

INDEPENDENT AUDITORS' REPORT

To
The Members of
3i Infotech BPO Limited

Report on the Financial Statements

We have audited the accompanying financial statements of 3i Infotech BPO Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement 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



"ANNEXURE A"**ANNEXURE REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF "THE COMPANY" FOR THE YEAR ENDED MARCH 31, 2016**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) During the year, the Company in accordance to a phased programme has physically verified all the fixed assets which in our opinion, is reasonable considering the size of the Company and nature of its fixed assets. The discrepancies noticed in such verification have been dealt with in the books of accounts.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold own any immovable property. Therefore paragraph 3 (i) (c) or the Order is not applicable to the Company.
2. The Company is a service company, primarily rendering information technology services. Accordingly, it does not hold any physical inventories. Hence, paragraph 3 (ii) of the Order, is not applicable to the Company.
3. As informed, the Company has not granted any loans, secured or unsecured loan to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan, provided guarantee and security covered in Section 185 of the Act. The Company has complied with the provisions of section 186 of the Act to the extent applicable, with respect to the loans made.
5. No deposits have been accepted by the Company within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under.
6. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Act for the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.



- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matter described in the Basis of Qualified Opinion paragraph above, in our opinion, may have an adverse effect of the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer note no 22 to the financial statements)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Mumbai
Date : August 10, 2016

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

R.P. Baradiya
Partner
Membership No. 44101



in the circumstances. 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 overdue receivables aggregating to Rs. 232,071,413 (as at March 31, 2015 Rs. 450,969,002) from 3i Infotech Limited (Holding Company) would be recovered in view of the Holding Company incurring losses and presently having liability mis-match and cash flow issues. The consequent impact on the profit for the year ended on March 31, 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 matters described in the Basis of Qualified Opinion paragraph above, 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 profit and cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying, we draw attention to the following:

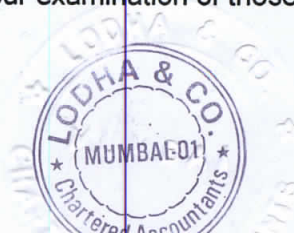
In view of expected continued support of the Holding Company, 3i Infotech Limited, which is dependent upon the support of its lenders and also meeting its financial obligations based on the projected operational performance in terms of the Debt Restructuring Scheme (DRS) approved in April, 2016, the financials statements of the Company has been prepared on going concern basis. Also, refer note no. 31 of the financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 of the Order.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



7. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Sales Tax, Wealth Tax, Duty of Customs, Duty of Excise, Value added Tax, cess and other material statutory dues applicable to it except in respect of Income Tax (Tax Deducted at Source) and Service Tax where there have substantial delays. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value added Tax which have not been deposited on account of any dispute except the following :

Name of Statute	Nature of Demand	Period to which amount Relates	Amount in Rs.	Forum where dispute is pending
Employees' State Insurance Act, 1948	Employee State Insurance (ESIC)	Financial Year 2006-07	547,402	Tis Hazeri Court, New Delhi
Income Tax Act, 1961	Income Tax	Assessment Year 2010-11	962,276	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	Assessment Year 2011-12	3,085,690	Commissioner of Income Tax Appeals

8. As per the Supplemental Restructuring Agreement in terms of Debt Restructuring Scheme to the Master Restructuring Agreement dated March 30, 2012 held between 3i Infotech Limited, holding Company and the lenders, dues repayable to a financial institution by the Company have been recognised in the Holding Company and for dues payable to a bank there are no delays. Attention is also invited to Note 31 to the financial statements. The Company does not have any dues to Government or debenture holders.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year or in the recent past. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
11. The Company has not paid/provided any managerial remuneration. Therefore, Para 3 (xi) of the Companies (Auditor's Report) Order 2016 is not applicable to the Company.



