3i Infotech®
LIMITLESS EXCELLENCE

ANNUAL REPORT
2018-19

OUR OFFERINGS

PRODUCTS

AMLOCK™
Financial Crime Detection & Management Solution

Kastle®
Universal Banking Suite
Core Banking, Lending, Trade Finance, Treasury & Risk

MFund Plus™
Investment Management
Front Office, Mid Office & Back Office

PREMIA®
Core Insurance Suite
Life, General & Health

ORION®
Enterprise Resource Planning
Manufacturing, Retail & Distribution

ALTIRAY®
Actioning Tomorrow

SERVICES

BLOCKCHAIN

CRUX

Flexib
SWIFT TEST AUTOMATION

CONVERSATIONAL SERVICES

MAGCIE®
AUTOMATION SOLUTION FOR IT OPERATIONS

MOMENTA

HybridNxt
CLOUD LIFE CYCLE SUPPORT SERVICES

Datascan Online
DOCUMENT MANAGEMENT SYSTEM

AES

Universo

3i AIRES

Banking | Insurance | Financial Services | Government | Healthcare | Manufacturing | Retail | Distribution

Annual Report 2018-19

Board of Directors

Mr. Ashok Shah, Chairman

Dr. Shashank Desai, Director

Mr. Rajeev Kumar Sinha, Nominee Director - IDBI Bank Limited

Mr. Avaya Kumar Mohapatra, Nominee Director - Allahabad Bank

Ms. Anjoo Navalkar, Director

Mr. Padmanabhan Iyer, Managing Director and Global CEO

Principal Bankers

IDBI Bank Limited

ICICI Bank Limited

Standard Chartered Bank

Auditors

GMJ & Co

Legal Counsel

Khaitan & Co

Registered Office

Tower #5, 3rd to 6th Floors

International Infotech Park

Vashi, Navi Mumbai - 400703, India

Tel: +91 22 71238000

Email: investors@3i-Infotech.com

KEY MANAGEMENT TEAM

Corporate Office

Padmanabhan Iyer, Managing Director & Global CEO, CFO

Rajeev Limaye, Company Secretary & Head - Legal

Human Resource

Sreerupa Sengupta, Global Head - HR

Business Heads

Krish Narayanaswami, President & Global Head – Banking Products Business

Rakesh Doshi, President & Global Head – Financial Services & Insurance Products Business

Suryanarayan Kasichainula, President & Global Head – ERP Products Business and Global Sales & Solutions Head – IT Services Business

CORPORATE FAST FACTS

- 3i Infotech is a Global Information Technology Company with a revenue of USD 161 million
- The Company's quality certifications include ISO 9001:2015 for Business Process Outsourcing, Application Development & Maintenance Services, e-Governance, Business Intelligence & Infrastructure Management Services & ISO/IEC 27001:2013 for Data Centre Operations for Mumbai, Chennai, Bengaluru & Hyderabad locations and CMMi Level 3 for Development and Services across Mumbai, Chennai, Bengaluru & Hyderabad.
- More than 5500 employees in over 30 offices
- Over 1200 customers in more than 50 countries across 4 continents
- Offices across 12 countries
- Operational Geographies are: Asia Pacific, South Asia, Middle East & Africa, Kingdom of Saudi Arabia, Western Europe and North America

OUR GLOBAL PRESENCE

The details of Regional Offices and Delivery Centres are mentioned below:

Regions	Offices	Delivery Centres
Asia Pacific	• Singapore: Singapore • Malaysia: Kuala Lumpur • Thailand: Bangkok	Bangkok, Kuala Lumpur
India	• Mumbai, Bengaluru, Chennai, Hyderabad, New Delhi, Noida, Gurugram, Patna, Kolkata, Lucknow	Bengaluru, Chennai, Hyderabad, Mumbai, New Delhi
Middle East & Africa	• UAE: Dubai, Abu Dhabi, Sharjah • Kenya: Nairobi • South Africa: Johannesburg • Ghana: Accra	Sharjah
Kingdom of Saudi Arabia	• Saudi Arabia: Al Khobar, Riyadh • Bahrain: Manama	Riyadh
Western Europe	• London	
North America	• New Jersey: Edison	

NEW INITIATIVES & UPGRADES

New initiatives in MFund Plus®

MFund Plus® is a next generation web based Investment Management solution. Some of the key modules/ functionalities added during FY2019 include Debt Arbitrage, Derivatives Straight-through Processing (STP), Corporate Bond Repo, Securities Lending and Borrowing (SLB) rollover, Equity Linked and Dual Currency Investments along with standalone Bank & Stock Reconciliation modules. Apart from this, additional features in Performance Analytics and Derivative Limits were added.

For the Indian market, Pension Fund specific changes such as Pension Fund Regulatory & Development Authority (PFRDA) reports along with Pay In/Pay Out process were incorporated making the product fully ready for the Pension Fund management segment. For Malaysian market, Unit Trust Fund / Employees Provident Fund (UTF/EPF) Reports were added. Mobility for MFund Plus® has been developed to assist fund managers and compliance officers to access the application from anywhere through a mobile application. Bloomberg upload for equity and derivative trades has been developed. Customers who do not have a dedicated connection with a Bloomberg terminal can use this upload provision to raise trade requests and confirmations on Bloomberg terminal directly. A new functionality has been added to handle cash flow computation based on actual interest receipt date.

Other achievements for MFund Plus® include an Oracle cloud certification during this financial year.

New Initiatives & Upgrades for PREMIA™

PREMIA Astra™ - General Insurance Suite

PREMIA Astra™ is built ground up using state of art technology to revolutionize the insurance industry and reduce complexities involved in insurance operations. PREMIA Astra™ Suite provides a dynamic range of solutions for insurers to operate across various business channels and product lines.

PREMIA Astra™ Core Modules and Features

a. **End to End Insurance Solution:** PREMIA Astra™ provides a one-stop solution for all insurance operations; Available on Cloud and on Premises.

b. **Modularized Approach:** Modular approach of PREMIA Astra™ provides flexibility to deploy either a single module or the entire suite of integrated solutions covering Underwriting, Billing, Claims, Reinsurance and Finance modules as per the needs of the Insurer

c. **Rich functionalities and features**: PREMIA Astra™ supports multi-company, multi-currency, multi-lingual, multi-time zone operations and much more to meet varying business needs

d. **Tools and components** integrated with PREMIA Astra™ that add to the effectiveness of the solution include:

    a. Insurance Rating Engine

    b. Workflow Management System

    c. Rules Engine

    d. Product Design Studio

    e. Document Management System

Enhancements made to PREMIA Astra™ during FY2019

a) Quote comparison and converting the preferred one to policy

b) User-friendly Risk upload and Policy upload

c) Powerful Reporting tool combined with user friendly drag and drop facility for ad hoc reporting

d) Google integration for monitoring accumulation of risks

e) User-role based dashboard with task listing for the user and tracking of Turnaround Times (TAT) for the activities

f) Integration with ORION™ 11J Finance module for effective accounting

g) Facility of having common entity master across Life, General and Medical Insurance applications for composite Insurers

PREMIA™ 11J - Life Insurance Suite

PREMIA™ 11J - Life application is an end-to-end integrated application software for processing Individual and Group Life business. This powerful and dynamic application can be rapidly adapted to any insurance business requirements.

There were significant enhancements that were made to the product which include:

1. New products: There were a number of new products that were developed to meet needs of existing and prospective customers.

2. Peripheral Modules: The peripheral modules were developed with a view to support specific departments and to propel ease of sharing information

    a. Customer Service Module (CSM)– For Call Centre executives that addresses their requirements and helps to record customer interactions

    b. Mobility – A tablet based application for agents to effectively manage leads and customers as well as assist in daily sales and task management. It also helps Managers track their agents' performance

    c. Portals – A whole set of customized portals including Individual Life, Group Life, Group Medical, Group Pensions, Admin Portal and Group Medical Operative System (GMOS) portal for Individual customers and corporates.

