

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
3i Infotech Asia Pacific Pte. Limited

REPORT ON THE FINANCIAL STATEMENTS:

We have audited the accompanying financial statements of **3i Infotech Asia Pacific Pte. Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis of Qualified Opinion

We are unable to express an opinion as to when and to what extent

- (a) advances aggregating to SGD 4,720,658 (as at March 31, 2015 SGD 4,510,5800 to a fellow subsidiary would be recovered in view of the continuous incurring losses by the entity and erosion in the net-worth.
- (b) Investment in 2 subsidiary aggregating to SGD 657,841 would be impaired in view of continuous incurring losses by the entity and erosion in the net-worth.

The consequent impact on the loss for the year ended on March 31st, 2016, reserves and assets as at date cannot be quantified presently.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in the Basis of Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Loss and its cash flows for the year ended on that date.

EMPHASIS OF MATTER:

Without qualifying, we draw attention to the following:

Going Concern:

The Company's net-worth is substantially eroded and has given guarantees, secured by way of charge on the movable assets and receivables, to the Lenders of the Parent Company (PC).

The financial statements of the Company has however, been prepared on a going concern basis, in view of expected continued support of the lenders to the PC and also it meeting it's financial obligation as per the projected operational performance in terms of the Debt Restructuring Scheme (DRS) approved in April, 2016 and it's continued management and financial support to the Company.

OTHER MATTERS:

- (a) In our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position (Refer note no. 21(b) of the financial statements) and
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (b) The audit report has been prepared for the purpose of enabling Parent Company's financial reporting requirement under the Act. We disclaim any responsibility for reliance on this report by any person other than the Board of Directors of 3i Infotech Limited (Parent Company) or for purposes other than that which it is meant for.



Place: Mumbai
Date: August 10, 2016

For LODHA & COMPANY
Chartered Accountants
Firm Registration No. 301051E

R.P. Baradiya

R.P Baradiya
Partner
Membership No. 44101

3i INFOTECH ASIA PACIFIC PTE LIMITED

(incorporated in Singapore)

Balance Sheet as at March 31, 2016

SGD

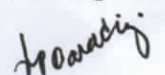
Particulars	Note No.	As at Mar 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
Shareholders funds			
Share capital	2	53,46,202	53,46,202
Reserves and surplus	3	-30,48,062	-15,38,761
Current liabilities			
Short-term borrowings	4	20,67,844	20,58,483
Trade payables	5		
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises		30,57,486	26,49,109
Other current liabilities	6	14,00,256	10,22,616
Total		88,23,726	95,37,649
II. ASSETS			
Non-current assets			
Fixed assets	7		
(i) Tangible assets		36,799	45,585
Non Current Investment	8	7,74,001	7,74,001
Current assets			
Trade receivables	9	18,72,394	10,28,423
Cash and bank balances	10	2,65,660	2,51,027
Short-term loans and advances	11	55,55,071	60,77,883
Other current assets	12	3,19,801	13,60,730
Total		88,23,726	95,37,649

Significant Accounting Policies and Notes to consolidated financial statements

1 to 27

As per our attached report of even date

 For Lodha & Co.
Chartered Accountants
Firm Regn No. 301051E


R. P. Baradiya
Partner
Membership No. 44101


For and on behalf of the Board of Director


Ashish Kakkar
Director
DIN - 06370551


Padmanabhan Iyer
Director
DIN - 05282942

 Date: 10th Aug 2016
Place: Mumbai

3i INFOTECH ASIA PACIFIC PTE LIMITED

(incorporated in Singapore)

Statement of Profit and Loss for the year ended March 31, 2016

SGD

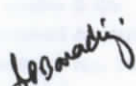
Particulars	Note No.	For the year ended Mar 31, 2016	For the year ended March 31, 2015
Income			
Revenue from operations	13	71,58,498	65,58,563
Other income	14	3,31,587	4,88,928
Total Income		74,90,085	70,47,491
Expenses			
Cost of revenue	15	17,83,758	17,01,018
Employee benefits expense	16	37,41,858	30,93,504
Finance cost	17	1,11,753	93,700
Depreciation and amortization	7	12,641	8,121
Corporate chargeout		13,49,126	1,32,387
Other expenses	18	19,17,331	(2,24,347)
Total		89,16,467	48,04,383
Profit/(Loss) before exceptional items and tax		(14,26,382)	22,43,108
Exceptional items		29,314	66,707
Profit/(Loss) before taxation		(14,55,696)	21,76,401
Tax expense			
Income tax pertaining to earlier years		53,605	-
Profit/(Loss) for the year		(15,09,301)	21,76,401
Earnings per share (Equity shares, par value SGD 1 each)			
Before exceptional items :			
Basic & Diluted (SGD)		(0.28)	0.42
After exceptional items :			
Basic & Diluted (SGD)		(0.28)	0.41