12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, all transactions with the related party are in compliance with section 177 and 188 of the Act and the details have been disclosed as required by the applicable Accounting Standard (Refer Note no 22 to the Financial Statements).
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. Based on the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under section 192 of the Act with directors or persons connected with them during the year.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Lodha & Company
Chartered Accountants
Firm Registration No. 301051E

R.P. Baradiya

R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date : August 10, 2016



ANNEXURE B"**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of 3i Infotech BPO Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the



preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Lodha & Company
Chartered Accountants
Firm Registration No. 301051E**

**R.P. Baradiya
Partner
Membership No. 44101**

**Place: Mumbai
Date : August 10, 2016**



3i Infotech BPO Limited

Balance Sheet as at March 31, 2016

(In Rs.)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	2	1,000,000	1,000,000
Reserves and surplus	3	391,776,816	381,212,930
2. Current liabilities			
Short-term borrowings	5	27,555,716	137,166,852
Trade payables	6		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		146,536,588	72,916,568
Other current liabilities	7	26,606,675	96,529,150
Short-term provisions	8	8,844,410	7,865,020
Total		602,320,205	696,690,520
II. ASSETS			
1. Non-current assets			
Fixed assets			
- Tangible assets	9	6,301,749	10,034,737
Long-term loans and advances	10	300,644,104	499,116,174
Deferred tax assets	4	10,639,000	5,230,000
Other Non-current assets	14	89,360,649	57,314,290
2. Current assets			
Trade receivables	11	70,039,882	34,939,375
Cash and Bank balances	12	11,290,982	2,080,576
Short-term loans and advances	13	64,913,608	31,852,392
Other current assets	15	49,130,231	56,122,976
Total		602,320,205	696,690,520

Significant accounting policies and accompanying notes to the financial statements
As per our attached report of even date

1 to 32

For Lodha & Co.
Chartered Accountants
Firm Registration No:301051E

For and on behalf of the Board

R. P. Baradiya
R. P. Baradiya
Partner
Membership No. 44101
Place: Mumbai
Date: August 10, 2016



Padmanabhan Iyer
Padmanabhan Iyer
Chairman
DIN: 05282942

Ashish Kakkar
Ashish Kakkar
Director
DIN: 06370551

3i Infotech BPO Limited

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

(In Rs.)

Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
Income			
Revenue from operations	16	545,253,534	560,117,266
Other income	17	40,040,321	45,572,825
Total		585,293,855	605,690,091
Expenses			
Cost of revenue & employee benefits expense	18	469,888,156	461,442,571
Finance costs	19	30,263,540	42,799,020
Depreciation expense	9	6,539,936	5,900,610
Other expenses	20	47,862,336	48,204,970
Total		554,553,968	558,347,171
Profit before exceptional items and tax		30,739,887	47,342,920
Exceptional Items	21	27,916,354	-
Profit before tax		2,823,533	47,342,920
Tax expense			
Current tax		9,460,000	16,070,000
Deferred tax		(5,409,000)	(2,124,000)
Income tax for earlier years		(11,791,353)	4,981,557
		(7,740,353)	18,927,557
Profit for the year		10,563,886	28,415,363
Basic & Diluted Earning Per Share		105.64	284.15
Equity shares, face value of Rs. 10 each (Refer note no. 25)			

Significant accounting policies and accompanying notes to the financial statements

1 to 32

As per our attached report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No:301051E

R. P. Baradiya
Partner
Membership No. 44101
Place: Mumbai
Date: August 10, 2016

For and on behalf of the Board

Padmanabhan Iyer
Chairman
DIN: 05282942

Ashish Kakkar
Director
DIN: 06370551



3i Infotech BPO Limited

Cash Flow Statement for the year ended March 31, 2016

(In Rs.)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A) Cash Flow From Operating Activities		
Profit Before Tax and Exceptional Items	30,739,887	47,342,920
Adjustment for:		
Depreciation	6,539,936	5,900,610
Net loss on foreign currency transactions	2,199,117	1,102,808
Interest expense	30,263,540	42,464,387
Interest income	(37,939,513)	(42,973,670)
Provision for doubtful debts provided for / written off / (written back)	1,057,870	708,516
Old Irrecoverable Balances Written Off	2,856,478	-
(Gain) / Loss on sale / disposal of Fixed Assets	-	(31,040)
Sundry balances written off / (written back)	(788,933)	(232,621)
Operating Profit Before Working Capital Changes	34,928,382	54,281,910
Adjustment for:		
Decrease / (Increase) in Trade Receivables and Others	11,619,073	(1,243,858)
Decrease in Other Receivables and Loans & Advances	-	174,269,711
Increase in Trade Payable, Other Current liabilities and Provisions	9,840,545	10,816,574
	21,459,618	183,842,427
Cash Generated from Operation	56,388,000	238,124,337
Income tax (paid) / refund received	1,906,173	(24,303,958)
Net Cash from / (used in) Operating Activities before Exceptional item- (A)	58,294,173	213,820,379
Exceptional Item	27,916,354	-
Net Cash from / (used in) Operating Activities After Exceptional item- (A)	30,377,817	213,820,379
B) Cash Flow From Investing Activities		
Purchase of Fixed Assets	(2,806,948)	(6,745,423)
Proceeds from sale / disposal of Fixed Assets	-	1,894,082
Interest income	32,335	42,973,670
Net Cash from / (used in) Investing Activities - (B)	(2,774,613)	38,122,329
C) Cash Flow From Financing Activities		
Interest expense	(3,781,663)	(42,464,387)
Proceeds / (Repayment) from / to borrowings (net)	(14,611,135)	(214,949,776)
Net Cash from / (used in) Financing Activities - (C)	(18,392,798)	(257,414,163)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	9,210,406	(5,449,664)
Cash and Cash Equivalents at the beginning of the year	2,080,576	7,530,240
Net Cash and Cash Equivalents at the end of the year	11,290,982	2,080,576