3. Other Functionalities: There were a host of other critical functionalities that were developed which are mentioned below

    a. Enhanced Agency Module – The Agency module was further enriched to enable slab-wise commission Payouts, Bonus payments and other Payout options for Agents

    b. New Endorsements – Additional endorsements like convertible plans, dependent and owner change for funeral costs, change in primary customer, change in date of birth, etc. were developed

    c. Business Rules Engine – The rule engine now has an option to write rules during the entire insurance life cycle

    d. Critical features – New features like Automated Premium Loan, Cashback, Pre-Lapse and Lapse Override, additional Interim policy status were included as niche features that can be used as an USP for prospective selling

Enhancements made to PREMIA™ Life 11J during FY2019

a) User-friendly employee upload with a size of 525,000 members within 40 minutes including validation, premium calculation and approval

b) Cloud readiness – Application is hosted and tested for remote access in cloud

c) Enhanced Workflow engine – helps configure workflow using front end

d) Role based view for underwriting flow

e) Comprehensive Agent / Broker benefits with target and achievement processing

f) Enhanced premium collection with payment link sharing and API based integration

g) Enhanced Subscription and Redemption process for Unit Link with multi-currency

h) VAT incorporation for life processes

i) Partial Surrender process

PREMIA™ BI In A Box

PREMIA™ BI In A Box - application is an integrated decision making application with a core system, covering Individual Life, Group Life, General Insurance, Group Medical and Pension. This powerful and dynamic Business Intelligence application can be deployed at any insurance company within a short time period (self-service, guided, embedded, mobile, reporting etc.)

There were significant enhancements that were made to the BI In A Box product which include:

1. Sales Achievement Vs Target: This dashboard gives information about Actual Sales Vs Target and helps to make decision

2. Sales Predictive analysis: Sales Predictive Analysis is built to achieve target based on predefined algorithm and it can be changed/mapped based on customer needs

3. Chatbot: We built and integrated a chatbot on Telegram application with our BI tool

4. Wealth Management Dashboards: It will help to transform wealth and investment management business to drive profitable outcomes

    a. Interactive analysis without boundaries

    b. Simply smarter analytics

    c. Create and explore on any device

PREMIA™ E-PORTAL

PREMIA™ E-PORTAL assists insurance companies in enabling their business by leveraging technology to keep pace with the changing marketplace. The framework approach that the product has adopted enables companies to be agile, and respond to meet market challenges. Portal is an integrated insurance solution that allows channel partners seamless processing and delivery of insurance business.

Agent/Broker/Customer Portal

End to End Policy issuance Solution: B2B & B2C Portal - End to End Policy issuance with rich dashboards for defined Lines of Business and Products

Modularized Approach: Modular approach provides flexibility to deploy either a single module or the entire suite of integrated solutions, covering B2B & B2C functionalities like Claim intimations, Claim tracking, Endorsement request, Endorsement, Renewal processing, motor fleet insurance as per the needs of the Insurer

Other functionalities and features: Document Management System (DMS) Integration, Referral Workflow, Localization, Payment Integrations and Third party Integrations as per Geography, Responsive Design, FAQs, Extensive search engine

Surveyor Portal: Automation of end to end digital claim processing for surveyor and garages

Enhancements & Initiatives

i) Quote comparison and converting the preferred one to policy

ii) Surveyor Portal for Claims integrated with Core System

iii) Marine Product certificate issuance for B2B & B2C

iv) Independent Motor Portal for end users

v) End to end Employee Portal

vi) Independent portal architecture to integrate with third party core system

New Initiatives and Upgrades in ORION™

Designed and architected with customer-centric design philosophies, ORION™ is a fully integrated multi-user, enterprise solution that delivers powerful functionalities to gain a sustainable and competitive advantage.

FY2019 witnessed an all-round development in Enterprise resource planning (ERP) segment with new product developments as well as enhancements in existing products.

Product enhancements include Industry Process Packs for Manufacturing, Trading, Retail, Distribution, Contracting (Vertical for US) and Fleet modules along with stable technology and framework updates to ensure the enhanced ORION™ 11j Product supports the Industry verticals.

ORION™ Construction Vertical (OCV), a core synchronized solution integrating technology, resources and multiple locations of a Construction enterprise, and Enterprise Process & Information Control Stack (EPiCS), an end-to-end solution for business process optimization, improvement and re-engineering, are the cutting-edge developments.

On the ORION™ on cloud initiative, ORION™ Platform as a Service (OPaaS) a creative subscription model has been initiated for Sales excellence. Also cloud ecosystem with multiple cloud partner offerings has been established to ensure best cloud offerings to customers. More significantly, ORION™ has been empowered with innovative technologies through partner integrations for Industry 4.0 related Internet of Things (IoT) and Robotic Process Automation (RPA).

The challenges in Supply Chain and Retail Management have been addressed using mobility in achieving inventory optimization, position visibility, picking speed, location accuracy and managing carrying costs. Human Resource Management System (HRMS) & Payroll module is enabled with local regional requirements of Africa. The business intelligence & analytics product ORION™ Business Intelligence Stack (OBIS) has been enhanced with new features facilitating a boxed delivery approach for Distribution vertical.

Other key features added to the specific modules are listed below:

Warehousing Module

- Mobility Solution for Warehouse Management System (WMS) function
    - Warehouse Cycle Count Report Generation

Manufacturing

- Forecast Work Sheet
- Capacity Requirement Planning (CRP) Enhancement in Work Center, Item Route Setup (IRS), Work Order, Production Reporting (PR)
- Capacity Locking & Unlocking
- Weight Bridge Integration
- Re Work Order Processing
- Manufacturing Tiles, KPIs
- 360 View for Production
- CRP Work Sheet

ORION™ 11J Framework

- Generic Features
    - Integration with internal ORION™ Document Management System (DMS)
    - Admin console tool
    - Multilingual Enablement Across modules
    - ORION™ Application Programming Interface (API) Services and ORION™ Transaction Services
    - WildFly and Enterprise Application (EAP) Server Support
    - Java Development Kit (JDK) 8 Compatible Java Enterprise Edition (EE) 7
    - Open JDK support
    - Vulnerability Assessment and Penetration Testing (VAPT) for current release
- Enhanced Reports Features on Rendering and performance

External Validation Additional Features

Core Module Features

- Finance
  - Fixed assets revisions to suit Book management supporting India and country Statutory requirements
- Sales
  - Price Bulk Upload to upload up-to-date price when there is high fluctuation
- Retail Distribution
  - Marketing Collaterals for all three verticals (Retail, Trading and Distribution)
  - Vertical Configuration for all three verticals (Retail, Trading and Distribution)
- Inventory
  - Physical Stock Take for Stock or Zero Stock Items
  - Bin Management Functionality in Stock Adjustment to manage the bin wise stock.

Fleet

- Vehicle Upgrade and Downgrade
- Multiple Commission Requirement
- Invoice Transmittal Statement with Commission
- Booking Chart (Reservations)

New Initiatives & Upgrades in Kastle®, AMLOCK™ and Factor/SQL™

Kastle® Digital Banking

A comprehensive solution to cater to the increasing demand and speed of information transfer from legacy systems has evolved into a smaller and portable version. Kastle® Digital Banking has three extensive modules which cover Internet Banking, Mobile Banking and Tab Banking.

Significant value added features include

- **Verification module** added to verify and check address, employment and income related documents.
- Integration with the Chatbot which will offer 24/7 service to the customer. Banks can eliminate customer queries and provide world class services to everyone. Also Chatbot provides all the product related information to the customer.
- Integration with the Content Management System, which allows users to organize and keep track of text or content on their website.
- Integration with Google Analytics provides statistics and basic analytical tools for search engine optimization. Google Analytics is used for tools such as dashboards, scorecards and motion charts.

Kastle® Treasury

Following modules / asset classes are part of the upgraded version of Kastle® Treasury

Exchange-traded derivative module

Exchange-traded derivative (ETD) contracts are standardized derivative contracts such as futures and options contracts that are transacted on an organized futures exchange. They are standardized and require payment of an initial deposit or margin settled through a clearing house.

Kastle® Treasury supports complete trading workflow including contract specifications, trade execution data, limits, valuation and settlement information as supported by stock exchanges. The system can be interfaced with exchanges like National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and Multi Commodity Exchange (MCX). The system caters to rules and regulations of respective exchanges.

System supports the following products

- Currency Futures & Options
- Bond Futures & Options
- Stock Futures & Options
- Index Futures & Options
- Interest Rate Futures

Exchange-traded Commodities

Exchange-traded commodities (ETC) can offer traders and investors exposure to commodities like metals, energy and livestock.

Kastle® Treasury supports complete trading workflow including contract specification, grade specification, trade execution, limits, valuation, and delivery process and warehouse maintenance. The system is capable of configuring new commodities as per market regulations and can be interfaced with multiple exchanges.