Significant Accounting Policies and Notes to consolidated financial statements

1 to 27

As per our attached report of even date

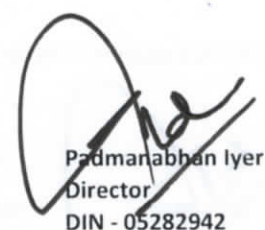
 For Lodha & Co.
Chartered Accountants
Firm Regn No. 301051E



 R. P. Baradiya
Partner
Membership No. 44101

 Date: 10th Aug 2016
Place: Mumbai


Ashish Kakkar
Director
DIN - 06370551


Padmanabhan Iyer
Director
DIN - 05282942

3i INFOTECH ASIA PACIFIC PTE LIMITED
(incorporated in Singapore)
Cash Flow Statement as on March 31, 2016

SGD

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A Cash Flow from Operating Activities		
Net Profit/(Loss) before tax and exceptional items	(14,55,696)	21,76,401
Adjustments for:		
Depreciation / amortization	12,641	8,121
Foreign exchange (gain)/loss	1,05,413	(2,10,596)
Interest received	(2,97,166)	(2,11,286)
Interest paid	94,014	73,122
Provision for doubtful debts	10,48,856	-
Provision for doubtful debts written back	-	(10,99,086)
Operating Profit before Working Capital changes	(4,91,939)	7,36,675
Adjustments for changes in working capital:		
(Increase)/Decrease in trade and other receivables	(3,98,549)	(8,17,104)
Increase/(Decrease) in trade and other payables	7,95,379	(1,55,101)
	3,96,830	(9,72,206)
Cash generated from Operations	(95,109)	(2,35,530)
Income taxes (paid)/refunded	-	-
Net Cash from/(used in) Operating Activities - (A)	(95,109)	(2,35,530)
B Cash Flow from Investing Activities		
Purchase of fixed assets	(3,857)	(50,549)
Interest received	2,97,166	2,11,286
Net Cash from/(used in) Investing Activities - (B)	2,93,309	1,60,737
C Cash Flow from Financing Activities:		
Interest paid	(94,014)	(73,125)
Net Cash from/(used in) Financing Activities - (C)	(94,014)	(73,125)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	1,04,186	(1,47,918)
Cash and cash equivalents at the beginning of the year	76,669	2,24,587
Cash and cash equivalents at the end of the year	1,80,855	76,669

Notes :

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3 on "Cash Flow Statements" as prescribed in Section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- 2) Margin money of SGD 84,805 (March 31, 2015: SGD 174,358) has been excluded from cash and cash equivalents and included in Trade and other receivables.
- 3) Previous year's figures have been regrouped/rearranged wherever necessary to conform to the current years presentation.

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
Firm Regn No. 301051E

R.P. Baradiya
Partner
Membership No. 44101

Date: 10th Aug 2016
Place: Mumbai



For and on behalf of the Board of Director

(Signature)
Ashish Kakkar
Director
DIN - 06370551

(Signature)
Padmanabhan Iyer
Director
DIN - 05282942

3i INFOTECH ASIA PACIFIC PTE LIMITED

(Incorporated in Singapore)

Notes forming part of the financial statements for the year ended March 31, 2016

2 a. Share capital

SGD

Particulars	As at Mar 31, 2016	As at March 31, 2015
Issued, subscribed & paid-up 5,346,202 ordinary shares with par value of SGD 1 each (As at March 31, 2016 & March 31, 2015: 5,346,202 shares of SGD 1 each)	53,46,202	53,46,202
Total	53,46,202	53,46,202

b. Rights of equity shareholders

The Company has issued one class of equity shares having a face value of SGD 1 per share. 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 to secured and unsecured creditors in proportion to their shareholding.

