

INDEPENDENT AUDITORS' REPORT

To
The Members of
Professional Access Software Development Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Professional Access Software Development Private 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 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

- (a) We are unable to express an opinion as to when and to what extent overdue receivables aggregating to Rs. 1,292,928,931 (as at March 31, 2015 Rs. 1,293,523,514) from 3i Infotech Limited (Ultimate Holding Company) would be recovered in view of the Ultimate Holding Company incurring losses. The consequent impact on the loss for the year ended on March 31, 2016, reserves and assets as at date cannot be quantified presently.
- (b) The Company has transferred its substantial assets through a slump sale on August 13, 2014. Thereafter, the Company has not carried out any business operations. Considering the existence of uncertainty that may cast doubt about the Company's ability to continue as going concern.

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 loss and cash flows for the year ended on that date.

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.

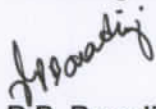
As required by Section 143(3) of the Act, we report that:

- (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.



- (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.

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


R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date : 10th August, 2016



"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:

- b) The Company does not have any fixed assets and therefore clause 1(a) & 1(b) is not applicable.
 - 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.



7. a) According to the information and explanation given to us , no undisputed amounts payable in respect of provident fund, employees' state insurance, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were outstanding, at the year end for a period of more than six months from the date they became actually payable except income tax of Rs. 26,060,000.
- 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.
8. The Company has not defaulted in repayment of loans or borrowings to a Financial Institution, Bank, Government or Dues to Debenture Holders. Accordingly, paragraph 3(viii) of the Order, is not applicable to the Company.
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 or 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 8.3to 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 : 10th August, 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 Professional Access Software Development Private 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

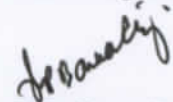
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, considering that there are no business activities carried out during the year, 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.

Place: Mumbai
Date : 10th August, 2016

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



R.P. Baradiya
Partner
Membership No. 44101



PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED
A SUBSIDIARY OF BLACK BARRET HOLDINGS LIMITED
BALANCE SHEET AS AT MARCH 31ST, 2016
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	8,600,000	8,600,000
Reserves and surplus	2	1,267,247,154	1,357,851,494
Current liabilities			
<u>Trade payables</u>			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Other current liabilities	3	26,537,471	25,420,194
Short-term provisions	4	26,060,000	24,560,000
Total		1,328,444,625	1,416,431,688
II. ASSETS			
Non-current assets			
Fixed assets			
(i) Tangible assets	5	-	-
(ii) Intangible assets	5	-	-
Long-term loans and advances	6	1,328,444,625	1,416,431,688
Total		1,328,444,625	1,416,431,688

Significant Accounting Policies and accompanying Notes on
Financial Statements
As per attached report of even date

12

Lodha & Company
Chartered Accountants
Firm Registration No. 301051E

For and on behalf of the Board

R. P. Baradiya
Partner

Place: Mumbai
Date: August 10, 2016



Padmanabhan Iyer
Director
(DIN:- 05282942)

Ashish Kakkar
Director
(DIN:- 06370551)

PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED
A SUBSIDIARY OF BLACK BARRET HOLDINGS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2016
(All amounts are in Indian Rupees, unless otherwise stated)



Particulars	Notes	For the year Ended March 31, 2016	For the year ended March 31, 2015
I. Income			
Revenue from operations	6	-	288,520,529
Other income	7	309,928	15,196,393
Total Revenue		309,928	303,716,922
II. Expenses			
Employee benefits expense and cost of revenue	8	-	229,139,494
Depreciation and amortization expense	5	-	6,712,463
Other expenses	10	2,021,787	68,104,860
Total expenses		2,021,787	303,956,816
Profit/(Loss) before tax - (I-II)		(1,711,859)	(239,895)
Tax expenses	11		
Current tax		1,500,000	24,560,000
Deferred tax		-	11,564,898
Minimum Alternate Tax (MAT) credit entitlement written off		87,392,481	2,727,218
Loss for the year carried over to Balance Sheet		(90,604,340)	(39,092,010)
Earnings per equity share: (Refer note no. 7)			
Basic		(105.35)	(45.46)
Diluted		(105.35)	(45.46)

