

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
3i INFOTECH SAUDI ARABIA LLC

REPORT ON THE FINANCIAL STATEMENTS:

We have audited the accompanying financial statements of 3i INFOTECH SAUDI ARABIA LLC ("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

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Mumbai, New Delhi

Chennai

Hyderabad

Jaipur



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 audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 fully eroded.

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 Parent Company 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 SAUDI ARABIA LLC
(Incorporated in the Kingdom of Saudi Arabia)

Balance sheet as at March 31, 2016

SAR

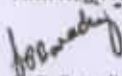
Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	500,000	500,000
(b) Reserves and surplus	3	(28,700,415)	(23,748,903)
Current liabilities			
(a) Trade payables	4	63,640,004	62,388,961
(b) Other current liabilities	5	7,174,691	4,939,357
(c) Short-term provisions	6	6,477,974	690,566
Total		49,092,254	44,769,982
II. ASSETS			
Non-current assets			
(a) Fixed assets	7		
Tangible assets		514,758	648,432
Current assets			
(a) Trade receivables	8	6,133,777	3,696,891
(b) Cash and bank balances	9	2,079,596	285,778
(c) Short-term loans and advances	10	34,161,768	33,957,672
(d) Other current assets	11	6,202,355	6,181,209
Total		49,092,254	44,769,982

Significant accounting policies and accompanying notes
to financial statements


1 - 23

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


Padmanabhan Iyer
Director
DIN - 05282942


Ashish Kakkar
Director
DIN - 06370551


Mrinal Ghosh
Director
DIN: 07232477

Date : August 10, 2016
Place: Mumbai



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

SAR

Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
INCOME			
Revenue from operations	12A	26,626,253	25,045,937
Other income	12B	27,406	6,224,563
Total Revenue		26,653,659	31,270,500
EXPENSES			
Cost of revenue	13	16,677,748	14,152,588
Employee benefits expense	14	6,030,079	5,835,893
Finance cost	15	13,403	16,936
Depreciation	7	155,432	132,964
Other expenses	16	2,029,370	5,995,020
Total Expenses		24,906,032	26,133,401
Profit/(Loss) before tax and exceptional items		1,747,627	5,137,099
Exceptional items	17	98,019	194,926
Profit before tax		1,649,608	4,942,173
Tax expense			
- Current tax		2,242,371	-
- Income tax pertaining to earlier years		4,358,749	-
Profit/(loss) after tax for the period/year		(4,951,512)	4,942,173

Earnings per share

(Equity shares, par value SAR 1,000 each)

Before exceptional items:

Basic & Diluted (SAR) (9,706.99) 10,274.20

After exceptional items :

Basic & Diluted (SAR) (9,903.02) 9,884.35

Significant accounting policies and accompanying
notes to financial statements

1 - 23

As per our attached report of even date

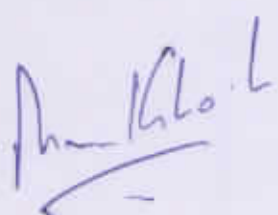
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Date : August 10, 2016
Place: Mumbai



Cash flow statement for the year ended March 31, 2016

SAR

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A. Cash Flow from Operating Activities :		
Profit/(Loss) before taxation and exceptional items	1,747,627	4,903,618
Adjustments for:		
Depreciation	155,432	132,964
Loss on sale of fixed assets	1,417	-
Provision for doubtful debts	92,095	1,202,437
Foreign exchange loss	118,929	23,141
Operating Profit/(Loss) before Working Capital Changes	2,115,500	8,262,160
Adjustments for:		
Decrease/(Increase) in Trade and other receivables	(2,971,172)	(4,509,693)
Increase/(Decrease) in Trade payables and other liabilities	2,672,665	(1,780,912)
Cash generated from Operations	1,816,993	(28,451)
Less: Taxes paid	-	-
Net cash from/(used in) Operating Activities -(A)	1,816,993	(28,451)
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(23,175)	23,722
Net cash from/(used in) Investing Activities -(B)	(23,175)	23,722
C. Cash Flow from Financing Activities :		
Interest paid	-	-
Net cash from/(used in) Financing Activities - (C)	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	1,793,818	(4,729)
Cash and Cash Equivalents at beginning of the year	285,778	290,507
Cash and Cash Equivalents at end of the year	2,079,596	285,778

Notes


- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 1 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) Previous years figures have been regrouped / rearranged wherever necessary to conform to the current years presentation.