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on "Cash Flow Statement" notified by the Companies Act, 2013.
- Previous year's figures have been regrouped / rearranged wherever necessary to confirm to the current year's presentation.



As per our attached report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No:301051E

R. P. Baradiya
Partner
Membership No. 44101
Place: Mumbai
Date: August 10, 2016



For and on behalf of the Board



 Padmanabhan Iyer
Chairman
DIN: 05282942
 Ashish Kakkar
Director
DIN: 06370551

3i Infotech BPO Limited

Notes forming part of Financial Statements as at and for the year ended March 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Method of Accounting

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) 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 requires a change in the accounting policy hitherto in use.

1.2 Use of estimates

The preparation of financial statements in conformity with GAAP requires 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 financial statements. The recognition, measurement, classification or disclosures of an item or information in the financial statements are made relying on these estimates. Any revision to accounting estimates is recognized prospectively.

1.3 Revenue Recognition

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

1.4 Unbilled and Unearned Revenue

Revenue recognized over and above the billings on a customer is classified as unbilled revenue while excess of billing over the revenue recognized in respect of a customer is classified as unearned revenue.

1.5 a. Fixed Assets

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

Advances given towards acquisition of fixed assets and the cost of assets not ready for use as at the balance sheet date are disclosed under Long-Term Loans & Advances.



b. Depreciation / Amortization

Depreciation on fixed assets is provided using the straight-line method over their estimated useful lives determined based on internal technical assessment as detailed below:

Category of Assets	Useful lives adopted by Company	Useful lives prescribed under Schedule II of the Act
Computers	3 years	3-6 years
Office Equipment	5 years	5 years
Furniture and Fixtures	5 years	10 years

Depreciation on fixed assets is systematic allocation of the depreciable amount over its useful life. The depreciable amount of an asset is the cost of an asset or other amount substituted for cost, less its residual value. The useful life of an asset is the period over which an asset is expected to be available for use, or the number of production or similar units expected to be obtained from the asset, as prescribed under part A in Schedule II of the Companies Act, 2013.

1.6 Investments

Trade investments wherever applicable 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 provision is made to recognize any decline, other than temporary, in the value of such investments.

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

1.7 Accounting for Taxes on Income

Provision for current income tax is made on the basis of the estimated taxable income for the year in accordance with the Income Tax Act, 1961.

MAT credit asset is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

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.

1.8 Translation of Foreign Currency Items

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transactions. Current assets, current liabilities and borrowings denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet. The resultant gain / loss is recognized in the Statement of Profit & Loss.



1.9 Accounting of Employee Benefits

a) Gratuity

The Company provides for gratuity, a defined benefit retirement plan, which covers eligible employees and the liability under the plan is determined based on actuarial valuation done by an independent valuer using the projected unit credit method.

b) Provident Fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contribution along with interest thereon is paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contribution to the Regional Provident Fund Commissioner equal to a specified percentage of the covered employee's salary. Company also contributes to a government administered pension fund on behalf of its employees. The company's contributions paid/payable to the fund are charged to the Statement of Profit and Loss for the year when the contributions are due.

c) Leave Entitlements

Liability for leave entitlement for employees is provided on the basis of actuarial valuation semi-annually and based on estimates for interim financial reporting.

1.10 Provisions, Contingent Liabilities and Contingent Assets

- I. 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.
- II. 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.
- III. Contingent Assets are neither recognized nor disclosed in the financial statement.