Significant Accounting Policies and accompanying Notes on Financial Statements

12

As per attached report of even date

Lodha & Company
Chartered Accountants
Firm Registration No. 301051E

For and on behalf of the Board


R. P. Baradiya
Partner

Place: Mumbai
Date: August 10, 2016




Padmanabhan Iyer
Director
(DIN:- 05282942)


Ashish Kakkar
Director
(DIN:- 06370551)

PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PRIVATE LIMITED
A SUBSIDIARY OF BLACK BARRET HOLDINGS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016



(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A Cash Flow from Operating Activities :		
Net Profit before taxation	(1,711,859)	(239,895)
Adjustments for:		
Depreciation & Amortization:	-	-
Depreciation	-	6,712,463
Foreign Exchange loss / (gain)	-	(14,892,244)
Loss/(Profit) on sale / Discarding of Assets	-	95,549
Interest received	-	(291,820)
Minimum Alternate Tax (MAT) credit entitlement written off	(87,392,481)	-
Operating Profit before Working Capital Changes	(89,104,340)	(8,615,946)
Adjustments for:		
Trade and Other Receivables	87,987,063	83,621,094
Trade Payables and Other Liabilities	1,117,277	(71,712,531)
Cash generated from Operations	-	3,292,617
Income Taxes Paid	-	10,193,939
Net cash from Operating Activities - A	-	(6,901,323)
B Cash Flow from Investing Activities :		
Sales proceeds received on sale of business undertaking - Net	-	1,223,600,000
Loans & Advances given to 3i Infotech Ltd	-	(1,223,600,000)
Interest received	-	291,820
Net cash used in Investing Activities - B	-	291,820
C Cash Flow from Financing Activities :		
Net Cash from Financing Activities - C	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	-	(6,609,503)
Cash and Cash Equivalents as at beginning	-	6,609,503
Cash and Cash Equivalents as at end	-	-

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on "Cash Flow Statements".
- 2) Previous period/year figures have been regrouped / rearranged wherever necessary to confirm to the current period/quarter presentation

Significant Accounting Policies and accompanying Notes on Financial Statements 12

As per our attached report of even date

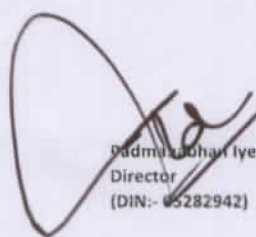
Lodha & Company
Chartered Accountants
Firm Registration No. 301051E

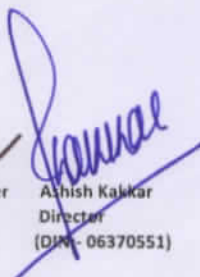
For and on behalf of the Board


R. P. Baradiya
Partner

Place: Mumbai
Date: August 10, 2016




Padma Mahesh Iyer
Director
(DIN:- 05282942)


Ashish Kakkar
Director
(DIN:- 06370551)

PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PVT LTD
A SUBSIDIARY OF BLACK BARRET HOLDINGS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016



(All amounts are in Indian Rupees, unless otherwise stated)

Note 1. Share Capital

	As at March 31, 2016	As at March 31, 2015
Authorised		
15,00,000 Equity shares of Rs. 10 each (as at March 31, 2015 - 15,00,000 of Rs. 10 each)	15,000,000	15,000,000
Issued, Subscribed & Paid - up Equity shares of Rs. 10 each 8,60,000 Equity shares of Rs. 10 each (as at March 31, 2015 - 8,60,000 Equity Shares of Rs. 10 each)	8,600,000	8,600,000
Total	8,600,000	8,600,000

a. Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Details of Member holding more than 5 percent shares