c. Reconciliation of number of equity shares

Particulars	As at Mar 31, 2016		As at March 31, 2015	
	Nos.	SGD	Nos.	SGD
Shares outstanding at the beginning of the year	53,46,202	53,46,202	53,46,202	53,46,202
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	53,46,202	53,46,202	53,46,202	53,46,202

d. Details of member holding more than 5 percent ordinary shares

Name of the shareholder	As at Mar 31, 2016		As at March 31, 2015	
	No. of shares	%	No. of shares	%
3i Infotech Limited, India	53,46,202	100	53,46,202	100

3 Reserves and surplus

Particulars	As at Mar 31, 2016	As at March 31, 2015
Securities premium account	7,70,513	7,70,513
Surplus/(Deficit) in the consolidated statement of Profit and Loss		
Opening Balance	(23,09,274)	(44,85,675)
Add/(Less): Net profit/(loss) for the year	(15,09,301)	21,76,401
	(38,18,575)	(23,09,274)
Total	(30,48,062)	(15,38,761)

4 Short-term borrowings

Particulars	As at Mar 31, 2016	As at March 31, 2015
Secured loans		
Cash Credit from banks* (interest @ prime + 0.2 % p.a., bank overdraft, repayable on demand)	20,67,844	20,58,483
Total	20,67,844	20,58,483

* secured by assignment of trade and other receivables.

5 Trade payables

Particulars	As at Mar 31, 2016	As at March 31, 2015
Due to Related Parties	28,25,034	24,83,094
Others	2,32,452	1,66,015
Total	30,57,486	26,49,109

6 Other current liabilities

Particulars	As at Mar 31, 2016	As at March 31, 2015
Statutory Dues	1,26,346	65,987
Other Liabilities	2,66,617	95,108
Advances received from customers (including unearned revenue)	10,07,293	8,61,521
Total	14,00,256	10,22,616



3i INFOTECH ASIA PACIFIC PTE LIMITED

(Incorporated in Singapore)

Notes forming part of the financial statements for the year ended March 31, 2016

7 Fixed assets

Particulars	Gross Block (at cost)			Accumulated Depreciation/Amortization				Net Block
	As at April 1, 2015	Additions during the year	Deductions/Impairment during the year	As at March 31, 2016	For the year	Deductions/Adjustment during the year	As at March 31, 2016	
Tangible assets								
Leasehold improvements	3,54,550	-	-	3,54,550	9,839	-	3,21,161	33,389
Furniture & fixtures	62,511	-	-	62,511	-	-	62,511	-
Computers	79,095	2,198	-	81,293	2,518	-	79,255	2,036
Office equipment	2,17,994	1,659	-	2,19,653	284	-	2,18,279	1,374
Total tangible assets	7,14,150	3,857	-	7,18,007	12,641	-	6,81,206	36,799
Intangible assets								
Software - meant for sale	3,66,816	-	-	3,66,816	-	-	3,66,816	-
Total intangible assets	3,66,816	-	-	3,66,816	-	-	3,66,816	-
Total	10,80,966	3,857	-	10,84,823	12,641	-	10,48,022	36,799

Particulars	Gross Block (at cost)			As at March 31, 2015	Accumulated Depreciation/Amortization			Net Block
	As at April 1, 2014	Additions during the year	Deductions during the year		Upto March 31, 2014	For the year	Deductions/Adjustment during the year	
Tangible assets								
Leasehold Improvements	3,05,336	49,214	-	3,54,550	3,05,336	5,986	-	43,228
Furniture & Fixtures	62,512	-	-	62,511	62,511	-	-	-
Computers	84,726	1,335	6,966	79,095	81,569	2,135	6,966	2,357
Office Equipment	2,18,609	-	615	2,17,994	2,18,609	-	615	-
Total Tangible assets	6,71,183	50,549	7,581	7,14,150	6,68,025	8,121	7,581	45,585
Intangible assets								
Software	3,66,816	-	-	3,66,816	3,66,816	-	-	-
Total Intangible assets	3,66,816	-	-	3,66,816	3,66,816	-	-	-
Total	10,37,999	50,549	7,581	10,80,966	10,34,841	8,121	7,581	45,585



3i INFOTECH ASIA PACIFIC PTE LIMITED

(incorporated in Singapore)

Notes forming part of the financial statements for the year ended March 31, 2016

8 Non current Investments

Particulars	As at Mar 31, 2016	As at Mar 31, 2015
Investment in subsidiaries [Unquoted at cost, Long Term]		
3i Infotech Sdn Bhd (5000,000 ordinary shares of RM 1.00 each)	1,16,160	1,16,160
3i Infotech (Thailand) Limited (100,000 common shares of THB 100 each)	4,15,050	4,15,050
3i Infotech Services Sdn Bhd (formerly known as Datacons Asia Pacific Sdn. Bhd.) (555,000 ordinary shares of RM 1.00 each)	2,42,791	2,42,791
Total	7,74,001	7,74,001