1.11 Borrowing Costs

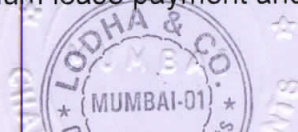
Borrowing costs directly attributable to acquisition, construction and production of qualifying assets are capitalized as a part of the cost of such asset up to the date of completion. Other borrowing costs are charged to the Statement of Profit & Loss.

1.12 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 realizable whenever the carrying amount of such assets exceeds its recoverable amount. Impairment loss is recognized in the Statement of Profit & Loss. 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 extent of the carrying value of the asset that would have been determined (net of amortization / depreciation) had no impairment loss been recognized.

1.13 Lease

Where the Company has substantially acquired all risks and rewards of ownership of the assets, leases are classified as financial lease. Such assets are capitalized at the inception of the lease, at the lower of fair value or present value of minimum lease payment and liability



is created for an equivalent amount. Each lease rental paid is allocated between liability and interest cost so as to obtain constant periodic rate of interest on the outstanding liability for each year.

Where significant portion of risks and reward of ownership of assets acquired under lease are retained by lessor, leases are classified as Operating lease. Equalized lease rentals for such leases are charged to Statement of Profit & Loss.

1.14 Earnings per share

In determining the earnings per share, the Company considers the net profit / (loss) after tax and post tax effect of any extra-ordinary / exceptional item is shown separately. The number of shares considered in computing basic earnings per share is the weighted average number of shares outstanding during the year.



2 Share capital

Particulars	(In Rs.)	
	As at March 31, 2016	As at March 31, 2015
Authorised		
100,000 (as at March, 2015 100,000) Equity shares of Rs. 10 each	1,000,000	1,000,000
	1,000,000	1,000,000
Issued, Subscribed & Paid-up		
100,000 (as at March, 2015 100,000) Equity shares of Rs. 10 each fully paid up	1,000,000	1,000,000
(all the above equity shares are held by the holding company and its nominees)		
Total	1,000,000	1,000,000

2.1 Details of member holding more than 5 percent shares

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	%	No. of Shares	%
3i Infotech Limited (the Holding Company) and by its nominees	100,000	100	100,000	100

- 2.2 The Company has issued one class of equity shares having a face value of Rs. 10 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.

2.3 Details of aggregate shareholding by holding company:

Particulars	As at March 31, 2016	As at March 31, 2015
3i Infotech Limited	100,000	100,000

2.4 Reconciliation of Shares

Particulars	As at March 31, 2016	As at March 31, 2015
Equity shares as at beginning of the year	100,000	100,000
Equity shares as at end of the year	100,000	100,000

- 2.5 The Company has neither bought back, issued shares for consideration other than cash nor allotted any bonus shares in the last five years.

3 Reserves and surplus

Particulars	(In Rs.)	
	As at March 31, 2016	As at March 31, 2015
Securities Premium Reserve		
Balance as per last Balance Sheet	507,475,152	507,475,152
Closing Balance	507,475,152	507,475,152
Surplus / (Deficit) in Statement of Profit and Loss		
Balance as per last Balance Sheet	(126,262,222)	(149,885,894)
Less: Additional depreciation		(4,791,691)
Add: Profit for the year from Statement of Profit and Loss	10,563,886	28,415,363
Closing Balance	(115,698,336)	(126,262,222)
Total	391,776,816	381,212,930



3i Infotech BPO Limited

Notes forming part of Financial Statements as at and for the year ended March 31, 2016

4 Deferred Tax Asset / (Liability)

(In Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred Tax Assets		
Expenses allowable on payment and others	10,639,000	2,642,000
Fixed Assets (Depreciation / Amortization)	-	2,588,000
Deferred Tax Liability		
Fixed Assets (Depreciation / Amortization)	-	-
Deferred Tax Asset / (Liability)	10,639,000	5,230,000

5 Short-term borrowings

(In Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured Loans from Banks		
Cash Credit (Secured by way of first charge on current assets) Current year interest @ 16.35% p.a. (Previous Year @ 16.35% p.a.)	11,055,716	24,753,476
Bank Overdraft (Secured by way of pledge of fixed deposit as at March 31, 2015)	-	913,376
	11,055,716	25,666,852
Unsecured Loans		
From a Bank Current year interest @ 13% p.a. (Previous Year @ 13% p.a.)	16,500,000	16,500,000
From a Body Corporate Current year interest @ 14% p.a. (Previous Year @ 14% p.a.)	-	95,000,000
	16,500,000	111,500,000
Total	27,555,716	137,166,852

