

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
3i INFOTECH THAILAND LIMITED

**REPORT ON THE FINANCIAL STATEMENTS:**

We have audited the accompanying financial statements of **3i INFOTECH THAILAND 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 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 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 Ultimate 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 (Ultimate Parent Company) or for purposes other than that which it is meant for.

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

**3i INFOTECH THAILAND LIMITED**  
(Incorporated in Thailand)  
**Balance Sheet as at March 31, 2016**

THB

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders funds</b>			
Share capital	2	1,00,00,000	1,00,00,000
Reserves and surplus	3	-5,29,95,220	-3,02,92,703
<b>Current liabilities</b>			
Trade payables	4	8,28,32,239	6,00,28,512
Due to MSME		-	-
Others			
Other current liabilities	5	1,41,88,625	1,02,07,896
<b>Total</b>		<b>5,40,25,644</b>	<b>4,99,43,705</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	6	95,043	1,78,072
<b>Current assets</b>			
Trade receivables	7	1,03,57,210	74,72,463
Cash and bank balances	8	1,52,23,992	63,68,010
Short-term loans and advances	9	17,80,257	33,48,538
Other current assets	10	2,65,69,142	3,25,76,622
<b>Total</b>		<b>5,40,25,644</b>	<b>4,99,43,705</b>

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*  
R. P. Baradiya  
Partner  
Membership No. 44101

Date: 10th Aug 2016  
Place: Mumbai



For and on behalf of the Board of Director

*Ashish Kakkar*  
Ashish Kakkar  
Director  
DIN - 06370551

*Padmanabhan Iyer*  
Padmanabhan Iyer  
Director  
DIN - 05282942



**3i INFOTECH THAILAND LIMITED**

(Incorporated in Thailand)

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

Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Income</b>			
Revenue from operations	11	6,69,50,743	8,41,56,496
Other income	12	2,31,400	20,35,610
<b>Total Income</b>		<b>6,71,82,143</b>	<b>8,61,92,106</b>
<b>Expenses</b>			
Cost of revenue	13	3,93,53,976	2,72,75,415
Employee benefits expense	14	2,98,94,886	4,03,45,777
Finance cost	15	32,050	1,03,454
Depreciation and amortization	6	83,028	78,803
Corporate chargeout		13,39,015	16,90,801
Other expenses	16	1,49,88,742	(13,94,484)
<b>Total</b>		<b>8,56,91,697</b>	<b>6,80,99,766</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(1,85,09,554)</b>	<b>1,80,92,339</b>
<b>Exceptional items</b>			<b>37,89,958</b>
<b>Profit/(Loss) before taxation</b>		<b>(1,85,09,554)</b>	<b>1,43,02,382</b>
<b>Tax expense</b>			
Income tax pertaining to earlier years		41,92,963	-
<b>Profit/(Loss) for the year</b>		<b>(2,27,02,517)</b>	<b>1,43,02,382</b>

**Earnings per share**

(Equity shares, par value THB 100 each)

**Before exceptional items :**

Basic &amp; Diluted (THB) (227.03) 180.92

**After exceptional items :**

Basic &amp; Diluted (THB) (227.03) 143.02

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 THAILAND LIMITED**  
(Incorporated in Thailand)  
Cash Flow Statement as on March 31, 2016