The System supports Futures and Options of the following commodities

- Agriculture
- Energy
- Metals

Overdraft facility

An overdraft facility is a borrowing facility whereby an individual or a corporation/financial institution can borrow on a short term basis. The facility can be availed up to a year, after which the borrower may get the facility renewed.

Kastle® Treasury supports the following

Authorized overdrafts: These are arranged in advance and have approved limits. There are fees associated with the authorized overdraft.

Significant Value Added as part of product transformation

- Issuance & Funding
- Money Market
- Derivatives
- Accounting Engine
- Overdraft Facility

KASTLE® Integrated Risk Management (IRM) Version 5.1, 5.2 and 6.1 Releases

The year was significant in terms of migration to newer web-based technology and also updating the existing stack with more functionalities and offerings to market in the journey of building a fully Integrated Risk Management system.

New versions released:

- Version 5.1.0 and 5.1.1:

  In this release, Market Risk and Asset Liability Management (ALM) database schemas were merged into a single database schema. This also saw successful migration of the ALM product from client server architecture to web based architecture. Market risk and ALM functionalities were updated to Angular 6.1. New dashboards for graphical overview were also introduced.

- Version 5.2.0:

  This release successfully introduced the BASEL III compliant Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) modules within the IRM product architecture.

  The modules assess the resilience of an institution's liquidity profile considering all prospective cash-flows along with relevant stressed-weights and hence is significant to ensure ability to meet short term and long term obligations.

- Version 6.1.0

  In this release, there was a successful migration of the Internal Credit Assessment and Rating Engine (iCARE) from .NET to Java platform.

  iCARE is a comprehensive financial analysis and risk rating tool that allows financial institutions to accurately assess and monitor a borrower's credit worthiness. Its configurable framework captures, analyzes, projects and models financial and non-financial details of a borrower allowing for speed and consistency of analysis across the organization and bringing significant business benefits.

Kastle® Corporate Loan Origination Module

The Corporate Loan Origination module of Kastle® provides a comprehensive solution covering the customer onboarding, facility definition, credit appraisal, offer generation and limit setup. Features of the module are broadly listed below:

1. Customer Onboarding

   a. Customer Hierarchy

   b. Customer Information Layer

2. Credit Appraisal
3. Monitoring

Kastle® Corporate Lite Loan Origination Module

The Kastle® Corporate Lite Loan Origination module provides a complete solution for the credit appraisal for SMEs/Corporates including Customer Onboarding, Financial Analysis & Rating, Underwriting, Offer Generation, Documentation and Disbursal. While this solution has primarily been developed to address financing of multiple assets under Auto Finance (Fleet Finance), it has the flexibility to cater to other facilities for SMEs or small Corporates (from an NBFC perspective) which deal in funded facilities. While the framework of the solution has been developed reusing the Retail Loan Origination framework, features additionally available under this module are as below:

1. **Proposal Manager:** Simulator option provided wherein each simulation is saved in the system and user has the option to convert to Application by selecting the relevant quote (in case of multiple quotes)
2. **Financial Analysis:** Balance Sheet & Profit & Loss Account of 1-2 years can be uploaded whereby the system will compute the Cash Flow and Ratio Analysis based on configuration
3. **Scoring & Rating:** System computes the score and rating based on data captured for Industry Analysis, SWOT Analysis, Key Success Factors (KSF) Details, Management Evaluation, Technical Evaluation, Legal Evaluation, Business Evaluation, Financial Evaluation
4. **Limit Management:** System allows a Limit to be set up for a customer as per the business need, whereby the customer is allowed to draw against the limit with the validity period (one or more facilities within the Sanctioned Limit)
5. **Multiple Asset under one Application:** User can add more than 1 unit of the asset being financed, each having different value and down payment percentage/amount
6. **Multiple Loan creation as per count of assets with a Master Contract/Loan:** User has the option to create a single loan for an application or multiple loan as per count of the number of units of the asset being financed
7. **Individual Asset based Insurance & Down Payment computation:** Insurance is applicable based on configuration as per the make, model and year. Similarly, the Down Payment amount will default as per the percentage defined in the configuration against the asset type, make, model and year. However, user can modify the percentage or value of Down Payment for individual asset within the permissible limits. User has the option to amortize the insurance and/or processing fees across the tenure of the loan, if the customer so desires
8. **Internal Rate of Return (IRR) based Amortization Schedule:** As per the practice in KSA, interest/profit is calculated on the loan amount on a flat rate basis and amortized across the tenure using the IRR

Kastle® Loan Management Module

The Loan Management module of Kastle® has been enhanced with the below features to cater to the Fleet Finance facilites:

1. Payment Capturing based on Master Contract/Loan
2. Client Information Stat Card displays the Sanctioned/Approved Limit, Availed Limit and Available Limit
3. Amortization of Insurance & Charges enabled across the tenure of the loan

AMLOCK™

FY2019 was a significant year in AMLOCK™ products enhancement. After the upgraded version 4.x was launched last year, further features and enhancements were included this year to facilitate the product's entry into advanced markets. Following are a few of the major updates:

- Significant updates to the Sanction screening feature to conduct Entity Specific screening and an updated Rule Builder for the users to design their own Screening Rules
- Ability to create geography specific/need based sanction lists has been one of the most user friendly features in the system. To address the diverse requirements in sanction details across the various domains of Trade Finance, Credit Cards, Mobile channels, flexibility has been added by enabling creation of any number of custom lists with different fields
- UCIC level monitoring as per RBI mandate have been included to strengthen the product's Regulatory Compliance
- Additional tools like past regulatory report status, related account details have been added for better assistance while red flag investigation
- Compliance of the new version to the (anti-money laundering) AML requirements of the Mobile Wallet industry
- A new fast track Single Sign of Workflow for real time screening matches significantly reduces the investigation turnaround times (TAT) for the user
- A miniature document management option for uploading/saving/updating/maintaining and referring the major AML/Know Your Customer (KYC) regulatory notices/circular has been included. This allows the Compliance Head/users to upload the required notice in AMLOCK™ itself
- A To Do checklist for the investigator which moves along with the case. This includes a set of questions which a supervisor can put across to his / her team while investigating a case. This ensures proper delegation of tasks as well as ensures the entire team is aligned in one direction while investigating a case
- Redefining and fine tuning the existing analytical models and developing new models focused on specific AML problem statements. This was supported by basic visualization techniques like Sankey Graph, Time Series based graphs which emphasizes on descriptive analytics
- Standalone Tableau dashboards which will enable teams to monitor and analyze performance of users / system have been developed and which can be provided as a Plug-in if the Clients already have Tableau subscription:
    - Alert Summary : Snapshot of the alerts generated in the system
    - User dashboard: MIS to signify the user performance metrics
    - Risk Categorization: Risk Profile of the customer

Factor/SQL™

Factor/SQL™, the world's premier factoring solution for companies offering commercial financing through purchase of accounts receivables, is an integrated application that provides all the strategic tools required to grow the commercial financing business. This highly scalable application is being successfully utilized by all sizes and types of factoring businesses to manage portfolios, analyze risk, track commissions, monitor investor activity and optimize income. Factor/SQL™ is also delivered on a Software-as-a-Service (SaaS) model on the Amazon Web Services cloud infrastructure which is architected to be one of the most flexible and secure cloud computing environments available today. It provides an extremely scalable and reliable platform that enables deploying applications and data quickly in a highly secure manner.

Factor/SQL™ v4.0 was launched with upgrades to technology, functional and non-functional features.

Technology stack upgrade included:

- SAP's SQL Anywhere database server from version 10 to 17
- Delphi (RAD Studio) compilers and third party products from Delphi 2005 to RAD Studio 10.2
- eFactor™ to use newer web-based technologies such as Bootstrap, jQuery, Respond and HTML5Shiv

Functional and non-functional feature upgrade included:

- Capability to include multiple work orders, purchase orders, and others to a single invoice including duplication check and search facility
- New payment method type to record payments via credit card
- Import files can now be automatically imported without customer intervention
- Control screen reorganized to make settings easier to find
- The schedule and transaction add wizards are no longer modal. Customers can now navigate to other areas of the system without needing to cancel their current add activity
- Customers can now customize the look and feel of Factor/SQL™ to their liking
- Imports Added support for MS Excel XLSX Format
- eFactor™ has been updated with a more modern user interface

New Initiatives in Altiray® Services

Drawing inspiration from the latest technology trends, like Artificial Intelligence (AI), Robotic Process Automation (RPA), Internet of Things (IoT), Blockchain etc., Altiray® proactively invests in people and technologies. As technology continually undergoes a paradigm shift, and where Industry 4.0 is a reality, Altiray® has added solutions to its ready-to-use frameworks and customizable solutions. These solutions can be plugged on to existing systems or data to deliver desired objectives and outcomes.