9 Trade receivables

Particulars	As at Mar 31, 2016	As at March 31, 2015
(a) Unsecured considered good		
-Debts outstanding for a period exceeding 6 months from the due date of payment	50,737	-
- Others	18,21,657	10,28,422
	18,72,394	10,28,422
(b) Doubtful		
-Debts outstanding for a period exceeding 6 months from the due date of payment	3,48,823	82,503
Less: Provision for doubtful debts	(3,48,823)	(82,503)
Total	18,72,394	10,28,422



10 Cash and bank balances

Particulars	As at Mar 31, 2016	As at March 31, 2015
Cash and cash equivalents		
Cash on hand	1,346	843
Balances with scheduled banks:		
-in current accounts	1,79,509	75,826
	1,80,855	76,669
Other bank balances		
-in margin money accounts	84,805	1,74,358
Total	2,65,660	2,51,027

11 Short-term loans and advances

Particulars	As at Mar 31, 2016	As at March 31, 2015
Unsecured, considered good		
Security deposits	57,996	62,631
Due from related entities	54,74,011	59,45,234
Advance tax	-	62,171
Other advances recoverable in cash or in kind for value to be received	23,064	7,847
Total	55,55,071	60,77,883

12 Other current assets

Particulars	As at Mar 31, 2016	As at March 31, 2015
Unbilled revenue	3,19,801	13,60,730
Total	3,19,801	13,60,730



3i INFOTECH ASIA PACIFIC PTE LIMITED

(incorporated in Singapore)

Notes forming part of the financial statements for the year ended March 31, 2016

13 Revenue from operations

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Sale of Services:		
IT solutions	71,58,498	65,58,563
Total	71,58,498	65,58,563

14 Other income

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest income	2,97,166	2,11,286
Miscellaneous Income	34,421	67,045
Net gain on foreign currency transactions	-	2,10,596
Total	3,31,587	4,88,927

15 Cost of revenue

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Cost of third party products and outsourced services	17,83,758	17,01,018
Total	17,83,758	17,01,018

16 Employee benefits expense

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and wages	37,10,077	30,71,774
Recruitment and training expenses	22,517	9,805
Staff welfare expenses	9,264	11,925
Total	37,41,858	30,93,504



17 Finance cost

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest expense	94,014	73,125
Bank and other financial charges	17,739	20,575
Total	1,11,753	93,700

18 Other expenses

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Net loss on foreign currency transactions	1,05,413	-
Electricity & Water Charges	11,793	18,793
Rent	3,31,448	4,05,153
Repairs and maintenance	5,885	2,874
Insurance	38,056	55,825
Travelling and conveyance	2,25,654	2,13,951
Rates and taxes	13,981	26,924
Communication expenses	44,151	51,555
Printing and stationery	3,023	7,037
Legal and professional charges	5,189	790
Selling and distribution expenses	20,350	28,091
Provision for doubtful debts - Written back	-	-10,99,086
Provision for doubtful debts	10,48,856	-
Office expenses	11,631	9,248
Audit fees	51,900	54,500
Total	19,17,330	(2,24,347)



3i INFOTECH ASIA PACIFIC PTE LTD

(Incorporated in Singapore)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

A. Overview of the Company

The Company undertakes sale of software products, software development and consulting services, IT enabled managed services.

B. Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, using the accrual basis of accounting and in accordance with the accounting principles generally accepted in India ('GAAP') and in compliance with the Accounting Standards ('AS') as prescribed under section 133 of the companies Act, 2013('the Act') read with Rule 7 of the companies (account) Rules, 2014, the provisions of the Act(to the extent notified.) Accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

C. Use of estimates

The preparation of the financial statements, in conformity with GAAP, requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The revision in accounting estimates is recognized prospectively.

D. Revenue recognition

Revenue from IT solutions

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. Provision 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.

E. Fixed assets

Fixed assets comprise tangible and intangible assets.

Tangible assets:

Fixed assets are stated at cost, which comprises of purchase consideration and other directly attributable costs of bringing the assets to its working condition for the intended use.