As per our attached report of even date

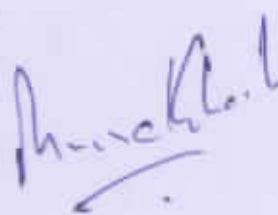
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Date : August 10, 2016
Place: Mumbai



2. Share capital

SAR

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Authorised capital Equity shares of SAR 1,000 each	500	500,000	500	500,000
Issued, subscribed & paid up Equity shares of SAR 1,000 each fully paid up	500	500,000	500	500,000

(b) Rights of equity shareholders

The Company has issued one class of equity shares having a face value of SAR 1,000 per share. Each shareholder has a 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 numbers of equity shares

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	500	500,000	500	500,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	500	500,000	500	500,000

(d) Details of members holding more than 5% equity shares in the company

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares held	% of Holding	No. of shares held	% of Holding
3i Infotech Limited	500	100%	500	100%

3. Reserves and Surplus

Particulars	As at March 31, 2016	As at March 31, 2015
Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	(23,748,903)	(28,652,521)
Add/(Less) : Depreciation reserve	-	(38,555)
Add/(Less) : Profit/ loss for the year	(4,951,512)	4,942,173
CLOSING BALANCE	(28,700,415)	(23,748,903)

4. Trade Payables

Particulars	As at March 31, 2016	As at March 31, 2015
Due to related parties	60,033,158	56,941,461
Others	3,606,846	5,447,500
TOTAL	63,640,004	62,388,961

5. Other current liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
Withholding tax payable	1,414,837	-
Advance received from customers	5,759,854	4,939,357
TOTAL	7,174,691	4,939,357

6. Short-term provisions

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for income tax	5,183,732	270,409
Provision for employee benefits	1,294,242	470,157
TOTAL	6,477,974	690,566

3i INFOTECH SAUDI ARABIA LLC
(Incorporated in the Kingdom of Saudi Arabia)
NOTES FORMING PART OF FINANCIAL STATEMENTS

7. Fixed assets

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK	
	As at April 1, 2015	Additions during the year	Deductions/Adjus tments during the year	As at March 31, 2016	As at April 1, 2015	For the year	Deductions/Adjus tments during the year	Upto March 31, 2016	As at March 31, 2016
Leasehold improvements	980,580	-	-	980,580	495,931	98,057	-	593,988	386,592
Furniture and fixtures	88,025	4,840	-	92,865	40,897	18,738	-	59,635	33,230
Motor vehicles	144,000	-	-	144,000	50,422	22,373	-	72,795	71,205
Office equipment	49,752	4,699	-	54,451	41,669	3,747	-	45,416	9,035
Computers	66,654	13,636	2,904	77,386	51,660	12,517	1,487	62,690	14,696
TOTAL	1,329,011	23,175	2,904	1,349,282	680,579	155,432	1,487	834,524	514,758

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK	SAR
	As at April 1, 2014	Additions during the year	Deductions/Adjus tments during the year	As at March 31, 2015	As at April 1,2014	For the year	Deductions/Adjus tments during the year	Upto March 31, 2015	
Leasehold improvements	980,580	-	-	980,580	397,873	98,058	-	495,931	484,649
Furniture and fixtures	86,775	1,250	-	88,025	32,156	8,741	-	40,897	47,128
Motor vehicles	144,000	-	-	144,000	32,422	18,000	-	50,422	93,578
Office equipment	47,786	1,966	-	49,752	12,315	191	29,163	41,669	8,083
Computers	58,636	11,617	3,599	66,654	37,893	7,974	5,793	51,660	14,994
TOTAL	1,317,777	14,833	3,599	1,329,011	512,659	132,964	34,956	680,579	648,432