3i Infotech's **'CRUX' (Customer Reach & User Experience),** our digital transformation solutions for enhancing Customer Experience, was reinforced with:

3iAIRES

3iAIRES is a suite of Customer Experience offerings that has multiple modules which can be used individually or as a suite, to help break the digital silos. The solution helps to stitch digital customer journey, listen to customers, enable digital marketing and generate quality leads. Salient points of the solution:

- Customer Insights & Analytics
- Digital Listening & Case Management
- Hybrid Bots & Live Agent Chat

- Campaign Management
- Social & Web Engagement
- Customer Insights
- Knowledge Management & Collaboration
- Performance Management

Universo

Universo, a generic solution for project automation and management, offers a complete configurable workflow management framework to government and non-government enterprises. It is an integrated solution which comprises project configuration and data digitization tools to help entities to automate and streamline business processes and thereby transform themselves. It improves service delivery, helping governments and enterprises make their services easily accessible, timely and of value.

Universo covers multiple support features and services that facilitate organizations and departments to design and manage business processes with the goal of achieving efficiency. Its easy-to-configure features eliminate redundancy in IT investments by replicating the generic solution across different processes. Modifications to a project's delivery mechanism is hence easy. Modularity of the solution allows to use only required tools/ features as per processes, which in turn reduces the complexity and effort in maintenance. System can be plugged with multiple eKYC solutions to automate authentication of a beneficiary or user when needed in the workflow.

The solution is well integrated with a document management system to upload, index, retrieve supporting documents required as per the project's workflow. A full-fledged business intelligence tool helps connect islands of information to draw out actionable insights and deliver seamlessly to decision makers to initiate the right action.

- Login & User Management
- Layout Configuration
- Verification Module
- Scheme Configuration & Management
- Scheme Application & Beneficiary Management
- Workflow Management
- Demand Generation
- Fund Allocation, Management, Utilization & Reconciliation

DataScan Online

DataScan Online, an Enterprise Document Management System, is a robust suite of content management functionalities, enables organizations to leverage information to power the right decision at the right time. DataScan Online provides the much needed simplicity, flexibility and security to work on contents from anywhere and at any time. DataScan Online efficiently enables document lifecycle management with powerful features like content capture and content support, indexing, publishing documents, search, view, retention and declaration of records, forms management, comprehensive security schema along with full audit logging for all document level activities.

Salient Features

- Cross-Browser, Cross-Platform, Cross-Database
- User defined data capture forms for scanned, electronic and raw data
- Supports OCR, ICR and Barcode to automatically extract and process data
- Search with single, multiple and arbitrary query on multiple attributes
- Dynamic and intelligent version control mechanism with strict security rights
- Cross linking and referencing for multiple authors to work collectively on documents
- Inbuilt workflow functionality eliminates manual approval processes
- Record Management Interface to manage physical and electronic records
- Smart Integration with Office saves documents directly into DataScan Online
- Digital Signature gives legal validity to electronic documents
- Integration with Other Applications through easily integratable Web-Services APIs
- Multi-device support to access the advanced features while on the go
- Multilingual with Unicode support for all potential characters and languages

RECENT AWARDS & ACCOLADES

2019

Asia's Greatest Brands Award 2018

By AsiaOne and URS Media Consulting

2019

IMC Digital Technology Award 2018 in the IT Services category for MFund Plus®

By IMC Chamber of Commerce and Industry

2019

Thailand Best Employer Brand Award for 2018-19

By World Federation of HR Professionals

2018

Customer Excellence Awards - Transformation Category

By NASSCOM

2018

Outstanding Business Award for Best Innovative Technology Company in Banking

By The Government Public Relations Department, Bangkok, Thailand

2018

Stars of the Industry Awards - Best Use of IT in Healthcare

By ET Now

2018

Stars of the Industry Awards - Best Software Product Company in Intellectual Driven Business

By ET Now

2018

Stars of the Industry Awards - Outsourcing Innovation of the Year

By ET Now

2018

Best Service Provider - Tatva Annual Awards 2018

By ICICI Prudential

CLIENT SPEAK

“We are pleased to record our appreciation for 3i Infotech’s anti-money-laundering (AML) Solution – AMLOCK™. Our Bank has been using AMLOCK™ – an AML Solution from 3i Infotech Limited for the last 10 years. It has enabled our Bank to be compliant with the AML regulations. We are happy for the services rendered by your team. We are satisfied with the capability of the solution and appreciate the support given by your team to achieve the regulatory requirement. We would be very happy to be associated with you in future for any requirements needed by the bank. We are looking forward to your continuous support in mutually helping to build each other’s businesses. We wish 3i Infotech all the best in its future endeavors.” **- Gautam Kumar, Manager, AML Cell, Compliance Department, Bank of India**

“3i Infotech has successfully implemented GCB Bank Ltd Enterprise Lending Solution that is running successfully in our production environment since 2018. We are currently using their Loan Origination & Loan Collections System, which is integrated/shares/exchanges data with Credit Bureau, Loan Management System, and Microsoft CRM. Currently the system is supported and we experience timely delivery and support. We consider 3i Infotech as our strategic partner and are happy with their services.” **- John Arthur, Head – Projects, GCB Bank Limited**

“GOSI has selected 3i Infotech as implementation partner for Operational & Analytical Reporting solution to upgrade the existing Business Intelligence and SIMIS reporting system in order to facilitate new requirements, overcome obstacles facing the current environment and take advantage of additional capabilities provided by the Oracle Business Intelligence 11g platform. 3i Infotech’s onsite team has completed successfully and delivered on time the Operational & Analytical Reporting tool upgrade solution as per the designed scope. Their team performance has been very good in understanding the reporting process and implementing the solution which allows GOSI to analyze and take informed decisions. The overall success of the project was a result of 3i Infotech’s strong knowledge about Business Intelligence and Data Warehousing and experience in the Insurance industry. We will have no hesitation in recommending 3i Infotech to any company who has a need to implement Operational & Analytical Reporting tool upgrade solution in their environment and we wish 3i Infotech success in its endeavours.” **- Mohammed S. Alromaih, Database Department Manager, General Organization for Social Insurance (GOSI)**

“Our firm, Philippine British Assurance Co. (PBAC), has been evaluating on how we can excel in serving our customers – both internally and externally. Aside from assessing our business process, we have also been looking for technology partners who can help support us in this initiative. The PREMIA™ team has been able to showcase its track record, system capabilities and industry knowledge to us, hence the start of our partnership. Today’s business environment has become increasingly demanding. We felt that adopting the right and most relevant technology is key in ensuring our relevance in the non-life industry. The PREMIA™ team has been able to listen effectively to our needs, proposing a solution and a roadmap that can guide us through the short and medium term. Their experience in other markets around the region is a big plus – we can learn lessons from their own experiences in implementing systems amid different regulatory environments. We in PBAC are looking forward to this partnership with 3i Infotech, a first step for us towards a bright future ahead.” **- Ian Philippe W. Cuyegkeng, VP – Business Development and Investments, Philippine British Assurance Co. (PBAC)**

“We found ORION™11j to be a versatile product with a very easy to use interface. 3i Infotech’s provision of high-level customizations to suit our unique operational needs further enabled our operations to become faster, seamless and efficient." **Kate Nkatha Ochieng, Commercial Director, Population Service (PS) Kenya.**

"This is to place on record that the project implementation entrusted to you to carry out in our company has been satisfactory. It was qualitatively managed and executed by 3i Infotech in a time-bound manner. We place our sincere thanks to the team for all the hard-work put in for successful implementation. We appreciate the MFund® team's rapid turnaround times delivered during the project execution, and we look forward to continued support in the future as well." **- Ashish Patnaik, Chief Financial Officer, SBI Pension Funds Private Limited**

"EbixCash (formerly ItzCash) has been using AMLOCK™ for over 6 years and is really happy with the support that 3i Infotech has been providing. We look forward to quality support and working with a team that firmly believes that "Customer satisfaction is paramount." **- Wilbur Pereira, EbixCash (formerly ItzCash), AGM, IT**