The cost of assets not ready for use as at the balance sheet date is disclosed as 'Capital Work-in-Progress'.

Intangible assets:

Intangible assets include:

"Software product (Meant for sale)" are products licensed to customers. Costs that are directly associated with such products whether acquired or developed in partnership with others and have a probable economic benefit exceeding one year are capitalized and recognized as software product (meant for sale).

Costs related to further development of existing software -meant for sale are capitalized only if the costs result in a software product whose life and value in use is in excess of its originally assessed standard of performance which can be measured reliably, technological feasibility has been established, future economic benefits of each of such product is probable and the Company intends to complete the development and to use the software.

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



Method of depreciation / amortization

Leasehold land, leasehold building and improvements thereon and other leased assets are amortized over the period of lease or its life, whichever is lower.

Business and Commercial Rights are amortized over a period, the benefits arising out of these are expected to accrue or ten years, whichever is lower, while Software Products – Others are amortized over a period of five years.

Software Products (meant for sale) are amortized over a period of 10 years after taking into consideration residual value.

Depreciation on other fixed assets is provided applying straight line method over the estimated useful life based on the internal technical assessment by the Management.

Fixed Asset	Useful life in years
Leasehold improvements	5
Furniture, Fixtures and Equipment	10
Server	6
Computers	3

F. Investments

Trade investments are the investments made to enhance the Company's business interest. Investments are either classified as current or long term based on the management's intention at the time of purchase. Long-term investments are carried at cost and a provision is made to recognize any decline, other than temporary, in the value of such investments.

Current investments are carried at lower of the cost or fair value and a provision is made to recognize any decline in the carrying value.

G. Accounting of Employee Benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate agencies such as Central Provident Fund, Employee Provident Fund, and Social Security Office based on the local laws as applicable to the entities in the Company. The Company's contributions to the defined contribution plans are recognized as an expense in the Statement of Profit and Loss.



H. Deferred tax

Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized and carried forward only if there is a virtual/reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

I. Translation of Foreign Currency Items

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transaction. Exchange differences in respect of all current monetary assets and liabilities denominated in foreign currency are restated at the rates ruling at the year end and all exchange gains / losses arising there from are recognised in the Statement of Profit and Loss.

Exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are accounted as below:

- In so far as they relate to the acquisition of depreciable capital assets, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset; and
- In other cases, the said exchange differences are accumulated in a 'Foreign Currency Monetary Items Translation Difference Account' and amortized over the balance period of such long term asset/liability.

J. Unbilled and Unearned Revenue

Revenue recognized over and above the billings on a customer is classified as "unbilled revenue" and advance billing to customer is classified as "advances received from customers" and included in other liabilities.

K. Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are debited to the statement of profit and loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the financial year in which termination takes place.



L. Impairment of assets

In accordance with AS 28 on 'Impairment of Assets', where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized in the Statement of Profit and Loss whenever the carrying amount of such assets exceeds its recoverable amount. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to the extent of the carrying value of the asset that would have been determined (net of amortization/depreciation) had no impairment loss been recognized.

M. Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources.

Disclosures for a contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources.

Contingent assets are neither recognized nor disclosed in the financial statements.

N. Exceptional items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.



3i INFOTECH ASIA PACIFIC PTE LTD
(Incorporated in Singapore)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

21. Contingent liabilities (to the extent not provided for)

- (a) Claims against the Company not acknowledged as debt as at **March 31, 2016** were **SGD Nil** (March 31, 2015: SGD Nil).
- (b) The Company does not have pending litigation as at March 31, 2016 (March 31, 2016 – Nil).

22. Commitments

a. Operating lease

The Company has non-cancelable long term operating leases for various office facilities and equipment. Rent paid under operating leases for the year ended **March 31, 2016** is **SGD 331,448** (March 31, 2015: SGD 405,153).

The future lease rental payments that the Company is committed to make are given below:

Particulars	SGD	
	As at March 31, 2016	As at March 31, 2015
Not later than one year	173,410	242,755
Later than one year but not later than five financial years	-	136,397
More than five years	-	-
Total	173,410	379,152

b. Finance lease

The Company does not have any finance leases as on Balance sheet date.