Name of the Shareholder	March 31, 2016		March 31, 2015	
	No. of Shares	%	No. of Shares	%
Black Barret Holdings Ltd, Cyprus	859,000	99.99	859,000	99.99
	859,000	99.99	859,000	99.99

c. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date - NIL

d. Reconciliation of numbers of equity shares

Particulars	March 31, 2016	March 31, 2015
Shares outstanding at the beginning of the year	860,000	860,000
Add : Shares allotted during the year	-	-
Shares outstanding at the end of the year	860,000	860,000

Note 2. Reserves and Surplus

	As at March 31, 2016	As at March 31, 2015
a. Capital Reserve		
Opening balance	84,600,772	-
Add : Net gain on transfer of business undertaking on slump sale (Refer note no. 12.13)	-	84,600,772
	84,600,772	84,600,772
b. General Reserve		
As per last Balance Sheet	1,400,000	1,400,000
c. Statement of Profit and Loss		
Balance as per last Balance Sheet	1,271,850,722	1,311,931,058
Add : Balance of Loss carried forward from Statement of Profit and Loss	(90,604,340)	(39,097,010)
Less : Transitional depreciation (Refer note no. 6)	-	988,326
	1,181,246,382	1,271,850,722
Total of Reserves and Surplus	1,267,247,154	1,357,851,494





Note 3. Other current Liabilities	As at March 31, 2016	As at March 31, 2015
Payable to ultimate Holding company	25,087,016	25,087,016
Non - Trade Payables	1,334,409	309,928
(Previous year figure represent being excess share application money)		
Statutory dues payable	116,046	23,250
Total of Other current Liabilities	26,537,471	25,420,194
		₹
Note 4. Short Term Provisions	As at March 31, 2016	As at March 31, 2015
Provision - Others		
- Provision for tax	26,060,000	24,560,000
Total of Short Term Provisions	26,060,000	24,560,000
		₹
Note 6. Long term Loans and advances	As at March 31, 2016	As at March 31, 2015
Secured, considered good		
(b) Loans and advances to related parties		
Loan given to ultimate holding Company *	1,295,414,424	1,296,009,006
Interest Receivable from ultimate holding Company	22,601,525	22,601,525
Advance tax & Tax deducted at source	10,428,676	10,428,676
MAT credit receivable	-	87,392,481
Total of Long term Loans and advances	1,328,444,625	1,416,431,688

*The above loan has been given for the purpose of long term working capital requirement of the ultimate holding Company.



PROFESSIONAL ACCESS SOFTWARE DEVELOPMENT PVT LTD
A SUBSIDIARY OF BLACK BARRET HOLDINGS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(All amounts are in Indian Rupees, unless otherwise stated)

Note 5: Fixed Assets

As on March 31, 2016

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION			NET BLOCK	
	As at 01-04-2015	Additions during the year	Ded / (Adj) during the year	As at 31-03-2016	As at 01-04-2015	Depreciation for the year	Ded / (Adj) during the year	As at 31-03-2016	As at 31-03-2016
Tangible assets									
Leasehold Improvements	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-
Computers	-	-	-	-	-	-	-	-	-
Total Tangible Assets	-	-	-	-	-	-	-	-	-
Intangible assets									
Software	-	-	-	-	-	-	-	-	-
Total Intangible Assets	-	-	-	-	-	-	-	-	-
Total Tangible and Intangible	-	-	-	-	-	-	-	-	-

As on March 31, 2015

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION			NET BLOCK	
	As at 01-04-2014	Additions during the year	Ded / (Adj) during the year	As at 31-03-2015	As at 01-04-2014	Depreciation for the year	Ded / (Adj) during the year	As at 31-03-2015	As at 31-03-2015
Tangible assets									
Leasehold Improvements	24,182,639	382,099	24,564,738	-	16,664,751	1,053,960	-17,718,711	-	-
Furniture & Fixtures	3,998,233	-	3,998,233	-	2,648,720	141,991	-2,790,711	-	-
Vehicles	4,852,404	-	4,852,404	-	1,869,680	291,441	-2,161,121	-	-
Office Equipment	21,483,446	2,284,125	23,767,571	-	9,647,116	1,384,261	-11,031,377	-	-
Computers	42,686,373	2,430,817	45,117,190	-	33,505,359	1,700,377	-35,205,736	-	-
Total Tangible Assets	97,203,095	5,097,041	102,300,136	-	64,335,626	4,572,030	-68,907,656	-	-
Intangible assets									
Software	127,361,670	698,628	128,060,298	-	111,265,621	2,140,433	-113,406,054	-	-
Total Intangible Assets	127,361,670	698,628	128,060,298	-	111,265,621	2,140,433	-113,406,054	-	-
Total Tangible and Intangible	224,564,765	5,795,669	230,360,434	-	175,601,247	6,712,463	-182,313,710	-	-