8. Trade receivables

SAR

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Debts outstanding for a period exceeding 6 months from the due date of payment	927,981	-
Others	5,205,796	3,696,891
	6,133,777	3,696,891
Unsecured, considered doubtful		
Debts outstanding for a period exceeding 6 months from the due date of payment	3,062,327	3,612,267
Less: Provision for doubtful debts	(3,062,327)	(3,612,267)
TOTAL	6,133,777	3,696,891

9. Cash and bank balances

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents		
Balances with banks in current accounts	2,065,368	272,988
Cash on hand	14,229	12,790
Total	2,079,596	285,778

10. Short-term loans and advances

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Deposit with tax authorities	2,042,007	2,042,007
Security deposits	57,913	187,739
Due from related parties	32,061,848	31,609,776
Advances recoverable in cash or in kind or for value to be received	-	118,149
Total	34,161,768	33,957,672

11. Other current assets

Particulars	As at March 31, 2016	As at March 31, 2015
Unbilled revenue	5,734,806	6,058,626
Prepaid expenses	467,549	122,583
Total	6,202,355	6,181,209



12.A Revenue from Operations

SAR

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
IT solutions	26,626,253	25,045,937
Total	26,626,253	25,045,937

12.B Other Income

SAR

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Other income	27,406	6,224,563
Total	27,406	6,224,563

13. Cost of Revenue

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Cost of outsourced services/boughtout items	16,677,748	14,152,588
Total	16,677,748	14,152,588

14. Employee benefit expenses

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and wages	6,022,756	5,835,893
Staff welfare expenses	7,323	-
Total	6,030,079	5,835,893

15. Finance Cost

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Bank and other financial charges	13,403	16,936
Total	13,403	16,936

16. Other expenses

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Rent	665,686	612,611
Travelling and conveyance	1,560,932	968,845
Electricity charges	11,690	2,951
Rates and taxes	61,564	44,953
Communication expenses	180,803	101,280
Printing and stationery	4,864	1,205
Legal and professional charges	845,342	306,426
Selling and distribution expenses	7,890	29,573
Insurance	127,445	13,919
Provision for doubtful debts	92,095	3,202,437
Foreign exchange loss (net)	118,929	23,141
Recruitment and Training Expenses	-	18,770
Repairs and maintenance	75,066	43,796
Unliquidated damage expenditures	-	624,713
Liabilities no longer required written back (net)	(1,724,353)	-
Loss on sale/discarding of Fixed Assets	1,417	-
Total	2,029,370	5,995,020

17. Exceptional Items

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Old Irrecoverable Balances Written Off	98,019	194,526
Total	98,019	194,526



3i INFOTECH SAUDI ARABIA LLC

(Incorporated in Kingdom of Saudi Arabia)

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

Significant Accounting Policies and Notes to Financial Statements

1. Significant Accounting Policies

1.1 Method of Accounting

The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting and in accordance with the generally accepted accounting practices in India (GAAP). 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.

1.2 Currency

The Company has used the Saudi Arabian Riyal (SAR) as its reporting currency.

1.3 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 recognised prospectively.

1.4 Revenue Recognition

a) Revenue from IT solutions:

Revenue from IT solutions comprises of revenue from sale of software products, providing IT services and sale of hardware and third party software

i) Revenue from sale of software products is recognised on delivery or installation, as applicable, as per a pre-determined policy laid down for different software products across all geographies or an amount as considered appropriate in terms of the contract, whichever is lower.

ii) Revenue from IT services is recognised 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 recognised as and when services are performed. Revenue on fixed-price contracts is recognised 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.



iii) Revenue from sale of hardware / other materials and sale of Third Party Software License / Term License incidental to the aforesaid services is recognised based on delivery/installation, as the case may be. Recovery of incidental expenses is added to revenue.

iv) Maintenance revenue in respect of products is deferred and recognised proportionately over the period of the underlying maintenance agreement.

b) Revenue from Transaction Services:

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

1.5 Unbilled and Unearned Revenue

Revenue recognised over and above the billings on a customer is classified as "unbilled revenue" and advance billing to customer is classified as "Unearned revenue" and included under 'Other current liabilities'.