23. Earnings per share

The details of numerators and denominators used to calculate Basic and Diluted earnings per share are as under:

		SGD	
		For the year ended March 31, 2016	For the year ended March 31, 2015
Profit/(Loss) attributable to equity shareholders before exceptional items (SGD)	A	(14,79,984)	2,243,108
Less: Exceptional Items	-	29,314	66,707
Profit/(Loss) attributable to equity shareholders after exceptional items & Taxation (SGD)	B	(1,509, 299)	2,176,401
Diluted weighted average number of equity shares outstanding during the year (nos.)	C	5,346,202	5,346,202
Nominal value of equity shares (SGD)		1	1
Before exceptional items : Basic earnings per share (SGD)	A/C	(0.28)	0.42
After exceptional items : Basic earnings per share (SGD)	B/C	(0.28)	0.41



24. Related party transactions

List of parties where control exists:

1. 3i Infotech Limited, Parent Company

The fellow subsidiaries of the Company are given below which includes entities with whom the Company has transactions during the year.

Sr. No.	Name of the entity
1	3i Infotech Inc.
2	3i Infotech SDN BHD
3	3i Infotech (Middle East) FZ LLC
4	Black Barret Holdings Limited
5	3i Infotech Financial Software Inc.
6	3i Infotech Saudi Arabia LLC
7	3i Infotech (UK) Limited
8	3i Infotech (Western Europe) Holdings Limited (up to February 8,2016)
9	3i Infotech (Western Europe) Group Limited
10	3i Infotech Service SDN BHD
11	Rhyme Systems Limited
12	3i infotech (Thailand) Limited
13	3i Infotech Framework Limited (up to February 8,2016)
14	Professional Access Software Development Private Limited
15	Locuz Enterprise Solutions Limited
16	Locus Inc
17	3i Infotech Consultancy Services Limited
18	3i Infotech Trusteeship Services Limited. (up to October 15, 2015)
19	Elegon Infotech Limited.
20	3i Infotech Holdings Private Limited
21	3i Infotech BPO Limited
22	IFRS Cloud Solution Limited (formerly known as 3i Infotech Outsourcing Services Limited)
23	3i Infotech (Africa) Limited
24	3i Infotech (South Africa) (PTY) Limited



The Company has entered into the following transactions with related parties.

SGD

Name of the related party/ nature of transactions	For the year ended March 31, 2016	For the year ended March 31, 2015
3i Infotech Limited		
IT solutions related expenses	1,281,704	1,275,833
Corporate charge-out	1,349,126	132,387
Reimbursement of operating expenses	2,44,152	307,370
3i Infotech Inc.		
Interest income	297,166	211,286

The outstanding balances with related parties are given below.

SGD

Particulars	As at March 31, 2016	As at March 31, 2015
3i Infotech Limited		
Trade Payable	(216,022)	622,115
3i Infotech (Middle East) FZ LLC		
Advance recoverable	37,343	41,214
3i Infotech Inc.		
Loan receivable	4,720,658	4,510,580
Elegon Infotech Ltd.		
Advance recoverable	-	34,345
3i Infotech Thailand Ltd		
Advance recoverable	716,010	736,749
3i Infotech SDN BHD		
Trade Payable	(2,609,012)	(2,482,862)

Notes:

1. Related parties have been identified by the management and relied upon by the auditor.
2. No balances in respect of the related parties have been provided for/written back/written off except as stated above.



25. Exceptional Item

During the year ending 31st March 2016 due to discontinuance of business of Elegon Infotech Limited, China (fellow subsidiary), amount receivable SGD 29,314 is written off which has been shown as exceptional item in statement of profit and Loss.

During financial year ending 31st March 15 certain contracts pertaining to customer where unbilled revenue amounting to SGD 66,707 is reversed which has been shown as exceptional item in statement of profit and Loss.

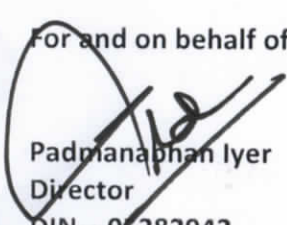
26. Going Concern:

The financial statements of the Company has been prepared on a going concern basis, in view of expected continued support of the lenders and also meeting its financial obligations based on the projected operational performance in terms of the Parent's Debt Restructuring Scheme approved in April, 2016.

27. Figures for the previous year has been re-grouped / re-arranged, wherever necessary to confirm to the current year's presentation.

Signatures on notes to financial statements from 1 to 27.

For and on behalf of the Board


Padmanabhan Iyer
Director
DIN - 05282942


Ashish Kakkar
Director
DIN - 06370551

Date: 10th Aug 2016
Mumbai