Pursuant to the Act coming into effect from April 1, 2014, based on internal technical evaluation, the management reassessed the remaining useful life of tangible assets with effect from April 1, 2014. Accordingly, the useful lives of certain assets required a change from the previous estimates. Consequently, in case of assets which had completed their useful lives, the carrying value (net of residual value) as at April 1, 2014 amounting to ₹988,326/- had been adjusted to the Opening Surplus in Statement of Profit and Loss during the year ended March 31, 2015





Note 7 .Revenue from Operations	For the year Ended March 31, 2016	For the year ended March 31, 2015
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Sale of Services	-	288,520,529
Total	-	288,520,529

Note 8.Other Income	For the year Ended March 31, 2016	For the year ended March 31, 2015
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Interest income		
- From Bank Deposits	-	12,329
- Interest on Income tax refund	-	291,820
Net gain on Foreign Exchange translation	-	14,892,244
Miscellaneous Income	309,928	-
Total	309,928	15,196,393

Note 9.Employee benefits expense and cost of revenue	For the year Ended March 31, 2016	For the year ended March 31, 2015
--	--------------------------------------	--------------------------------------

Salaries and wages	-	195,188,565
Contribution to provident fund and other funds	-	2,720,297
Contribution to gratuity fund	-	4,223,870
Recruitment and training expenses	-	608,320
Staff welfare expenses	-	6,589,970
Cost of third party products / outsourced services	-	19,808,472
Total	-	229,139,494

Note 10.Other expenses	For the year Ended March 31, 2016	For the year ended March 31, 2015
------------------------	--------------------------------------	--------------------------------------

Rent	-	31,069,819
Travelling and conveyance	-	12,402,938
Power and fuel	-	5,623,307
Repairs & Maintenance		
Buildings	-	4,666,193
Vehicles	-	166,043
Others	-	4,824,875
Insurance	-	86,855
Communication expenses	-	2,698,876
Printing and stationery	-	198,872
Legal and Professional Charges	1,952,679	1,836,867
Audit fees	-	161,204
Loss on discarding of Fixed Assets (net)	-	95,549
Selling and distribution expenses	-	373,528
Miscellaneous expenses	69,108	3,899,934
Total	2,021,787	68,104,860

Note 11. Tax expenses	For the year Ended March 31, 2016	For year ended March 31, 2015
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Current tax	1,500,000	24,560,000
Minimum Alternate Tax (MAT) credit entitlement written off	87,392,481	2,727,218
Deferred tax assets reversed (net)	-	11,564,898
Total	88,892,481	38,852,116





Notes forming part of the financial statement for the year ended 31st March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

Note 12 Significant Accounting Policies and Notes to Accounts:

1. Corporate Information

Professional Access Software Development Private Limited ("PAL" or the "Company") was incorporated on April 19, 2002 as a Private Limited Company under the Companies Act, 2013. The Company is engaged in the business of development and export of Computer Software for customers located outside India. The Company has delivery centers at Bangalore, Mumbai and Noida.

2. Basis of preparation

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting, 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 (Accounts) Rules, 2014. 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 accounting policy hitherto in use.

3. Summary of Significant Accounting Policies:

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities as 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.

b. Fixed Assets

Tangible: 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.

Intangible: Purchased software meant for in-house consumption, Goodwill and Business & Commercial Rights are capitalized at the acquisition price.

Acquired software / products meant for sale are capitalized at the acquisition price. Costs in respect of Software development are charged to Statement of Profit & Loss as and when incurred.

c. 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 provision is made to recognize 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 recognize any decline in the carrying value.





