

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT**  
**PRIVATE LIMITED**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31,2017**

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED****BALANCE SHEET AS AT MARCH 31, 2017**

(Amount in INR)

Particulars	Notes	March 31, 2017	March 31, 2016	April 1, 2015
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Financial Assets				
(i) Loans	4	1,309,298,825	1,318,015,950	1,318,610,532
(b) Other Non-Current Assets	5	-	-	87,392,481
		<b>1,309,298,825</b>	<b>1,318,015,950</b>	<b>1,406,003,013</b>
<b>TOTAL</b>		<b>1,309,298,825</b>	<b>1,318,015,950</b>	<b>1,406,003,013</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	6	8,600,000	8,600,000	8,600,000
(b) Other Equity	7	1,258,430,105	1,267,247,155	1,357,851,494
		<b>1,267,030,105</b>	<b>1,275,847,155</b>	<b>1,366,451,494</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
(a) Provisions	8	15,631,323	15,631,324	14,131,325
		<b>15,631,323</b>	<b>15,631,324</b>	<b>14,131,325</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Trade Payables	9			
Micro, Small and Medium Enterprises		-	-	-
Others		26,473,997	26,421,425	25,396,944
(b) Other Current Liabilities	10	163,400	116,046	23,250
		<b>26,637,397</b>	<b>26,537,471</b>	<b>25,420,194</b>
<b>TOTAL</b>		<b>1,309,298,825</b>	<b>1,318,015,950</b>	<b>1,406,003,013</b>

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements. 1 to 20

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

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE 2016-2017 ENDED MARCH 31, 2017**

(Amount in INR)

Particulars	Notes	2016-17	2015-16
<b>CONTINUING OPERATIONS</b>			
<b>REVENUE</b>			
Other income	11	-	309,928
<b>Total Revenue (I)</b>		<b>-</b>	<b>309,928</b>
<b>EXPENSES</b>			
Other expenses	12	2,217,051	2,021,787
<b>Total Expenses (II)</b>		<b>2,217,051</b>	<b>2,021,787</b>
<b>Profit/(loss) before exceptional items and tax from continuing operations (I-II)</b>		<b>(2,217,051)</b>	<b>(1,711,859)</b>
<b>Profit/(loss) before tax from continuing operations</b>		<b>(2,217,051)</b>	<b>(1,711,859)</b>
<b>Tax expense:</b>			
Adjustment of tax relating to earlier periods		6,600,000	88,892,480
<b>Profit/(loss) for the period from continuing operations</b>		<b>(8,817,051)</b>	<b>(90,604,339)</b>
<b>Profit/(loss) for the period</b>		<b>(8,817,051)</b>	<b>(90,604,339)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>(8,817,051)</b>	<b>(90,604,339)</b>
<b>Earnings per share for profit attributable to equity shareholders</b>			
Basic EPS	13	(10.25)	(105.35)
Dilluted EPS		(10.25)	(105.35)

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**Partner**  
**M.No.: 38755**

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**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE 2016-2017 ENDED MARCH 31, 2017**

(Amount in INR)

Particulars	Notes	2016-17	2015-16
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
<b>Profit/(Loss) before income tax from:</b>			
Continuing operations		(2,217,051)	(1,711,859)
Discontinued operations			
<b>Profit before income tax including discontinued operations</b>		<b>(2,217,051)</b>	<b>(1,711,859)</b>
<b>Adjustments for:</b>			
Earlier year excess tax provision written off		-	(88,892,480)
<b>Change in operating assets and liabilities:</b>			
Increase/(decrease) in trade payables		52,572	1,024,482
(Increase)/decrease in non-current financial assets		8,717,125	594,582
(Increase)/decrease in other non-current assets		-	87,392,481
Increase/(decrease) in provisions		-	1,499,999
Increase in other current liabilities		47,354	92,796
<b>Cash generated from operations</b>		<b>6,600,000</b>	-
Less: Income taxes paid		6,600,000	-
<b>Net cash inflow from operating activities</b>		-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payment for acquisition of subsidiary, net of cash acquired		-	-
Interest received		-	-
<b>Net cash outflow from investing activities</b>		-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Dividend distribution tax paid		-	-
<b>Net cash inflow (outflow) from financing activities</b>		-	-
Net increase (decrease) in cash and cash equivalents		-	-
Cash and Cash Equivalents at the beginning of the financial year		-	-
Effects of exchange rate changes on Cash and Cash Equivalents		-	-
<b>Cash and Cash Equivalents at end of the year</b>		-	-