6 Trade payables

(In Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Due to:		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises:		
Holding Company	82,948,899	34,212,314
Fellow Subsidiaries	6,979,146	1,749,679
Others	56,608,543	36,954,575
(also refer note no. 26 regarding dues to Micro, Small and Medium Enterprises)		
Total	146,536,588	72,916,568



3i Infotech BPO Limited

Notes forming part of Financial Statements as at and for the year ended March 31, 2016

7 Other current liabilities

(In Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Advance from Customers:		
From an Associate	-	60,770,862
From Fellow Subsidiaries	1,681,980	1,887,872
From Others	176,854	292,188
Statutory dues payable	24,733,341	29,001,771
Interest accrued but not due	-	3,279,452
Interest accrued and due(Refer note no.31)	-	1,297,005
Other Payables	14,500	-
Total	26,606,675	96,529,150

8 Short-term provisions

(In Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Provisions for Employee benefits	8,844,410	7,865,020
Total	8,844,410	7,865,020

10 Long-term loans and advances

(In Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Security Deposits	738,999	193,999
Less: Provision for Deposits	(35,000)	-
Advance income tax and tax deducted at source	120,071,947	117,500,654
Less: Provision for taxes	(45,791,505)	(45,945,505)
	74,984,441	71,749,148
Loan to Holding Company (Refer note no.31)	6,700,000	115,000,000
Advances recoverable from holding company	218,959,663	312,367,026
Total	300,644,104	499,116,174



9 Fixed Assets

For the year ended March 31, 2016

Particulars	GROSS BLOCK			DEPRECIATION			(In Rs.)	
	As at April 1, 2015	Additions during the year	Deductions during the year	As at March 31, 2016	Upto 31st March 2015	Depreciation for the year	Transfer to Depreciation	Upto 31st March 2016
Office Equipment	1,555,331	-	-	1,555,331	1,192,964	82,765	-	1,275,729
Computers	17,479,743	2,806,948	-	20,286,691	7,807,373	6,457,171	-	14,264,544
Total	19,035,074	2,806,948	-	21,842,022	9,000,337	6,539,936	-	15,540,273
								279,602
								6,022,147
								6,301,749

For the year ended March 31, 2015

Particulars	GROSS BLOCK			DEPRECIATION			(In Rs.)	
	As at April 1, 2014	Additions during the year	Deductions during the year	As at March 31, 2015	Upto 31st March 2014	Depreciation for the year	Transfer to Depreciation Reserve	Upto 31st March 2015
Furniture & Fixtures	2,822,105	-	2,822,105	-	1,294,449	105,143	35,413	0
Office Equipment	5,342,567	370,710	4,157,946	1,555,331	1,979,086	45,379	3,300,651	1,192,964
Computers	48,508,642	6,374,713	37,403,612	17,479,743	37,555,119	5,750,088	1,455,627	7,807,373
Total	56,673,314	6,745,423	44,383,663	19,035,074	40,828,654	5,900,610	4,791,691	9,000,337
								362,367
								9,672,370
								10,034,737



3i Infotech BPO Limited

Notes forming part of Financial Statements as at and for the year ended March 31, 2016

11 Trade receivables

(In Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Debts outstanding for a period exceeding six months from the due date of payment		
Unsecured		
Considered good		
- from Fellow Subsidiaries	-	4,009,822
- from Others	9,610,994	79,530
Considered doubtful		
- from Others	-	277,597
Less: provision for bad and doubtful debts	(1,335,467)	(277,597)
	8,275,527	4,089,352
Other Debts		
Unsecured		
Considered good		
- from Fellow Subsidiaries	-	12,558,960
- from Others	61,764,355	18,291,063
	61,764,355	30,850,023
Total	70,039,882	34,939,375

12 Cash and Bank balances

(In Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and Cash Equivalents		
Balances with banks in current accounts	11,290,982	1,080,576
Other Bank Balances		
In deposit accounts	-	1,000,000
(pledged with the bank against overdraft facility)		
Total	11,290,982	2,080,576



3i Infotech BPO Limited

Notes forming part of Financial Statements as at and for the year ended March 31, 2016