Notes forming part of the financial statement for the year ended 31st March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

d. Depreciation / Amortization:

Leasehold improvements are amortized over the primary period of lease or its life, whichever is lower.

Depreciation on Tangible assets is calculated using the Straight Line basis in the manner specified in Schedule II to the Companies Act, 2013, at the life prescribed in Part C thereof.

Asset Description	Life in years/Rate
a. Tangible Assets	
Furniture and Fixtures	7
Office Equipments	5
Vehicles	8
Servers and Networking Equipments	5
b. Intangible Assets	
Software Products (indigenously developed)	Amortized over its useful life
Computer Software (Written down value method)	40%

e. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from Services:

Revenue from software services is recognized on delivery/installation, as per the predetermined/laid down policy across all geographies or lower, as considered appropriate by the management on the basis of facts in specific cases. Maintenance revenue in respect of services 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 agreements. 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 transaction services and other service contracts is recognized based on transactions processed or manpower deployed.

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.

Interest:

Interest income is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.





f. Accounting for Taxes on Income

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

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.

g. 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 reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value is determined.

All exchange differences arising on settlement/conversion of foreign currency transactions are included in the Statement of profit and loss.

h. Retirement and other employee benefits

i) 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 has no obligation, other than the contribution payable to the provident fund.

ii) Gratuity

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined obligation. Liability for Gratuity is provided for on accrual basis based on actuarial valuation done by an independent actuary as at Balance Sheet date. The actuarial valuation is carried out using the projected unit credit method. Actuarial gains/losses are charged to revenue in the period/year these arise.

iii) Leave Encashment

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





i. 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle an obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- (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.

j. 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.

k. 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.

l. Lease

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 recognized as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Leased assets are depreciated on a straight-line basis over the useful life of the asset or the useful life as prescribed under Part A in Schedule II of the Act, whichever is lower.

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

m. Earnings per share

In determining the earnings per share, the Company considers the net profit 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.





Notes forming part of the financial statement for the year ended 31st March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

4. Capital commitments and Contingent liabilities

₹		
Particulars	As at March 31, 2016	As at March 31, 2015
Capital Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil

₹		
Contingent Liabilities not provided for in respect of:-	As at March 31, 2016	As at March 31, 2015
Outstanding guarantees given by banks	Nil	2,00,000

Note: 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.

5. Auditors' Remuneration:

₹		
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Audit Fees – Statutory Audit	Nil	1,61,204
Tax Audit Fees	Nil	Nil
Other Services	Nil	Nil
Other Tax Matters	Nil	Nil
Reimbursement of Expenses	Nil	Nil
Total (Net of Service Tax)	Nil	1,61,204

6. Cost of third party products/outsourced services includes:

₹		
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Purchases – Hardware/Software (including hire charges)	Nil	56,45,834
Professional fees	Nil	1,22,47,229
Leased Line Expenses	Nil	19,15,409
Total	Nil	1,98,08,472

7. Earnings per Share:

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

The numerators and denominators used to calculate Basic and Diluted Earnings per Share:





Notes forming part of the financial statement for the year ended 31st March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

₹

Particulars		For the year ended March 31, 2016	For the year ended March 31, 2015
Profit/(Loss) attributable to Equity Shareholders (In Rupees)	A	(9,06,04,340)	(3,90,92,010)
Weighted average number of Equity Shares outstanding during the period (Nos.)	B	8,60,000	8,60,000
Diluted weighted average number of Equity Shares outstanding during the period (Nos.)	C	8,60,000	8,60,000
Nominal value of Equity Shares (In Rupees)		10	10
Basic Earnings Per Share (In Rupees)	A/B	(105.35)	(45.46)
Diluted Earnings Per Share (In Rupees)	A/C	(105.35)	(45.46)

8. Related Party disclosure as per Accounting Standard 18

8.1 Name of the related Parties is as follows

a. The parties where control exists - the Holding Company:

3i Infotech Limited- The Ultimate Holding Company
Black Barret Holdings Limited- The Holding Company

b. Fellow Subsidiaries:

- 1) 3i Infotech Saudi Arabia LLC
- 2) 3i Infotech (Africa) Limited
- 3) 3i Infotech (Middle East) FZ-LLC
- 4) 3i Infotech Holdings Private Limited
- 5) 3i Infotech (UK) Limited
- 6) 3i Infotech (Western Europe) Holdings Limited
- 7) 3i Infotech (Western Europe) Group Limited (Upto 23rd December, 2014)
- 8) Rhyme Systems Limited
- 9) 3i Infotech Financial Software Inc.
- 10) 3i Infotech Framework Limited
- 11) 3i Infotech Consultancy Services Limited
- 12) Locuz Enterprise Solutions Limited
- 13) 3i Infotech BPO Limited
- 14) 3i Infotech Inc.
- 15) 3i Infotech Asia Pacific Pte Limited
- 16) 3i Infotech SDN BHD
- 17) 3i Infotech (Thailand) Limited
- 18) 3i Infotech Services SDN BHD
- 19) 3i Infotech Trusteeship Services Limited
- 20) IFRS Cloud Solutions Limited
- 21) Elegon Infotech Limited
- 22) 3i Infotech South Africa (PTY) Limited
- 23) Locus Inc USA





Notes forming part of the financial statement for the year ended 31st March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

Key Management Personnel

No.	Related Parties	Relationship
1	Mr. Charanjit Attra	Director (Upto May 28, 2015)
2	Mr. Padmanabhan Iyer	Director
3	Mr. Ashish Kakkar	Director

8.2 Transactions with related parties enter in the Ordinary course of Business:

₹

Nature of transactions	For the year ended March 31, 2016	For the year ended March 31, 2015
Ultimate Holding Company - 3i Infotech Ltd		
Interest receivable	1,55,228,499	1,02,136,761
Interest receivable written off	1,55,228,499	1,02,136,761
Loan returned	5,44,820	0.00
Fellow Subsidiary - Professional Access Limited		
Income	Nil	28,85,20,529
Reimbursement (Net Balance)	Nil	38,85,265

8.3 Balances with related parties:

₹

Nature of transactions	For the year ended March 31, 2016	For the year ended March 31, 2015
Ultimate Holding Company - 3i Infotech Ltd		
Loan receivable	1,295,414,422	1,296,009,005
Interest receivable	22,601,525	22,601,525
Other payables	25,087,016	25,087,016

8.4 Related party as identified by the management and relied upon by the auditor.

8.5 No balances in respect of the related parties have been provided for / written back / written of except as stated above.

9. Realisable value of Current Assets, Loans and advances

In the opinion of the Board, the investments, current assets, loans and advances are realizable at a value, which is at least 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.





Notes forming part of the financial statement for the year ended 31st March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

10. Details of dues to micro and small enterprises as defined under MSMED Act, 2006

There is no overdue amount to Micro, Small and Medium Enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the current and previous year.

11. Earnings in foreign currency (accrual basis)

₹

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Service Income	Nil	28,85,20,529
Reimbursement (Net)	Nil	38,85,265

12. Expenditure in foreign currency (accrual basis)


₹

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Travel Expenses	Nil	1,02,60,068

13. During the previous year, the Company entered into Business Undertaking Transfer Agreement with Zensar Technologies Limited to transfer all its assets and liabilities. The total amount of sale consideration of Rs. 122.36 Cr. for the transfer of the business undertaking adjusted against the total amount of net assets transferred of Rs. 110.50 Cr, resulted into a gain of Rs. 11.86 Cr. Further, a sum of Rs. 3.40 Cr. has been paid as professional fees to Avendus Capital Private Limited with regard to above transfer. The net gain of Rs. 8.46 Cr has been transferred to capital reserve as net gain on transfer of business undertaking."

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

For and on behalf of the Board


Paamanabhan Iyer
Director
DIN: - 05282942


Ashish Kakkar
Director
DIN: - 06370551

Place: Mumbai
Date: August 10, 2016