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

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**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED****STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2017****A Equity Share Capital**

Particulars	Balance at the Beginning of the year	Changes in Equity share capital during the year	Balance at the end of the year
<b>March 31, 2016</b>			
Numbers	860,000	-	860,000
Amount	8,600,000	-	8,600,000
<b>March 31, 2017</b>			
Numbers	860,000	-	860,000
Amount	8,600,000	-	8,600,000

**B Other Equity**

Particulars	Share Application money pending allotment	Equity Component of Compound financial instruments	Reserves and Surplus			Total
			Capital Reserve	General Reserve	Retained Earnings	
<b>As at April 1, 2015</b>	-	-	(84,600,772)	(1,400,000)	(1,271,850,722)	(1,357,851,494)
Profit for the year					90,604,339	90,604,339
Other comprehensive income					-	-
<b>Total comprehensive income for the year</b>	-	-	(84,600,772)	(1,400,000)	(1,181,246,383)	(1,267,247,155)
<b>As at March 31, 2016</b>	-	-	<b>(84,600,772)</b>	<b>(1,400,000)</b>	<b>(1,181,246,383)</b>	<b>(1,267,247,155)</b>
Profit for the year					8,817,051	8,817,051
Other comprehensive income					-	-
<b>Total comprehensive income for the year</b>	-	-	(84,600,772)	(1,400,000)	(1,172,429,332)	(1,258,430,104)
<b>As at March 31, 2017</b>	-	-	<b>(84,600,772)</b>	<b>(1,400,000)</b>	<b>(1,172,429,332)</b>	<b>(1,258,430,104)</b>

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

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**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

**1 Corporate Information**

Professional Access Software Development Private Limited (referred to as "PAL" or "the Company") is engaged in development and export of Computer Software for customers located outside India.

The Company has delivery centers at Bangalore, Mumbai and Noida.

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) Valuation of deferred tax assets**

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

**(ii) 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.

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

**d) Revenue Recognition**

**(i) Revenue from IT solutions**

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

- Revenue from Software Products is recognized on delivery/installation, as per the predetermined/laid down policy across all geographies or a lower amount as considered appropriate in terms of the contract. Maintenance revenue in respect of products is deferred and recognized ratably over the period of the underlying maintenance agreement.
- Revenue from IT Services is recognized either on time and material basis or fixed price basis or based on certain measurable criteria as per relevant contracts. Revenue on Time and Material Contracts is recognized as and when services are performed. Revenue on Fixed-Price Contracts is recognized on the percentage of completion method. Provisions for estimated losses, if any, on such uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.
- Revenue from Supply of Hardware/Other Material and Sale of Third Party Software License/Term License/Other Materials incidental to the aforesaid services is recognized based on delivery/installation, as the case may be. Recovery of incidental expenses is added to respective revenue.

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

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

**e) Interest / Dividend Income**

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

**f) 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) 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.

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

**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.

**h) 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.



# **PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

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.

# **PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

### **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.

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.

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

**(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.

**i) 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.

**j) 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.

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

**Gratuity obligations**

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

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

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

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

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

**Defined contribution plans**

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

**k) 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.

**l) 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.

**Warranty provisions**

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

**m) 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.

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

**n) 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.

**o) 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.

**p) 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.

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

**3. FIRST TIME ADOPTION OF IND AS**

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). There are no differences between 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) and the amounts to be reported under INDAS.