13 Short-term loans and advances

(In Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Security deposits	4,468,012	4,468,012
Less: Provision for Deposit	(2,709,012)	-
	1,759,000	4,468,012
Other advances recoverable in cash or in kind or for value to be received		
- from a Fellow Subsidiaries	60,946,482	25,812,891
- from Others	2,208,126	1,571,489
Total	64,913,608	31,852,392

14 Other Non Current Assets

(In Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued but not due on loan to Holding Company	89,360,649	57,314,290
Total	89,360,649	57,314,290

15 Other current assets

(In Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Unbilled Revenue		
- from Holding Company	-	500,000
- from a Fellow Subsidiaries	830,575	5,476,369
- from an Associate	-	23,035,394
- from Others	48,299,656	14,572,394
Interest accrued and due on FD	-	685,484
Unamortised borrowing costs	-	11,853,335
Total	49,130,231	56,122,976



3i Infotech BPO Limited

Notes forming part of Financial Statements as at and for the year ended March 31, 2016

16 Revenue from Operations

(In Rs.)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Sale of Services: Transaction Services	545,253,534	560,117,266
Total	545,253,534	560,117,266

17 Other Income

(In Rs.)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest income	37,939,513	42,973,670
Other Income	1,311,875	1,648,769
Gain on disposal of Fixed Assets	-	31,040
Sundry balances / provision written back	788,933	919,346
Total	40,040,321	45,572,825

18 Cost of Revenue & Employee Benefit Expenses

(In Rs.)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Cost of outsourced services	132,042,529	132,549,901
Salaries and wages	298,372,214	287,774,320
Contribution to provident and other funds	35,958,276	35,677,029
Gratuity expenses	2,792,783	5,155,841
Recruitment and training expenses	258,073	85,707
Staff welfare expenses	464,281	199,773
Total	469,888,156	461,442,571



3i Infotech BPO Limited

Notes forming part of Financial Statements as at and for the year ended March 31, 2016

19 Finance Costs

(In Rs.)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Bank Charges	424,001	334,633
Interest Expense Banks & Financial Institutions (Refer note no.31)	12,580,415	23,561,237
Interest on FCNR Loan	1,280,955	-
Interest on statutory dues	4,124,834	2,904,102
Other Borrowing costs	11,853,335	15,999,048
Total	30,263,540	42,799,020

20 Other Expenses

(In Rs.)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Rent expenses	18,678,397	20,802,052
Legal and professional charges	10,297,475	8,970,593
Transport, travelling and conveyance expenses	1,379,777	1,104,013
Rates and taxes	541,518	199,700
Insurance	847,867	2,120,230
Communication expenses	439,206	(316,382)
Repair & maintenance	3,271,785	4,697,298
Power and fuel expenses	777,824	2,262,489
Office running & maintenance expenses	466,175	1,501,351
Postage and courier	281,864	460,632
Printing and stationery	1,984,229	2,187,339
Commission & brokerage	-	17,500
Provision for doubtful debt	1,057,870	-
Bad debts written off	-	708,516
Net loss on foreign currency transactions	2,199,117	1,102,808
Watch & ward expenses	29,618	599,390
Audit Fees (Refer note no. 24)	1,300,000	1,325,000
Miscellaneous expenses	1,453,136	462,441
Old Irrecoverable Balances Written Off	2,856,478	-
Total	47,862,336	48,204,970

21 Exceptional Items

(In Rs.)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Sundry balances written off \Debt restructuring	27,916,354	-
Total	27,916,354	-



22 Contingent Liabilities and Commitments

(In Rs.)		As at	As at
Particulars		March 31, 2016	March 31, 2015
(i) Contingent liabilities to the extent not provided for:			
(a) Disputed ESIC matter (including interest upto the date of demand)		547,402	547,402
(b) Disputed Income Tax matter (including interest upto the date of demand)		4,047,966	4,047,966
(c) Corporate Guarantee (Secured with first charge on all present and future movable assets (except current assets) and second charge on current assets of the Company has been created in favour of CDR lenders of holding company as per Master Restructuring Agreement (MRA) entered by the holding company with its CDR lenders.)		Not ascertainable	Not ascertainable
Total		4,595,368	4,595,368
(ii) Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for		149,348	-
Total		149,348	-

The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

23 Leases

(i) Operating Lease

The future lease rental payment that the Company is committed to make is:

(In Rs.)		As at	As at
Particulars		March 31, 2016	March 31, 2015
- within one year		1,939,484	3,115,422
- later than one year and not later than five years		468,757	1,523,259
- later than five years		-	-

(ii) Financial Lease

There were no financial leases entered into by the Company.