1.6 a. Fixed Assets

Fixed assets comprise tangible & intangible assets.

Tangible 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 are disclosed under 'Capital advances' under 'Long-term Loans and Advances' and the cost of assets not ready for use as at the balance sheet date are disclosed as 'Capital Work in progress'.

Intangible assets

a) "Software Products (Meant for sale)" are products licensed to customers. Costs that are directly associated with such products whether acquired or developed or upgraded in partnership with others, and have probable economic benefit exceeding one year are recognised as Software Products (Meant for sale). Costs related to further development of existing "software products meant for sale" are capitalised only if the costs results in a software products whose life and value in use is in excess of its originally assessed standard of performance, can be measured reliably, technological feasibility has been established future economic benefits of each of such products is probable and the company intends to complete development and to use the software.

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



c) Business and Commercial Rights are capitalized at the acquisition price.

b. Method of Depreciation / Amortization:

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

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

Business and Commercial Rights are amortized at lower of the period the benefits arising out of these are expected to accrue and ten years, while purchased software meant for in house consumption and significant upgrades thereof and Goodwill arising on merger/acquired Goodwill is amortized over a period of five years.

Depreciation on Tangible assets is provided on Straight Line Method (SLM) over the useful lives of assets determined based on internal technical assessments which are as follows

Leasehold Improvements	10 years
Computers	3 years
Office Equipments	5 years
Furniture and Fixtures	10 years
Vehicles	8 years

1.7 Investments

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

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

1.8 Accounting for taxes on income

Provision for current income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the tax rate prevalent at the balance sheet date, as per local laws of Saudi Arabia.

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 recognised 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.



1.9 Translation of Foreign Currency Items

Transactions in foreign currency are recorded in Saudi Arabian Riyal at the rate of exchange in force on the date of the transactions. 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 period 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 amortised over the balance period of such long term asset/liability.

1.10 Accounting of Employee Benefits

Employee benefits towards defined contributions plans of the state are recognised as an expense in the statement of profit and loss, as incurred. Leave encashment and gratuity provisions are made as per the policies laid down and any accruals for these benefits are charged to the profit and loss account.

1.11 Provisions , Contingent Liabilities and Contingent Assets

- i. Provisions involving substantial degree of estimation in measurement are recognised 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 recognised nor disclosed in the financial statements.

1.12 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 upto the date of completion. Other borrowing costs are charged to the statement of profit and loss.



1.13 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 recognised whenever the carrying amount of such assets exceeds its recoverable amount. Impairment loss is recognised in the statement of Profit and 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 recognised.

1.14 Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Leases, where the lessor effectively retains substantially all the risks and benefits incidental to ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss

1.15 Earnings per share

In determining the earnings per share, the Company considers the net profit/loss after tax and the post tax effect of any exceptional items and discontinuing operations on earnings per share is shown separately. The number of shares considered in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares considered for computing diluted earnings per share is the aggregate of weighted average number of shares used for deriving the basic earnings per share and the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The number of shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issues.



2. Notes to Financial Statements

18. a) Contingent liabilities

Contingent Liabilities not provided for in respect of.

SAR

Particular	As at March 31, 2016	As at March 31, 2015
Outstanding Guarantees	-	609,375
Disputed income tax matters	6,913,929	6,913,929
Disputed matters with Employee	41,456	-

- b) 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 expect the outcome of these proceedings to have a material impact on its financial statements.

19.

(a) Capital Commitments

The Company does not have any outstanding capital commitments as on the date of the Balance Sheet.