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017****4. FINANCIAL ASSETS****(Amount in INR)**

<b>Particulars</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
<b>(B) LOANS</b>			
Non Current			
<i>Unsecured, considered good unless otherwise stated</i>			
Loans to Related Parties (Refer note no 14)	1,309,298,825	1,318,015,950	1,318,610,532
<b>Total</b>	<b>1,309,298,825</b>	<b>1,318,015,950</b>	<b>1,318,610,532</b>

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

**5. OTHER ASSETS**

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non Current</b>			
<b>Others</b>			
- MAT Credit entitlement	-	-	87,392,481
<b>Total</b>	<b>-</b>	<b>-</b>	<b>87,392,481</b>



**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

**6. SHARE CAPITAL**

**i. Authorised Share Capital**

(Amount in INR)

	Equity Share (INR 10 Each)		Non Convertible Cumulative Redeemable Preference Share (Class A) (INR 5 Each)	
	Number	Amount	Number	Amount
<b>At April 1, 2015</b>	<b>1,500,000</b>	<b>15,000,000</b>		
Increase/(decrease) during the year			-	-
<b>At March 31, 2016</b>	<b>1,500,000</b>	<b>15,000,000</b>		
Increase/(decrease) during the year			-	-
<b>At March 31, 2017</b>	<b>1,500,000</b>	<b>15,000,000</b>		

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 par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend 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, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

**ii. Issued Capital**

**Equity Shares**

	Number	Amount
<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>		
<b>At April 1, 2015</b>	<b>860,000</b>	<b>8,600,000</b>
Issued during the period	-	-
Shares issued towards conversion of FCCB	-	-
Shares issued under CDR	-	-
<b>At March 31, 2016</b>	<b>860,000</b>	<b>8,600,000</b>
Issued during the period	-	-
Shares issued towards conversion of FCCB	-	-
Shares issued under CDR	-	-
<b>At March 31, 2017</b>	<b>860,000</b>	<b>8,600,000</b>

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

	March 31, 2017	March 31, 2016
Black Barret Holdings Ltd, Cyprus Equity shares	860,000	860,000

**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
<b>Equity shares of INR 10/- each fully paid</b> Black Barret Holdings Ltd, Cyprus	860,000	100	860,000	100

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017****7. OTHER EQUITY****i. Reserves and Surplus****(Amount in INR)**

<b>Particulars</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
Capital Reserve	84,600,772	84,600,772	84,600,772
General Reserve	1,400,000	1,400,000	1,400,000
Retained Earnings	1,172,429,332	1,181,246,383	1,271,850,722
	<b>1,258,430,104</b>	<b>1,267,247,155</b>	<b>1,357,851,494</b>

**(a) Capital Reserve**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Opening balance	84,600,772	84,600,772
Add/(Less):	-	-
<b>Closing balance</b>	<b>84,600,772</b>	<b>84,600,772</b>

**(b) General Reserve**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Opening balance	1,400,000	1,400,000
Add/(Less):	-	-
<b>Closing balance</b>	<b>1,400,000</b>	<b>1,400,000</b>

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

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Opening balance	1,181,246,383	1,271,850,722
Net Profit/(Loss) for the year	(8,817,051)	(90,604,339)
<b>Closing balance</b>	<b>1,172,429,332</b>	<b>1,181,246,383</b>

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

**8. PROVISIONS**

(Amount in INR)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non Current</b>			
Other provision	15,631,323	15,631,324	14,131,325
<b>Total</b>	<b>15,631,323</b>	<b>15,631,324</b>	<b>14,131,325</b>

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017****9. TRADE PAYABLES****(Amount in INR)**

<b>Particulars</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
<b>Current</b>			
Trade Payables to Related Parties (Refer note no 14)	25,087,016	25,087,016	25,087,016
Trade Payables to Others	1,386,981	1,334,409	309,928
<b>Total</b>	<b>26,473,997</b>	<b>26,421,425</b>	<b>25,396,944</b>

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

<b>Particulars</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
<b>Current</b>			
<b>Others</b>			
Statutory Liabilities	163,400	116,046	23,250
<b>Total</b>	<b>163,400</b>	<b>116,046</b>	<b>23,250</b>

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017****11. OTHER INCOME****(Amount in INR)**

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Miscellaneous Income	-	309,928
	<b>-</b>	<b>309,928</b>

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

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Legal and professional fees	2,084,958	1,952,679
Miscellaneous expenses	132,093	69,108
	<b>2,217,051</b>	<b>2,021,787</b>