24 Payment to Auditors

(In Rs.)		For the	For the
Particulars		year ended	year ended
		March 31, 2016	March 31, 2015
Statutory Audit Fees		1,200,000	1,200,000
Tax Audit Fees		100,000	100,000
Certification Fees		40,000	-
Others		17,110	25,000
Total		1,357,110	1,325,000



The earnings per share have been computed in accordance with the Accounting Standard 20 – Earnings Per Share

Particulars	(In Rs.)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit attributable to Equity Shareholders (In Rs.)	10,563,886	28,415,363
Weighted average number of Equity Shares outstanding during the year (No.)	100,000	100,000
Diluted weighted average number of Equity Shares outstanding during the year (No.)	100,000	100,000
Nominal value of Equity Shares (In Rs.)	10	10
Basic Earnings Per Share (In Rs.)	105.64	284.15
Diluted Earnings Per Share (In Rs.)	105.64	284.15

26 As at March 31, 2016, the Company has no outstanding dues to micro, small and medium enterprises. There is no liability towards interest on delayed payments under the Micro, Small and Medium Enterprises Development Act, 2006 during the year.

There is also no amount of outstanding interest in this regard brought forward from the previous year.

The above information is on the basis of intimation received by the Company, on request made to all vendors in the course of vendors' registration under the said Act.

27 Related Party Disclosure as per Accounting Standard 18

27.1 Name of the related parties are as follows

a. The parties where control exists - the Holding Company

3i Infotech Limited

b. Fellow Subsidiaries

3i Infotech Saudi Arabia LLC

3i Infotech (Africa) Limited

3i Infotech (Middle East) FZ LLC

3i Infotech Holdings Private Limited

3i Infotech (UK) Limited

3i Infotech (Western Europe) Holdings Limited

Rhyme Systems Limited

3i Infotech Financial Software Inc.

3i Infotech Framework Limited

Professional Access Software Development Private Limited

Locuz Enterprise Solutions Limited

3i Infotech Consultancy Services Limited

3i Infotech Inc.

3i Infotech Asia Pacific Pte Limited

3i Infotech SDN BHD

3i Infotech (Thailand) Limited

3i Infotech Services SDN BHD

Black Barret Holdings Limited

3i Infotech (Flagship-UK) Limited

Professional Access Limited (Upto 14th August, 2014)

3i Infotech Outsourcing Services Limited

3i Infotech Trusteeship Limited (upto 15th October, 2015)

Locus INC

IFRS Cloud Solution Ltd

Elegon Infotech Limited

3i Infotech South Africa (PTY) Limited



c. Associate with whom transactions have been entered during the year
ICICI Bank Limited (Upto 31st July 2015)

27.2 The following transactions were carried out during the year with the below related parties

(In Rs.)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
3i Infotech Limited		
Income	5,819,084	10,631,222
Expenses	110,064,067	101,480,154
Interest income	35,607,066	42,279,952
Loan given	57,469,094	38,500,000
Loan Received (Refer note no.31)	253,614,960	-
Advance repaid	5,561,497	-
Advance given	-	352,414,912
3i Infotech Consultancy Services Limited		
Advance given	33,940,334	25,920,390
Advance Taken	5,363,552	1,723,093
Expenses	-	1,711
3i Infotech Trusteeship Services Limited		
Income	109,200	218,199
Expenses		121,500
3i Infotech Financial Software Inc.		
Income	40,350,865	52,741,700
Expenses		17,467
Advance Taken	499,175	
3i Infotech Saudi Arabia LLC		
Income	418,954	2,886,741
Expenses		-
Advance Repaid	361,941	-
Advance given	343,126	-
3i Infotech (Middle East) FZ LLC		
Income	3,136,004	6,327,144
Expenses	2,176	-
Advance taken	-	
Advance given	1,193,257	
ICICI Bank Limited		
Income	284,184,893	276,633,173
Other borrowing costs	11,853,335	15,999,048
Working capital loan paid back	60,770,862	-
Provision for doubtful debts	2,400,000	-