THB

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A Cash Flow from Operating Activities</b>		
Net Profit/(Loss) before taxation and exceptional item and tax	(1,85,09,554)	1,43,02,382
<b>Adjustments for:</b>		
Depreciation / amortization	83,028	78,803
Foreign exchange (gain)/loss	60,18,501	(18,37,195)
Interest received	(79,624)	(1,38,153)
Provision for doubtful debts/ (Written back)	6,35,380	(83,92,156)
<b>Operating Profit before Working Capital changes</b>	<b>(1,18,52,269)</b>	<b>40,13,681</b>
<b>Adjustments for changes in working capital:</b>		
(Increase)/Decrease in trade receivables and other Current Assets	(61,55,830)	(1,02,50,822)
Increase/(Decrease) in trade payables and other Current Liabilities	2,67,84,456	(31,89,227)
<b>Cash generated from Operations</b>	<b>87,76,356</b>	<b>(94,26,368)</b>
Income taxes (paid)/refunded	-	-
<b>Net Cash from/(used in) Operating Activities - (A)</b>	<b>87,76,356</b>	<b>(94,26,368)</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of fixed assets	-	(2,30,202)
Interest received	79,624	1,38,153
<b>Net Cash from/(used in) Investing Activities - (B)</b>	<b>79,624</b>	<b>(2,30,202)</b>
<b>C Cash Flow from Financing Activities:</b>		
<b>Net Cash from/(used in) Financing Activities - (C)</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>88,55,981</b>	<b>-95,18,417</b>
Cash and cash equivalents at the beginning of the year	63,68,010	1,58,86,427
<b>Cash and cash equivalents at the end of the period/year</b>	<b>1,52,23,991</b>	<b>63,68,010</b>

**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) 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

Ashish Kakkar  
Director  
DIN - 06370551

Padmanabhan Iyer  
Director  
DIN - 05282942



**3i INFOTECH THAILAND LIMITED**

(Incorporated in Thailand)

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

**2 a. Share capital**

THB

Particulars	As at March 31, 2016	As at March 31, 2015
Issued, subscribed & paid-up		
100,000 common shares of THB 100 each	1,00,00,000	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>	<b>1,00,00,000</b>

**b. Rights of equity shareholders**

The Company has issued one class of equity shares having a face value of THB 100 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	March 31, 2016		March 31, 2015	
	Nos.	THB	Nos.	THB
Shares outstanding at the beginning of the period/year	1,00,000	1,00,00,000	1,00,000	1,00,00,000
Shares issued during the period/year	-	-	-	-
Shares bought back during the period/year	-	-	-	-
<b>Shares outstanding at the end of the period/year</b>	<b>1,00,000</b>	<b>1,00,00,000</b>	<b>1,00,000</b>	<b>1,00,00,000</b>

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

Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of shares	%	No. of shares	%
3i Infotech Asia Pacific Pte Limited, Holding Company	1,00,000	100	1,00,000	100

**3 Reserves and surplus**

Particulars	As at March 31, 2016	As at March 31, 2015
Surplus/(Deficit) in the consolidated statement of Profit and Loss		
Opening Balance	(3,02,92,703)	(4,45,95,085)
Add/(Less): Net profit/(loss) for the year	(2,27,02,517)	1,43,02,382
<b>Total</b>	<b>(5,29,95,220)</b>	<b>(3,02,92,703)</b>

**4 Trade payables**

Particulars	As at March 31, 2016	As at March 31, 2015
Due to Related Parties	7,92,25,086	5,83,13,696
Others	36,07,153	17,14,816
<b>Total</b>	<b>8,28,32,239</b>	<b>6,00,28,512</b>

**5 Other current liabilities**

Particulars	As at March 31, 2016	As at March 31, 2015
Statutory Dues	6,27,440	8,15,676
Other payables	5,35,536	7,04,477
Provision for Tax (net of advance tax)	2,16,756	-
Advances received from customers (including unearned revenue)	1,28,08,893	86,87,743
<b>Total</b>	<b>1,41,88,625</b>	<b>1,02,07,896</b>



3i INFOTECH THAILAND LIMITED

(Incorporated in Thailand)

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

6 Fixed assets

Particulars	Gross Block (at cost)				Depreciation/Amortization			THB	
	As at April 1, 2015	Additions during the year	Deductions/Impairment during the year	As at March 31, 2016	As at April 1, 2015	For the year	Deductions/Adjustment during the year	As at March 31, 2016	Net Block As at March 31, 2016
<b>Tangible assets</b>									
Leasehold improvements	18,48,136	-	-	18,48,136	18,48,136	-	-	18,48,136	-
Furniture & fixtures	3,58,938	-	-	3,58,938	3,58,938	-	-	3,58,938	-
Computers	23,98,148	-	-	23,98,148	22,39,894	78,744	-	23,18,638	79,510
Office equipment	5,44,722	-	-	5,44,722	5,24,905	4,284	-	5,29,189	15,533
<b>Total tangible assets</b>	<b>51,49,944</b>	<b>-</b>	<b>-</b>	<b>51,49,944</b>	<b>49,71,873</b>	<b>83,028</b>	<b>-</b>	<b>50,54,901</b>	<b>95,043</b>

