,366,144	718,825,651
Loans	154,290,264	54,878,743	31,181,566	154,290,264	54,878,743	31,181,566
Cash and Cash Equivalents	3,236,172	664,971	1,482,790	3,236,172	664,971	1,482,790
Other Financial Assets	406,978,038	506,067,326	519,689,614	406,978,038	506,067,326	519,689,614
Cost						
Investment in Equity Instruments	3,922,719,058	3,700,666,877	3,445,410,114	3,922,719,058	3,700,666,877	3,445,410,114
Total	**9,154,222,713**	**8,723,310,939**	**8,161,999,850**	**9,154,222,713**	**8,723,310,939**	**8,161,999,850**

FINANCIAL LIABILITIES						
Amortised cost						
Borrowings	7,921,301,499	7,631,526,919	6,645,881,136	7,921,301,499	7,631,526,919	6,645,881,136
Total	**7,921,301,499**	**7,631,526,919**	**6,645,881,136**	**7,921,301,499**	**7,631,526,919**	**6,645,881,136**

The management assessed that the fair value of cash and cash equivalent, trade receivables, and Other financial assets approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values for loans 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.

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

All the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification assets, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

(Amount in INR)

23. 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 10% 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	AED	Total
Total financial assets	13,967,808,528	-	818,012,661	**14,785,821,189**
Total financial liabilities	7,921,301,499	-	-	**7,921,301,499**

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 Rs 68,645,197 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	AED	Total
Total financial assets	14,032,244,793	-	734,282,340	**14,766,527,133**
Total financial liabilities	7,631,526,919	-	-	**7,631,526,919**

10% 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 Rs 71,350,002 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	AED	Total
Total financial assets	14,355,071,165	-	675,666,321	**15,030,737,486**
Total financial liabilities	6,645,881,136	-		**6,645,881,136**

10% 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 Rs 83,848,563 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 Financails 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 represents the maximum credit exposure from customers. The maximum exposure to credit risk from customers is INR 744,280,123 (March 31, 2016: INR 760,366,144 April 1, 2015: INR 718,825,651). The lifetime expected credit loss on customer balance for the year ended March 31, 2017 is Nil (March 31, 2016: Nil, April 1, 2015: Nil).

Reconciliation of loss allowance provision - Trade receivables and Unbilled revenue

Particulars	March 31, 2017	March 31, 2016
Balance at the beginning	-	-
Impairment loss recognised/reversed	-	-
Balance at the end	**-**	**-**

- Other Financial Assets

The carrying amount of cash and cash equivalents, investments carried at amortised cost, loans and other financial assets represents the maximum credit exposure. The maximum exposure to credit risk is INR 9,783,468,849 (March 31, 2016: INR 9,558,523,147, April 1, 2015: INR 10,311,003,327). The 12 months expected credit loss and lifetime expected credit loss on these financial assets for the year ended March 31, 2017 is Nil (March 31, 2016: INR Nil, April 1, 2015 : Nil)

(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)

Particulars	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 year	Total
Non-derivative financial liabilities :					-
Trade and other payables	78,404	-	-	-	78,404
Borrowings including Interest thereon	-	-	-	7,921,301,499	7,921,301,499
					-
Total	**78,404**	**-**	**-**	**7,921,301,499**	**7,921,379,904**

March 31,2016 (Amount in INR)

Particulars	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 year	Total
Non-derivative financial liabilities :					-
Trade and other payables	309,785	-	-	-	309,785
Borrowings	-	-	-	7,631,526,919	7,631,526,919
					-
Total	**309,785**	**-**	**-**	**7,631,526,919**	**7,631,836,704**

April 1,2015 (Amount in INR)

Particulars	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 year	Total
Non-derivative financial liabilities :					-
Trade and other payables	111,097	-	-	-	111,097
Borrowings	-	-	-	6,645,881,136	6,645,881,136
					-
Total	**111,097**	**-**	**-**	**6,645,881,136**	**6,645,992,233**

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

(Amount in INR)

24. CAPITAL MANAGEMENT

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

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company's policy is to keep the gearing ratio between 20% to 40%. The company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings other than convertible preference shares	-	-	-
Trade payables	-	-	-
Other payables	78,404	309,785	111,097
Less: cash and cash equivalents	(3,236,172)	(664,971)	(1,482,790)
Net Debt	**(3,157,768)**	**(355,186)**	**(1,371,693)**
Convertible preference shares	7,990,954,625	7,701,180,045	6,715,534,262
Equity	9,696,892,418	9,696,892,418	9,696,892,418
Total Capital	**17,687,847,043**	**17,398,072,463**	**16,412,426,680**
Capital and net debt	17,684,689,275	17,397,717,277	16,411,054,986
Gearing ratio	**(0)**	**(0)**	**(0)**

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

(Amount in INR)

21. 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**	**Financial instruments collateral**	**Net amount**
March 31, 2017					
Financial assets					
Cash and cash equivalents	3,236,172	-	**3,236,172**	-	**3,236,172**
Trade receivables	744,280,123	-	**744,280,123**	-	**744,280,123**
Other financial assets	406,978,038	-	**406,978,038**	-	**406,978,038**
Total	1,154,494,333	-	**1,154,494,333**	-	1,154,494,333
Financial liabilities					
Borrowings	7,921,301,499	-	**7,921,301,499**	-	**7,921,301,499**
Total	7,921,301,499	-	**7,921,301,499**	-	7,921,301,499
March 31, 2016					
Financial assets					
Cash and cash equivalents	664,971	-	**664,971**	-	**664,971**
Trade receivables	760,366,144	-	**760,366,144**	-	**760,366,144**
Other financial assets	506,067,326	-	**506,067,326**	-	**506,067,326**
Total	1,267,098,441	-	**1,267,098,441**	-	1,267,098,441
Financial liabilities					
Borrowings	7,631,526,919	-	**7,631,526,919**	-	**7,631,526,919**
Total	7,631,526,919	-	**7,631,526,919**	-	7,631,526,919
April 1, 2015					
Financial assets					
Cash and cash equivalents	1,482,790	-	**1,482,790**	-	**1,482,790**
Trade receivables	718,825,651	-	**718,825,651**	-	**718,825,651**
Other financial assets	519,689,614	-	**519,689,614**	-	**519,689,614**
Total	1,239,998,055	-	**1,239,998,055**	-	1,239,998,055
Financial liabilities					
Borrowings	6,645,881,136	-	**6,645,881,136**	-	**6,645,881,136**
Total	6,645,881,136	-	**6,645,881,136**	-	6,645,881,136

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

(Amount in INR)

22. DEFERRAL/CAPITALISATION OF EXCHANGE DIFFERENCES

The Ministry of Corporate Affairs (MCA) has issued the amendment dated December 29, 2011 to AS 11 "The Effects of Changes in Foreign Exchange Rates", to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/earlier amendment to AS 11, the Company has capitalised exchange loss, 'arising on long-term foreign currency loan to the cost of plant and equipments. The Company also has other long-term foreign currency monetary item, where the gain/(loss) due to fluctuation in foreign currency is accounted for as FCMITDA and disclosed under reserve and surplus.

Accordingly foreign exchange gain/(loss) adjusted against:

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Cost of the assets/ Capital work in progress	-	-	-
FCMITDA	-	-	-
Amortised in the current year	-	-	-

For and on behalf of the board

Sd/-	**Sd/-**
Padmanabhan Iyer	**Mrinal Ghosh**
Director	**Director**
DIN: 05282942	**DIN:07232477**

Place : Navi Mumbai
Date : April 28,2017