27.3 Outstanding balances with the related parties

(In Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
3i Infotech Limited		
Trade payable	82,948,899	34,212,314
Interest receivable	89,360,649	57,314,290
Loan receivable (Refer note no.31)	6,700,000	115,000,000
Advance receivable	218,959,663	312,367,026
Unbilled revenue	-	500,000
3i Infotech Consultancy Services Limited		
Advance receivable	59,753,225	25,812,891
Trade payables	6,979,146	1,615,594
3i Infotech Trusteeship Services Limited		
Trade receivable	-	251,711
Trade payables	-	134,085
Unbilled revenue	-	16,800
3i Infotech Financial Software Inc.		
Trade receivable	-	9,790,525
Unbilled revenue	499,175	4,759,569
Advance From customer	499,175	-
3i Infotech Saudi Arabia LLC		
Trade receivable	-	6,439,289
Unbilled revenue	31,145	470,000
Advance from Customer	1,182,805	-
3i Infotech (Middle East) FZ LLC		
Advance from Customer	-	1,887,872
Trade Receivables	-	87,258
Advance to customer	1,193,257	-
Unbilled revenue	300,255	230,000
ICICI Bank Limited		
Unbilled revenue	-	23,035,394
Advance from Customer	-	60,770,862

27.4 Related parties are as identified by the management and relied upon by the auditor.

27.5 No balances in respect of the related parties have been provided for / written back / written off except what is stated above.

28 Realisable Value of Current Assets, Loans & Advances

In the opinion of Board of Directors of the Company, the investments, current and non-current assets, long-term and short-term loans and advances are realizable at a value, which is atleast equal to the amount at which these are stated, in the ordinary course of business and provision for all known and determined liabilities are adequate and not in excess of the amount stated.

The accounts of certain Trade Receivables, Trade Payables, Loans and Advances and banks are, however, subject to formal confirmations / reconciliations and consequent adjustments, if any. However, the management does not expect any material difference affecting the current year financial statements on such reconciliation / adjustments.

29 Foreign currency transaction during the year and exposure as at year end

29.1 Foreign exchange currency exposure not covered by derivative instruments

Particulars	As at March 31, 2016		As at March 31, 2015	
	Amount (Foreign currency) (USD)	Amount (Local Currency) (INR)	Amount (Foreign currency) (USD)	Amount (Local Currency) (INR)
Trade Receivable	-	-	260,948	16,317,072
Advance to customer	18,053	1,193,257	-	-
Advances Payable	25,446	1,681,980	30,191	1,887,872



29.2 Earnings in foreign currency

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Amount (In Rupees)	Amount (In Rupees)
Transaction Services	43,905,823	61,955,585

30 The following table set out the status of the gratuity plan as required under AS 15

Reconciliation of Benefit Obligations and Plan Assets

	As at March 31, 2016	As at March 31, 2015
Change in benefit obligation		
Obligation at the beginning of the year	62,77,543	5,759,940
Interest cost	4,97,337	535,098
Current Service cost	20,35,835	1,628,568
Benefits paid	(1,334,681)	4,638,238
Actuarial (gain) / loss in obligations	1,59,611	2,992,175
Obligation at year end	76,35,645	6,277,543
Change in Fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on the plan assets	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at year end	-	-
Expenses recognized in Statement of Profit & Loss		
For the Year ended March 31, 2016	For the Year ended March 31, 2015	
Current service cost	20,35,835	1,628,568
Interest cost	4,97,337	535,098
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized during the year	1,59,611	2,992,175
Expenses recognized in Statement of Profit & Loss	26,92,783	5,155,841
Reconciliation or Present Value of the obligation and the Fair value of the plan assets		
As at March 31, 2016	As at March 31, 2015	
Liability at year end	76,35,645	6,277,543
Fair value of plan assets at year end	-	-
Liability recognized in the balance sheet	7,635,645	6,277,543
Assumptions		
As at March 31, 2016	As at March 31, 2015	
Discount Rate	7.90%	7.90%
Expected Rate of Return on Plan Assets	-	-
Salary Escalation Rate	3% for first three years and 2% thereafter	3% for first three years and 2% thereafter



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

As per the terms of DRS :

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

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

- 32 Figures for the previous year have been re-grouped/re-arranged, wherever considered necessary, to conform to current period's presentation.

Signatures to Notes "1" to "32"

For and on behalf of the Board


Padmanabhan Iyer
Chairman
DIN: 05282942


Ashish Kakkar
Director
DIN: 06370551

Date: August 10, 2016
Place: Mumbai