(b) Leases

The future operating lease rental payments in relation to the office building that the Company is committed to make are as under:

SAR

Particular	As at March 31, 2016	As at Mar 31, 2015
- within one year	49,091	78,060
- later than one year and not later than five years	-	-
- later than five years	-	-



20. Earnings per Share

The earnings per share have been computed in accordance with the 'AS 20 – Earnings per share'. The detailed calculations of EPS are given below.

Particulars		For the year ended March 31, 2016	For the year ended March 31, 2015
Profit/(Loss) attributable to equity shareholders (SAR) before exceptional items	A	(4,853,493)	51,37,099
Less: Exceptional Items (SAR)		98,109	1,94,926
Profit/(Loss) attributable to equity shareholders after Exceptional Item (SAR)		(4,951,512)	49,42,173
Weighted average number of Equity Shares outstanding during the year (Nos.)	B	500	500
Diluted weighted average number of Equity Shares outstanding during the year (Nos.)	C	500	500
Nominal value of Equity Shares (SAR)		1,000	1,000
Before Exceptional Items			
Basic & Diluted Earnings per share (SAR)	A/B	(9,706.99)	10,274.20
After Exceptional Items			
Basic & Diluted earnings per share (SAR)	A/C	(9,903.02)	9,884.85



21. Related Party transactions

The related parties of the company include the entities given below and Key Management Personnel of the company.

- a. 3i Infotech Limited – Holding company
- b. Fellow subsidiaries – Details provided below

No.	Name of fellow subsidiary
1	3i Infotech Inc.
2	3i Infotech Asia Pacific Pte Limited
3	3i Infotech SDN BHD
4	3i Infotech UK Limited
5	3i Infotech (Thailand) Limited
6	3i Infotech (Western Europe) Holdings Limited
7	3i Infotech (Western Europe) Group Limited
8	Rhyme Systems Limited
9	3i Infotech Holdings Private Limited
10	3i Infotech Financial Software Inc.
11	3i Infotech (Africa) Limited
12	3i Infotech (Middle East) FZ LLC
13	Black Barret Holdings Limited
14	3i Infotech Framework Limited (upto Febuary 8, 2016)
15	Elegon Infotech Limited
16	3i Infotech Services SDN BHD (formerly known as Datacons Asia Pacific SDN BHD)
17	3i Infotech Trusteeship Services Limited (upto October 15, 2015)
18	Professional Access Software Development Private Limited
19	3i Infotech BPO Limited
20	Locuz Enterprise Solutions Limited
21	3i Infotech Consultancy Services Limited
22	3i Infotech (South Africa) (PTY) Limited
23	Locuz Inc
24	IFRS Cloud Solutions Limited



The related party transactions for the year ended March 31, 2016 are given below.

SAR

Nature of transactions	For the year ended Mar 31, 2016	For the year ended Mar 31, 2015
3i Infotech Limited		
Expenses	15,142,306	581,089
Advance given	12,012,590	6,927,030
3i Infotech (Middle East) FZ LLC		
Advance given	1,827,148	2,819,751
Advance taken	987,159	1,192,859
3i Infotech BPO Limited		
Expenses	34,937	176,355
Advance taken	-	199,045
3i Infotech Consultancy Services Limited		
Expenses	-	37,077

Balances outstanding with related parties are given below.

SAR

	As at Mar 31, 2016	As at Mar 31, 2015
3i Infotech Limited		
Trade payable	60,033,158	56,941,461
3i Infotech Middle East FZ LLC		
Receivable	31,996,512	3,15,07,110
3i Infotech BPO Limited		
Receivable	65,336	1,02,666
3i Infotech Consultancy Services Limited		
Trade payable	-	37,077

Notes:

1. Related party as 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.



23. 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.

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

Signatures to notes to financial statements 1 – 24

For and on behalf of the Board


Padmanabhan Iyer
Director
DIN – 05282942


Mrinal Ghosh
Director
DIN - 07232477


Ashish Kakkar
Director
DIN - 06370551

Date: August 10, 2016

Place: Mumbai