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

**13. EARNINGS PER SHARE**

(Amount in INR)

Particulars	2016-17	2015-16
<b>(a) Basic earnings per share</b>		
From continuing operations attributable to the equity holders of the Company	(10.25)	(105.35)
From discontinuing operations attributable to the equity holders of the Company	-	-
<b>Total basic earnings per share attributable to the equity holders of the Company</b>	<b>(10.25)</b>	<b>(105.35)</b>
<b>(b) Dilluted earnings per share</b>		
From continuing operations attributable to the equity holders of the Company	(10.25)	(105.35)
From discontinuing operations attributable to the equity holders of the Company	-	-
<b>Total dilluted earnings per share attributable to the equity holders of the Company</b>	<b>(10.25)</b>	<b>(105.35)</b>
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>		
<i>Basic earnings per share</i>		
Profit attributable to the equity holders of the Company used in calculating basic earnings per share		
From continuing operations	(8,817,051)	(90,604,339)
From discontinuing operations	-	-
	<b>(8,817,051)</b>	<b>(90,604,339)</b>
<i>Dilluted earnings per share</i>		
Profit from continuing operations attributable to the equity holders of the Company		
Used in calculating basic earnings per share	(8,817,051)	(90,604,339)
Add: Interest savings on convertible bonds		
Add: Interest savings on convertible preference shares		
Add: Interest savings on other instruments		
Profit from discontinuing operations	-	-
<b>Profit attributable to the equity holders of the Company used in calculating dilluted earnings per share</b>	<b>(8,817,051)</b>	<b>(90,604,339)</b>
<b>(d) Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	860,000	860,000
Adjustments for calculation of dilluted earnings per share:		
Options	-	-
Convertible Bonds	-	-
Convertible Preference shares	-	-
<b>Weighted average number of equity shares used as the denominator in calculating dilluted earnings per share</b>	<b>860,000</b>	<b>860,000</b>

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

(Amount in INR)

**14. 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	Ultimate Holding Company	India
3i Infotech Inc.,USA	Fellow Subsidiary	USA
3i Infotech (Middle East) FZ LLC,UAE	Fellow Subsidiary	UAE
Black Barret Holdings Limited, Cyprus	Holding Company	Cyprus
3i Infotech (South Africa) Proprietary Limited, South Af	Fellow Subsidiary	Republic of South Africa
3i Infotech Financial Software Inc., USA	Fellow Subsidiary	USA
3i Infotech Saudi Arabia LLC	Fellow Subsidiary	Saudi Arabia
3i Infotech SDN BHD, Malaysia	Fellow Subsidiary	Malaysia
3i Infotech (Western Europe) Holdings Limited (up to F	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
IFRS Cloud Solutions Limited	Fellow Subsidiary	India
Locuz Enterprise Solutions Limited	Fellow Subsidiary	India
Locus Inc	Fellow Subsidiary	USA
3i Infotech Consultancy Services Limited	Fellow Subsidiary	India
3i Infotech (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 Octobe	Fellow Subsidiary	India
Elegon Infotech Limited.	Fellow Subsidiary	China
3i Infotech Holdings Private Limited	Fellow Subsidiary	Mauritius
3i Infotech (Africa) Limited	Fellow Subsidiary	Kenya
Professional Access Limited (upto 14th August, 2014)	Fellow Subsidiary	USA

**Key Managerial Personnal (KMP) :**

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

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

Name	Nature of Relationship	March 31, 2017	March 31, 2016	April 1, 2015
<b>Trade Payables</b>				
3i Infotech Limited	Ultimate Holding Company	25,087,016	25,087,016	25,087,016

**(ii) Loans to/from related parties**

Name	Nature of Relationship	Particulars	March 31, 2017	March 31, 2016
<b>Loans to related parties</b>				
3i Infotech Limited	Ultimate Holding Company	Beginning of the year	1,295,414,425	1,296,009,008
		Loan repayments received	(8,717,125)	(594,583)
		<b>End of the year</b>	<b>1,286,697,300</b>	<b>1,295,414,425</b>
<b>Interest Receivable from related parties</b>				
3i Infotech Limited	Ultimate Holding Company	Beginning of the year	22,601,525	22,601,525
		Interest income booked	154,843,437	155,228,499
		Interest income written back	154,843,437	155,228,499
		<b>End of the year</b>	<b>22,601,525</b>	<b>22,601,525</b>