"Our Bank is using the AML solution, AMLOCK™ for a decade. 3i Infotech is tendering continuous support whenever the Bank is in need especially in respect of the regulator and FIU-IND requirements. We were surprised when 3i Infotech had come up with the initiative from their end for generation of alerts for the transactions conducted during Demonetisation period as per FIU-IND requirements. On the basis of tremendous and unconditional support from the support team, now our Bank has upgraded to the latest version of AMLOCK™ - Financial Crime Detection & Management Solution (FCDMS) which Transaction Monitoring, KYC, Screening etc. We convey our heartfelt thanks and appreciation to the support team. We wish 3i Infotech great days ahead and look forward to your continued support." **- Chakkaravarthi R., KYC-AML Cell, Central Office - Compliance Department, Karur Vysya Bank**

"The web-based PREMIA™ 11 directly supports several of the corporate goals and objectives established by the Company's IT Department and Management. With its real-time and accurate reporting of all client enquiries and administrative metrics, it has helped our business in creating and maintaining an efficient workflow. We have an intricate business structure, but 3i Infotech was able to grasp the business very quickly due to their experience in the insurance industry." - **Mr. Hiroki Sasai, General Manager, Tokio Marine & Nichido Fire Insurance Company, Dubai Branch**

"SevenOaks Capital has used Factor/SQL™ for over 20 years. It has been instrumental to our growth and success. Because they have been around for such a long time they have set the standard for the industry. They have also made sure to keep up with emerging technologies by developing the new functions themselves or using seamless integrations to make sure we are able to take advantage of these new technologies. For a transportation factor they have developed a system that is catered to every aspect of the industry. Most importantly, I would challenge anyone to find a system that has fewer day-to-day issues as it rarely has any problems." - **Jeff Foil, President, SevenOaks Capital**

"Our association with 3i Infotech from last 10 years has been wonderful. The product, Kastle® Treasury, has now been successfully customized for straight through processing of deals without front office intervention for manual entries in recent past. This feat would not have been possible without active participation from the 3i Infotech team. We wish that our fruitful association with 3i Infotech continues in future as well to help grow our businesses." - **Yogesh Sonar, Vice President, Nomura,**

"The 3i Infotech team has executed the project of MFund Plus® Front Office module very efficiently. We would like to appreciate the hard work put in by each and everyone who were part of the project. Our special thanks to Mr. Anson, Mr. Suresha, Mr. Ashwin Chari, Mr. Javed Khan, Mr. Jayesh and Mr. Prithvi for resolving all issues in a timely and dedicated manner. We look forward to 3i Infotech team to provide continuous offline support in the future". - **Raju Shelat, Head - Back Office Operations, PPFAS Asset Management Private Limited**

"Entire project was handled quite meticulously and the best part has been the support we received in terms of prompt action on our feedback or concern areas from the MFund® team.. We look forward to a wonderful partnership with 3i Infotech going ahead." - **Manish Jha, CFA, Senior Manager – Risk Management, Mirae Asset Global Investments (India) Pvt. Ltd.**

"FSW Funding has been a client of 3i Infotech's Factor/SQL™ for 18 years. 3i Infotech has been a great partner and excels at customer support, innovation and accuracy. FSW Funding looks forward to using 3i Infotech as we continue to grow our factoring and asset-based lending portfolios." - **Robyn Barrett, CPA, Managing Member, FSW Funding**

"Capstone Capital Group, LLC has been a user of Factor/SQL™ for nineteen years and we have been able to grow our business by using your software. Our employees and clients enjoy using the software due to its ease of use and robust reporting packages. We would recommend Factor/SQL™ to any factor looking to change their software." - **Joseph Ingrassia, Managing Member, Capstone Capital Group, LLC**

"Central Bank of India is using the AML solution - AMLOCK™, provided by 3i Infotech Ltd., for the past 4 years, for catering to the requirement of FIU-INDIA. The support / services provided by the team always fulfil the commitment for any regulatory, FIU-IND requirements. We expect and look forward to the same continuous support in future." - **D K Sharma, Chief Manager IT, DIT, Central Bank of India**

"We have been using ORION™ ERP to run our operations since 2003. We pride ourselves as a progressive and forward looking organization. To meet our objectives, we needed a software solution partner, whose philosophy would match ours. As we have grown over the years, we have increased our investment in ORION™ for our business expansion. In addition to the numerous benefits, we have found 3i Infotech as a valuable partner in our journey together with a reliable support and willingness to resolve any issues that may arise. All these have been instrumental in the growth of our business during the last 15 years." **Shailesh Kanani, Managing Director, Hotpoint Appliances Limited.**

"It is difficult to name each individual and my sincere and heartfelt appreciations to each one of the PREMIA™ team members who worked for this project. We were bit tough and so demanding as part of the project deliverables and timeline. Thanks a lot for all the support and assistance to complete the project within the timeline." - **Girish Gopinath , Head IT, Al Madina Insurance**

"We believe investing in PREMIA™ solution was a very appropriate strategic decision for ZB Life as this is set to improve the way we serve our clients and enhance the customer experience." - **Fungai Marangwanda, Marketing Head, ZB Life, Zimbabwe**

"Moving to a centralized web-based PREMIA™ 11 has made it easier to support users in our operation, shorten turnaround time and enable us to manage our duties across the branches in a seamless and consolidated manner at a lower cost in operation." **Kiros Jiranie, Managing Director & CEO, Africa Insurance Company**

"We have had a successful implementation due to the dedication and efforts shown by 3i Infotech team right from beginning of the project. 3i Infotech did manage to migrate full historical data from legacy application to MFund Plus® in quickest possible timeframe. The flexibility and dedicated support provided by the 3i Infotech team to meet our requirements is highly appreciated. Our funds NAV pricing is currently being processed from MFund Plus® and the system is now our main Portfolio accounting and NAV system, which is an integral process of HLAM. HLAM looks forward for a long term partner in business relationship with 3i Infotech.” - **Ms. Noor Aini, Chief Operating Officer, Hong Leong Asset Management Bhd**

“In the mid-1990s, I began using Factor PC. When I started my own company in 2001, I was one of the beta testers for Factor/SQL™, and have been using it ever since. I am currently one of the clients using the hosted environment. In addition to managing my own company and portfolio, I also do consulting work; helping small factoring companies get started and set up for success. Over the years, I have referred dozens of firms, first to Distinctive Solutions and now to 3i Infotech most of which have purchased licenses and use the program today.

While I have tested most of the other programs in the market, both for me and my consulting clients, I always come back to Factor/SQL™. Over the years, I have worked with many people in support functions. The team members are helpful and responsive to the needs and requests - even when I have a client who is asking for something outside the normal parameters of the program.

If I had one suggestion - as 3i Infotech grows the Factor/SQL™ program and the added modules for ancillary products, it is clear that more support staff is needed. While the support team has always been able to help me in a timely manner, as the popularity of the program grows, that could easily become a challenge.

Please feel free to use my name as a reference if you have potential clients who would like to talk to a long time user. I am happy to share the positive experience I have had with the program and 3i Infotech.” - **Sally J. Stark, President, Berkshire Funding Group, Inc.**

EMPLOYEE SPEAK

"I started my career with 3i Infotech in August 2003. For 17 years, I have enjoyed working in the Company in the Facilities Management Group (FMG). There is complete freedom in the workplace and the senior management can be easily approached during a crisis. We have a talented group of professionals working in various product groups like Banking & Financial Services, ERP and Insurance and our clients are spread across Middle East, Far East, Asia Pacific, India and Africa. The Company provides enormous opportunities and exposure to junior software engineers and freshers to interact with clients on various projects. This helps employees gain and grow up the hierarchy. 3i Infotech has seen its lows and highs and come out successfully through adverse situations due to the perseverance of the senior management team." – **R. Kalyanraman, Associate Manager, Facilities Management Group, 3i Infotech Ltd.**

"My journey with 3i Infotech began in January 2005 with an aspiration of blending my financial domain skills with information technology. The Company has fulfilled my aspiration with unquantifiable satisfaction. I am able to perform independently without any limitation. The subordinate and supervisor relationship is very healthy in all aspects, making it very difficult for me to leave the Company. Employees here get a wide range of technology domain experience across industries such as Insurance, Banking, Finance and Services. 3i Infotech provides plenty of opportunities to beginners to start an exciting career in IT. They can learn and perform with 100% job satisfaction. I have had an amazing work experience in the Company for 14 years, which still continues."– **T.M. Regis, AVP, PREMIA Insurance, Key Customer Account Management, 3i Infotech Ltd.**