Particulars	Gross Block (at cost)				Accumulated Depreciation/Amortization			THB	
	As at April 1, 2014	Additions during the Year	Deductions during the Year	As at March 31, 2015	Upto April 1, 2014	For the year	Deductions during the Year	Upto March 31, 2015	Net Block As at March 31, 2015
<b>Tangible assets</b>									
Leasehold Improvements	18,48,136	-	-	18,48,136	18,48,136	-	-	18,48,136	-
Furniture & Fixtures	3,58,938	-	-	3,58,938	3,58,938	-	-	3,58,938	-
Computers	21,89,348	2,08,800	-	23,98,148	21,62,675	77,219	-	22,39,894	1,58,254
Office Equipment	5,23,321	21,402	-	5,44,722	5,23,321	1,584	-	5,24,905	19,818
<b>Total Tangible assets</b>	<b>49,19,743</b>	<b>2,30,202</b>	<b>-</b>	<b>51,49,944</b>	<b>48,93,070</b>	<b>78,803</b>	<b>-</b>	<b>49,71,873</b>	<b>1,78,072</b>



**3i INFOTECH THAILAND LIMITED**

(Incorporated in Thailand)

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

**7 Trade receivables**

Particulars	As at March 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	-	-
- Others	1,03,57,210	74,72,463
	1,03,57,210	74,72,463
(b) Doubtful		
- Debts outstanding for a period exceeding 6 months from the due date of payment	12,04,820	7,02,332
Less: Provision for doubtful debts	(12,04,820)	(7,02,332)
Total	1,03,57,210	74,72,463

**8 Cash and bank balances**

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents		
Cash on hand	77,760	91,306
Balances with scheduled banks:		
in current accounts	1,51,46,232	62,76,704
Total	1,52,23,992	63,68,010

**9 Short-term loans and advances**

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Security deposits	12,11,756	5,90,756
Advance tax (Net of Provision for Tax)	-	21,17,870
Other advances recoverable in cash or in kind for value to be received	5,68,501	6,39,912
Total	17,80,257	33,48,538

**10 Other current assets**

Particulars	As at March 31, 2016	As at March 31, 2015
Unbilled revenue	2,65,69,142	3,25,76,622
Total	2,65,69,142	3,25,76,622





**3i INFOTECH THAILAND LIMITED**

(Incorporated in Thailand)

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

**11 Revenue from operations**

Particulars	For the year ended Mar 31, 2016	For the year ended March 31, 2015
Sale of Services		
IT solutions	6,69,50,743	8,41,56,496
<b>Total</b>	<b>6,69,50,743</b>	<b>8,41,56,496</b>

**12 Other income**

Particulars	For the year ended Mar 31, 2016	For the year ended March 31, 2015
Interest income	79,625	1,38,153
Other Income	1,51,775	60,262
Net gain on foreign currency transactions	-	18,37,195
<b>Total</b>	<b>2,31,400</b>	<b>20,35,610</b>

**13 Cost of revenue**

Particulars	For the year ended Mar 31, 2016	For the year ended March 31, 2015
Cost of third party products and outsourced services	3,93,53,976	2,72,75,415
<b>Total</b>	<b>3,93,53,976</b>	<b>2,72,75,415</b>

**14 Employee benefits expense**

Particulars	For the year ended Mar 31, 2016	For the year ended March 31, 2015
Salaries and wages	2,93,79,866	3,93,87,539
Recruitment and training expenses	2,82,590	8,26,880
Staff welfare expenses	2,32,430	1,31,359
<b>Total</b>	<b>2,98,94,886</b>	<b>4,03,45,778</b>



## 15 Finance cost

Particulars	For the year ended Mar 31, 2016	For the year ended March 31, 2015
Bank and other financial charges	32,050	1,03,454
<b>Total</b>	<b>32,050</b>	<b>1,03,454</b>