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

**15. 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
<b>FINANCIAL ASSETS</b>						
Amortised cost						
Loans	1,309,298,825	1,318,015,950	1,318,610,532	1,309,298,825	1,318,015,950	1,318,610,532
<b>Total</b>	<b>1,309,298,825</b>	<b>1,318,015,950</b>	<b>1,318,610,532</b>	<b>1,309,298,825</b>	<b>1,318,015,950</b>	<b>1,318,610,532</b>
<b>FINANCIAL LIABILITIES</b>						
Amortised cost						
Trade Payables	26,473,997	26,421,425	25,396,944	26,473,997	26,421,425	25,396,944
<b>Total</b>	<b>26,473,997</b>	<b>26,421,425</b>	<b>25,396,944</b>	<b>26,473,997</b>	<b>26,421,425</b>	<b>25,396,944</b>

The management assessed that the fair value of trade payables approximate their carrying amounts largely due to the short term maturities of these instruments.



**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

(Amount in INR)

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**16. FINANCIAL RISK MANAGEMENT**

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The Company is exposed primarily to 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 interest rates ,credit ,liquidity and other market changes.

**(a) Foreign currency exchange rate risk**

The Company has not entered in to foreign currency transactions, hence it is not exposed to foreign currency exchange rate risk.

**(b)Interest rate risk**

The Company does not have borrowings, hence it is not exposed to interest rate risk.

**(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**

**- Other Financial Assets**

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

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

**(2) Credit risk exposure**

**- Other Financial Assets**

The carrying amount of cash and cash equivalents and other financial assets represents the maximum credit exposure. The maximum exposure to credit risk is INR 130,92,98,824 (March 31, 2016: INR 131,80,15,949, April 1, 2015: INR 131,86,10,530). 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 )

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017****(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 :

(Amount in INR)

March 31,2017	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 year	Total
<b>Non-derivative financial liabilities :</b>					-
Trade and other payables	26,637,397	-	-	-	26,637,397
<b>Total</b>	<b>26,637,397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,637,397</b>
					(Amount in INR)
March 31,2016	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 year	Total
<b>Non-derivative financial liabilities :</b>					-
Trade and other payables	26,537,471	-	-	-	26,537,471
<b>Total</b>	<b>26,537,471</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,537,471</b>
					(Amount in INR)
April 1,2015	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 year	Total
<b>Non-derivative financial liabilities :</b>					-
Trade and other payables	25,420,194	-	-	-	25,420,194
<b>Total</b>	<b>25,420,194</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,420,194</b>

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

(Amount in INR)

**17. 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, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

(Amount in INR)

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings other than convertible preference shares	-	-	-
Trade payables	26,473,997	26,421,425	25,396,944
Other payables	163,400	116,046	23,250
Less: cash and cash equivalents	-	-	-
<b>Net Debt</b>	<b>26,637,397</b>	<b>26,537,471</b>	<b>25,420,194</b>
Equity	8,600,000	8,600,000	8,600,000
<b>Total Capital</b>	<b>8,600,000</b>	<b>8,600,000</b>	<b>8,600,000</b>
<b>Capital and net debt</b>	<b>35,237,397</b>	<b>35,137,471</b>	<b>34,020,194</b>
<b>Gearing ratio</b>	<b>76</b>	<b>76</b>	<b>75</b>

**PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE 2016-2017 ENDED MARCH 31, 2017**

(Amount in INR)

**18. 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 Nil (March 31, 2016: Nil)

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

**19. DISCLOSURES REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013**

Name of the Party	Purpose	Rate of interest	March 31, 2017	March 31, 2016	April 01, 2015
3i Infotech Limited	Business Loan	Interest Free	1,309,298,825	1,318,015,950	1,318,610,532

**20. 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**  
 Director  
 DIN: 05282942

Sd/-  
**Mrinal Ghosh**  
 Director  
 DIN:07232477

Place : Navi Mumbai  
 Date : April 28,2017