"For me, 3i Infotech is a brand. It adds value to my profile. The challenging job profile is a major consideration in my steady stint at 3i Infotech. The financial domain being very dynamic here, it provides immense challenges and opportunities to a finance professional like me. Also, my colleagues make my job most engaging. For sure, those who join 3i Infotech stand to gain good knowledge and experience. ." – **R. Srinivasan, Manager, US Offshore, 3i Infotech Ltd.**

"I started my career with 3i Infotech over 17 years ago. Starting as a fresher, the journey has been very encouraging, giving me many opportunities for growth and with support from my seniors and other colleagues. The Company maintains a corporate culture that promotes a very healthy relationship amongst colleagues, complemented by high ethical standards and values that make the employees feel appreciated, supported and proud of their work." – **Hitendra Waghela, Senior Manager - Internal Systems, 3i Infotech Ltd.**

"Working at 3i Infotech has been a great pleasure for me. The Company has great values and offers an open and flexible work place with support to learn and grow. It is a company where you get the much needed freedom at work and a positive environment. Today is the best time to work in the Company because we are experiencing rapid growth and one can leverage exciting new global opportunities." - **Vijayendran N., Sales Manager, 3i Infotech (APAC)**

"3i Infotech was my first working opportunity and I am very fortunate to still be a part of it. There is no discrimination of position or rank. All work closely at 3i Infotech. When you are a part of such a supportive group of professionals who care for their colleagues, being productive at work is easy. We, as employees of 3i Infotech, solve problems and support each other in a highly positive manner. I'm truly blessed to be accepted as a 3i Infotech team member, and I am thankful to the Company for giving me this opportunity." – **Ashish Gupta, Presales, Application Development and Maintenance Services (ADMS) / E-governance, Services,**

3i Infotech Ltd.

“My six-year old journey with the Company has been reassuring in lot many ways. There was never a phase when the sailing was smooth but I believe that the challenges made it interesting for me. My association with 3i Infotech goes back a good 11 years, first as a client and then as a part of the Company. The path of growth the Company gave me has been excellent, which I have always appreciated. It was my deep interest in the product MFund® that drove me to join 3i Infotech when I got the opportunity. I never got a reason to repent this decision. Very rarely does someone get the opportunity to be a user of the product and end up as one of the key product team members. I have seen tough times for both the Company and the product, but it is satisfying to see the Company overcoming the phase and emerging stronger. Wishing the Company more successes in future.” – **Anson Xavier, Associate Vice President, Financial Services, 3i Infotech Ltd.**

“I started my journey with 3i Infotech 13 years ago. The Company has played a special role in my professional as well as personal development. I received tons of opportunities throughout my growth from a Software Engineer to a Senior Manager. Support and encouragement from seniors at all times, is something that makes 3i Infotech different than most of the other corporates. I recommend 3i Infotech to anybody who wants to achieve career growth with job satisfaction.” **- Sameer Navare, Senior Manager – ISO Compliance, 3i Infotech Ltd.**

“In November 2003, I started my career with 3i Infotech, my first company in the IT world. From day one till date, the 3i Infotech office atmosphere has always given me the work-from-home like feel,. Whether it is freedom at work, independence in decision-making, leading a team, or interaction with peers and those at the higher level, 3i Infotech has always provided a helpful and encouraging environment. I am sure it will be difficult to get such an atmosphere in any other IT company. This is the right place to advance your career path. There are opportunities to switch to other business units based on your experience, knowledge and interest. 3i Infotech thus scores high when it comes to ensuring stimulating and exciting content in your work,” – **Kayamboovannan D., Senior Manager, PREMIA Delivery - Insurance Practice, 3i Infotech Ltd.**

“Having worked in a different industry for 10 long years before moving to IT Services, there was a lot of anxiety within me when I came aboard, but my colleagues at 3i Infotech alleviated all my concerns. I enjoy working at 3i Infotech; it is a very people-oriented organization and my co-workers are very receptive to new ideas. The management genuinely understands the importance of teamwork at all levels. The people, the energy and the efficiency within this organization make for a wonderful working experience. 3i Infotech is very supportive of its employees, their growth and encourages one to develop their potential. The Company’s innovative culture of employee growth opportunity is exciting for everyone. I am glad to be a part of 3i Infotech and of an awesome team.” – **Pradeep Prabhakaran, Senior Business Development Manager – Services, 3i Infotech Ltd.**

“For me, it has been a fascinating journey of more than two years in 3i Infotech. The team and senior management support has been exemplary. The management has a strong sense of resilience and this is inspiring. The versatile job profile, the freedom given to me in my work and the confidence reposed in me by my seniors have helped me develop professionally. The dedication of every team member is inspiring. I have experienced multiple instances where individuals have bent over backwards to assist me and their helpful nature makes 3i Infotech a great place to work.” – **Sumit Ghose, Senior Manager, Application Development and Maintenance Services (ADMS), Mobility, 3i Infotech Ltd.**

“I joined 3i Infotech a few months ago, and have enjoyed every day at the Company. It provides an environment where everyone is allowed to share their views openly. The most unique part of this organization is that the senior management is easily approachable at anytime, something which is not very common in other organizations today. The Company provides a very positive work atmosphere. It is very exciting to work at 3i Infotech and to be a part of such a wonderful team." **- Ajitava Maitra, Senior Manager, Bid Management – E-Governance, 3i Infotech Ltd.**

"Since joining 3i Infotech in 2015 as a Business Intelligence (BI) Consultant, not only have I been surrounded by brilliant, friendly and talented people, but I have also been provided with many opportunities for personal and professional development. Within four years, I was promoted to Senior BI Consultant. 3i Infotech believes in a policy of excellence. It shows in its commitment to deliver the best, not only for its customer but also, to its employees. 3i Infotech has always set the bar for constant growth and improvement. Whether it is process improvement initiatives for the entire organization, or skill development courses for individual employees, 3i Infotech continues to deliver what it takes to be the best." – **Ritesh Mishra, Senior BI Engineer – AMLOCK, 3i Infotech Ltd.**

"I joined 3i Infotech in April 2019 and the journey so far has been stimulating. I got an opportunity to work with diverse teams with different skill sets. The management has supported me in all my initiatives. The best thing about the organization is that it fosters a spirit of cultural diversity. 3i Infotech has also provided me with a platform for showcasing my skills and continuously learning from my peers. I am extremely satisfied and delighted to be a part of 3i Infotech." – **Irfan Patigaro, Senior Project Manager – Application Development and Maintenance Services (ADMS), Services, 3i Infotech Ltd.**

"I have been associated with 3i Infotech since 1999 when the Company was known as ICICI Infotech. This is a place where one can work passionately and dare to dream big. 3i Infotech is a strong, stable company that has withstood and excelled during difficult times. The Company offers avenues for personal advancement and career growth. It nurtures leadership and encourages the entrepreneurial spirit in each employee. I have been fortunate enough to work with true professionals and some of the most brilliant minds. Nothing beats the feeling of being continuously challenged, while still feeling happy doing the job. Quality work, great environment and learning opportunities are the reasons why I like to work here. 3i Infotech is well focused on people, process and technology and is proactive in meeting customers' requirements. The senior management here is approachable and receptive to new ideas. This gives you an immense opportunity to exercise your abilities, reaffirm yourself and contribute to a growing company. 3i Infotech allows me to embrace and appreciate the changes that let me grow professionally. Working in 3i Infotech has indeed been an enriching and splendid experience – and it is a great source of inspiration, working with talented and devoted people from all over the world. It has been a great pleasure being a part of an energetic and ambitious global team." – **Shiavux A. Batliwala, Vice President - Human Resources, 3i Infotech Ltd.**

Contents

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR 2018-19

Dear Shareholders,

Your Directors present the Twenty Sixth Annual Report (the "Report") of the Company along with the audited financial statements for the financial year ended March 31, 2019.

OVERVIEW

The Management is pleased to inform you that the Company has completed 3 years of consecutive good performance after successful implementation of Debt Restructuring Scheme (DRS) Package presented to the Lenders during Financial Year 2015-16. The Company has earned an operational revenue of ₹1,121.75 crores and EBIDTA of ₹ 151.37 crores for Financial Year ended March 31, 2019 on a consolidated basis. There has been growth in revenue by 13% from ₹ 991.19 crores in Financial Year 2017-18 to ₹1,121.75 crores in Financial Year 2018-19. During the year, the Company has also won various awards, details of which are given separately in this Report.

During the year, CRISIL Limited has upgraded the credit rating of the Company from "CRISIL BB/Stable" to "CRISIL BBB-/Stable" (Investment Grade) on May 31, 2018 in respect of the bank loan facilities of the Company.