## 16 Other expenses

Particulars	For the year ended Mar 31, 2016	For the year ended March 31, 2015
Electricity & Water Charges	5,03,711	3,78,653
Rent	31,06,570	27,90,398
Repairs and maintenance	1,14,224	56,142
Insurance	5,52,495	3,57,904
Travelling and conveyance	21,91,176	13,92,749
Rates and taxes	53,272	1,37,608
Communication expenses	4,90,553	4,40,202
Printing and stationery	1,87,300	81,877
Legal and professional charges	1,98,441	-
Selling and distribution expenses	54,344	1,50,090
Provision for doubtful debts written back	-	-83,92,155
Provision for doubtful debts	6,35,380	-
Net loss on foreign currency transactions	60,18,501	-
Office expenses	5,67,777	6,85,050
Audit Fees	3,14,998	5,26,996
<b>Total</b>	<b>1,49,88,742</b>	<b>(13,94,484)</b>





**3i INFOTECH THAILNAD LTD**  
(Incorporated in Thailand)

**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 and transaction 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.

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 amortised 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 THAILAND LTD

(Incorporated in Thailand)

## 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 THB 88,901,585 (March 31, 2015: THB 88,901,585). This relates to a claim made by a customer.
- (b) The Company's pending litigation is in respect of proceedings pending with customer claim with court. The Company has reviewed the pending litigation and proceeding 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.

### 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 THB 3,106,570 (March 31, 2015: THB 2,790,398)

THB		
Particulars	As at March 31 2016	As at March 31, 2015
Not later than one year	1,306,458	1,784,270
Later than one year but not later than five financial years	-	845,162
More than five years	-	-
<b>Total</b>	<b>1,306,458</b>	<b>2,629,432</b>

#### b. Finance lease

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





### 23. Earnings per share

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

THB

		For the year ended March 31, 2016	For the year ended March 31, 2015
Profit/(Loss) attributable to equity shareholders before exceptional items (THB)	A	(2,27,02,517)	1,80,92,339
Less: Exceptional Items		-	3,789,958
Profit/(Loss) attributable to equity shareholders after exceptional items (THB)	B	(2,27,02,517)	1,43,02,382
Diluted weighted average number of equity shares outstanding during the year (nos.)	C	100,000	100,000
Nominal value of equity shares (THB)		100	100
Before exceptional items : Basic earnings per share (THB)	A/C	(227.03)	180.92
After exceptional items : Basic earnings per share (THB)	B/C	(227.03)	143.02



#### 24. Related party transactions

Parties where control exists:

1. 3i Infotech Limited, India, Ultimate Holding Company
2. 3i Infotech Asia pacific PTE Ltd, Holding 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 (South Africa) (PTY) Limited
11	Rhyme Systems Limited
12	3i Infotech Service SDN BHD
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





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

THB

Name of the related party/ nature of transactions	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>3i Infotech Limited</b>		
IT solutions related expenses	17,960,930	17,883,394
Corporate charge-out	1,339,015	1,690,801
Reimbursement of operating expenses	3,366,969	2,691,003

The outstanding balances with related parties are given below:

THB

Particulars	As at March 31, 2016	As at March 31, 2015
<b>3i Infotech Limited</b>		
Trade Payables	(5,34,97,752)	(34,607,868)
<b>3i Infotech Asia Pacific Pte Ltd</b>		
Trade Payables	(1,86,41,466)	(17,439,891)
<b>3i Infotech SDN BHD</b>		
Trade Payables	(7,085,868)	(6,265,937)

**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 financial year ending 31<sup>st</sup> March 15 certain balances pertaining to customers amounting to THB 3,789,958 is written off which has been shown as exceptional item in statement of profit and Loss.

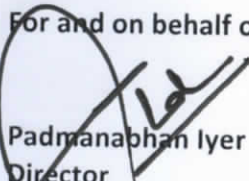
**26. Going Concern:**

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 Ultimate 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: 10<sup>th</sup> Aug 2016  
Mumbai