The Board is pleased to inform the Members that during the year, the Company could attract some new customers in Banking, ERP, Financial Services, Insurance products and in the services business.

The Company is also in process of launching and upgrading the new versions of its various products being offered to its customers.

With a revival in the Company's health, we wish to reinvent ourselves to offer higher value to our stakeholders and fast pace our growth.

Financial Performance of the Company on Standalone and Consolidated basis:

₹ in crores

Particulars	Standalone		Consolidated	
	2018-19	**2017-18**	**2018-19**	**2017-18**
Total Revenue (I)	505.48	294.72	1,142.80	1,010.43
Total Expenses (II)	254.63	381.43	1,063.69	930.95
Profit / (Loss) before Tax (I-II)	250.85	(86.71)	79.11	79.48
Tax expense				
Current Tax	-	-	10.69	7.40
Deferred Tax	-	-	(0.40)	0.43
Adjustment of tax relating to earlier periods	-	-	0.67	0.54
Profit / (Loss) for the year	250.85	(86.71)	68.15	71.11
Other Comprehensive Income				
A. Other Comprehensive Income not to be reclassified to profit and loss in subsequent year:				
Remeasurement of gains / (losses) on defined benefit plans	1.40	(0.82)	1.85	0.50
Income tax effect	-	-	0.02	-
B. Other Comprehensive Income to be reclassified to profit and loss in subsequent years:				
Other Comprehensive Income for the year, net of tax	1.40	(0.82)	1.87	0.50

₹ in crores

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Total Comprehensive Income for the year	252.25	(87.53)	70.02	71.61
Profit for the year attributable to:				
Equity holders of the parent	-	-	67.25	70.40
Non-controlling interests	-	-	0.90	0.71
Other Comprehensive Income for the year attributable to:				
Equity holders of the parent	-	-	1.87	0.50
Non-controlling interests	-	-	-	-
Total Comprehensive Income for the year attributable to:				
Equity holders of the parent	-	-	69.12	70.90
Non-controlling interests	-	-	0.90	0.71
Earnings per equity share for profit attributable to equity shareholders				
Basic EPS	1.55	(0.54)	0.42	0.44
Diluted EPS	1.55	(0.54)	0.42	0.44

Standalone sales and other income for Financial Year 2018-19 stood at ₹ 505.48 crores as against ₹ 294.72 crores for Financial Year 2017-18. On a consolidated basis, sales and other income for Financial Year 2018-19 stood at ₹ 1,142.80 crores as against ₹ 1,010.43 crores for Financial Year 2017-18. After meeting all expenditures, the Company made a total comprehensive income of ₹ 70.02 crores on a consolidated basis against total comprehensive income of ₹ 252.25 crores on standalone basis.

TRANSFER TO RESERVES

There is no amount proposed to be transferred to general reserve this year.

DIVIDEND

During the year, the Company has paid dividend of ₹6,377,607 as preference dividend as per the terms of issue of 0.10% Cumulative Non-Convertible Redeemable Preference Shares of face value ₹5/- each ("Class B Preference Shares") to Class B Preference Shareholders, as per the terms of issue of Class B Preference Shares.

The Company has also paid a dividend of ₹65,000 as preference dividend as per the terms of issue of 0.01% Cumulative Non-Convertible Redeemable Preference Shares of face value ₹5/- each ("Class A Preference Shares") to Class A Preference Shareholders for the Financial Year 2018-19.

The Company has paid dividend distribution tax amounting to ₹ 1,324,614 on Class A and Class B Preference Shares.

As per the terms of the Master Restructuring Agreement (MRA) dated March 30, 2012 entered into by the Company with IDBI Bank Limited (the Monitoring Institution) and the CDR Lenders, the Company is prohibited from declaring or paying any dividend on its equity shares without prior approval of its Lenders.

In light of this, your Directors regret to state their inability to recommend any dividend on equity shares for the financial year ended March 31, 2019.

BUSINESS

The Company has a comprehensive set of IP based software solutions (20+), coupled with a wide range of IT Services to address the dynamic requirements of a variety of industry verticals including Banking, Insurance, Capital Markets, Asset & Wealth Management (BFSI). The Company also provides solutions for other verticals such as Government, Manufacturing, Distribution, Telecom and Healthcare.

The business activities of the Company are broadly divided into two categories viz: IT Solutions and Transaction Services. IT Solutions business comprises of software products and IT enabled services while the Transaction Services comprise of BPO and KPO services. The Company has good product portfolio and has dominant presence in fast growing emerging economies. The Product Business of the Company has wide base with more than 800 active customers who are satisfactorily using the Company's products.

The contribution to the revenue for the year from IT Solutions was 95% and that of Transaction Services was 5%.

The Company has presence in more than 50 countries across 4 continents. The Company has a strong foothold and customer base in geographies viz. South Asia, Asia Pacific (APAC), Middle East and Africa (MEA), Kingdom of Saudi Arabia (KSA) and North America (US). The Company has marketing network around the world, including US, Western Europe, MEA and APAC. The business of the Company is largely divided into Emerging Markets and Developed Markets. The share of the Emerging Markets to total revenue of the Company is about 70% while that of Developed Markets is about 30%. For detailed operations and business performance and analysis, kindly refer the Management Discussion & Analysis which forms a part of this Report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, 3i Infotech Software Solutions LLC was incorporated as a wholly-owned step-down subsidiary on May 15, 2018 to tap business opportunities in Dubai Mainland, UAE. As on March 31, 2019, the number of subsidiaries are 23 (twenty three). There has been no material change in the nature of the business of subsidiaries.

The name of Black-Barret Holdings Limited, one of the subsidiaries of the Company has been changed to 3i Infotech (Cyprus) Limited effective November 15, 2018.

Further, during the year under review, IFRS Cloud Solutions Limited, one of the subsidiaries of the Company, has filed an application with the Registrar of Companies (ROC) on August 9, 2018 for removal of its name from the register of companies. As on the date of this Report, the said application is still under examination by ROC.

After end of the financial year, a step-down subsidiary by the name of 3i Infotech Nigeria Limited was incorporated on June 19, 2019 in the Federal Republic of Nigeria for ease of carrying on business. 3i Infotech Nigeria Limited is a wholly-owned direct subsidiary of 3i Infotech Holdings Private Limited, the wholly-owned subsidiary of the Company based in Mauritius.

Further, on July 11, 2019, a step-down subsidiary by the name of 3i Infotech Netherlands B. V. was incorporated in Netherlands to tap business opportunities in European Union. 3i Infotech Netherlands B. V. is a wholly-owned direct subsidiary of 3i Infotech Holdings Private Limited, the wholly-owned subsidiary of the Company based in Mauritius.

As of the date of this Report, the number of subsidiaries stand at 25 (twenty five).

As per the first proviso to Section 129(3) of the Companies Act, 2013 (the "Act") read with Rule 5 of Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of subsidiaries/ associate companies/joint venture in the prescribed Form AOC-1 is enclosed to the consolidated financial statements. This statement also mentions highlights of performance of subsidiaries/associate companies/ joint venture and their contribution to the overall performance of the Company during the year.

Pursuant to the provisions of Section 136 of the Act, the standalone and consolidated financial statements of the Company, along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Particulars of loans, guarantees or investments granted/made during the year are given under the notes to standalone financial statements forming part of the Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all the contracts or arrangements or transactions entered into by the Company with related parties referred to in Section 188 of the Act were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any contract/arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on related party transactions.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, form AOC-2 is not applicable to the Company.

The Company has in place a Policy on Materiality of Related Party Transactions and a Policy on dealing with Related Party Transactions. The said policy can be viewed on the Company's website by accessing the following link: https://www.3i-infotech.com/investors-2/ under "Corporate Governance".

Details regarding related party disclosures are given under the notes to standalone financial statements which form part of this Report.

SCHEME OF ARRANGEMENT

The Board of Directors, at its Meeting held on June 29, 2018, had approved a draft Scheme of Arrangement between the Company and its Shareholders under Sections 230 to 232 of the Companies Act, 2013, subject to approval of the shareholders and regulators. The Scheme of Arrangement provided for:

a) Reduction of share capital of the Company on the Record Date (as defined in the Scheme). Such reduction was to be effected by reducing the face value of the equity shares of the Company from ₹10 to ₹1. The capital so reduced was to be utilized to write off the accumulated losses of the Company.

b) Subsequent to such reduction in face value of the equity shares of the Company, the Scheme provided for consolidation of 10 equity shares of the Company of ₹1 into one equity share of the Company of ₹10 each.

Further, on July 13, 2018, the Company filed the draft Scheme of Arrangement as per Regulation 37 of SEBI (Listing Obligations and Disclosure Reguirements) Regulations, 2015 ("SEBI LODR") with the Stock Exchanges for obtaining their observation/ no-objection letters required towards filing of the draft Scheme with the National Company Law Tribunal (NCLT).

The Company received the observation letters with respect to the draft Scheme of Arrangement from BSE Limited and National Stock Exchange of India Limited on November 27, 2018 and November 28, 2018 respectively, valid for six months from the date of their issuance. However, the said period of six months has since expired and the management has decided to keep the filing of the draft Scheme of Arrangement along with the observation letters with NCLT on hold due to internal re-consideration of certain factors relating to the draft Scheme in the best interests of the Company at this point of time.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and as on the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operation in future.

REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Report along with auditors' certificate thereon in terms of Regulation 34 read with Schedule V of SEBI LODR are appended herewith as *Annexure I* to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of provisions of Regulation 34 of SEBI LODR, the Management Discussion and Analysis Report is given under a separate section forming part of this Report.

EXTRACT OF ANNUAL RETURN

In terms of the requirements of Section 92 (3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in the prescribed form MGT- 9 is appended herewith as *Annexure II* and the same forms a part of the Report. An extract of Annual Return for Financial Year 2018-19 will be available on the Company's website at the following link: https://www.3i-infotech.com/investors-2/ under "Corporate Governance".

CAPITAL

a) Preference Share Capital:

During the year under review, the Company has not allotted any preference shares to any of its Members or Shareholders.

As on March 31, 2019, the preference share capital of the Company was ₹7,027,607,980 consisting of 13,00,00,000 Class A Preference Shares of ₹5/- each and 1,275,521,596 Class B Preference Shares of ₹5/- each.

b) Equity Share Capital:

1) Allotment under Employee Stock Options Scheme (ESOS):

The Company has not allotted any shares under ESOS during the year.

2) Allotments against conversion of Foreign Currency Convertible Bonds (FCCBs):

During the year, the Company has allotted Equity Shares against conversion of FCCBs as per the below mentioned details:

ISIN of FCCBs	Outstanding Nominal Value of FCCBs converted (USD)	Date of allotment	Number of Equity Shares allotted	Fixed rate of exchange on Conversion (in ₹ per USD 1)	Conversion Price (in ₹)	Premium (in ₹)
XS0769181982	53,250	April 24, 2018	163,914	50.7908	16.50	6.50
XS0769181982	7,500	June 5, 2018	23,086	50.7908	16.50	6.50
XS1423751418	69,000	September 27, 2018	366,119	66.326	12.50	2.50
XS1423751418	138,250	December 20, 2018	733,565	66.326	12.50	2.50
Total			12,86,684			

As a result of the aforesaid allotments, the paid-up and issued equity share capital of the Company stands at ₹16,166,448,620 as on March 31, 2019.

The Company has neither issued equity shares with differential rights as to dividend, voting or otherwise nor any shares (including sweat equity shares) to the employees of the Company under any Scheme.

EMPLOYEES STOCK OPTION SCHEMES

As per SEBI Circular (CIR/CFD/POLICYCELL/2/2015) dated June 16, 2015 relating to requirements specified under the SEBI (Share Based Employee Benefits) Regulations 2014, details of the Employee Stock Option Schemes (ESOS) of the Company are given in *Annexure III* to this Report. As required under these regulations, a certificate issued by the auditor that the share based scheme(s) have been implemented in accordance with the regulations will be placed at the Annual General Meeting (AGM).

PUBLIC DEPOSITS

During the year, the Company has not invited or accepted any deposit under Sections 73 and 76 of the Act.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

During the year under review, Ms. Sarojini Dikhale (DIN: 02755309), a Non- Executive Director, retired by rotation at the 25th Annual General Meeting of the Company held on July 31, 2018. The resolution for her re-appointment was not passed for want of the requisite majority.

Mr. Shanti Lal Jain (DIN: 07692739), Nominee Director (Allahabad Bank) resigned as a Director with effect from September 26, 2018.

The Directors place on record their sincere appreciation towards services rendered by Ms. Sarojini Dikhale and Mr. Shanti Lal Jain during their respective tenures as Directors of the Company.

The Board appointed Ms. Anjoo Navalkar (DIN: 00270356) as an Additional (Non-Executive) Director w.e.f. November 16, 2018 through a resolution passed by circulation to hold office till the date of the ensuing Annual General Meeting of the Company. The Company has regularized appointment of Ms. Anjoo Navalkar as a Director of the Company by obtaining approval of the Members vide Postal Ballot, the results of which were declared on May 27, 2019 (Deemed date of approval was May 24, 2019, which was the last date for evoting/ receipt of physical ballot forms). Further, Mr. Avaya Kumar Mohapatra (DIN: 07811921) was appointed as Nominee Director (Allahabad Bank) vide board resolution passed by circulation on November 30, 2018.

After the end of the financial year, IDBI Bank Limited issued a substitution letter to the Company nominating Mr. Rajeev Kumar Sinha (DIN:01334549) in place of Mr. Gautam Dutta (DIN:02335468). Accordingly, the Board passed resolution by circulation on June 14, 2019 to appoint Mr. Rajeev Kumar Sinha as a Nominee Director (IDBI Bank Limited) accepting resignation of Mr. Gautam Dutta pursuant to the said substitution letter from IDBI Bank Limited.

In accordance with Section 152 (6) and other applicable provisions of the Act, Ms. Anjoo Navalkar (DIN: 00270356), being a Non-Executive Director, is liable to retire by rotation at the ensuing AGM of the Company and, being eligible, has offered herself for re-appointment. The Board recommends her re-appointment at the ensuing AGM for your approval. As stipulated under Regulation 36 of SEBI LODR, a brief resume of the Director proposed to be re-appointed is given in the Notice convening the ensuing AGM, which is included in the Annual Report 2018-19.

As on the date of this Report, the Board of the Company consists of 6 Directors, out of which two are Independent Directors, two are Nominee Directors, one is a Non-Executive Director and one is an Executive Director.

None of the Independent Directors have had any pecuniary relationship or transaction with the Company during Financial Year 2018-19, except to the extent of their directorship. None of the Directors or KMP of the Company is related inter-se.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from each independent director as per provisions of Regulation 25(8) of SEBI LODR and Section 149 (7) of the Act, that he meets the criteria of independence laid down in Regulation 16(1)(b) read with Regulation 25(8) of SEBI LODR and Section 149 (6) of the Act.

NUMBER OF MEETINGS OF THE BOARD

Five meetings of the Board were held during the year. The details of the same are given in the Corporate Governance Report section that forms part of this Report. The intervening gap between two consecutive Board Meetings did not exceed 120 days.

POLICIES AS PER SEBI LODR

SEBI LODR mandated all listed companies to formulate certain policies. These policies are available on the website of the Company at https://www.3i-infotech.com/investors-2/ under the Corporate Governance Section. The policies are reviewed periodically by the Board and amended from time to time. During the year, the Board adopted and revised some of its policies:

- Whistle Blower Policy;
- Policy on Remuneration of Directors, Key Managerial Personnel and other Employees;
- Corporate Social Responsibility Policy;
- Policy for determining Material Subsidiaries;
- Policy for determination of Materiality of event or information;
- Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions;
- Policy for Board Diversity;
- Policy for Preservation of Documents and
- Policy for Prohibition of Fraudulent and Unfair Trade Practices relating to Securities.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has an appropriate mix of Executive, Non-Executive and Independent Directors in compliance of SEBI LODR norms relating to board composition. The Company has put in place a policy on Remuneration of Directors, Key Managerial Personnel (KMP) and other employees including criteria for determining qualifications, positive attributes, independence of directors and other matters provided under Section 178 (3) of the Act. The Policy can be viewed by accessing the following link: https://www.3i-infotech.com/investors-2/ under Corporate Governance.

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS

In terms of the provisions of the Act and SEBI LODR, the Company has laid down criteria for performance evaluation of Directors and Chairman of the Board and also the process for such performance evaluation. Schedule IV of the Act states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. The Company's policy relating to appointment and remuneration of Directors, KMPs and other employees, including criteria for determining qualifications, positive attributes and independence of a director are covered under the Corporate Governance Report, which forms a part of this Report.

It is a practice of the Board to annually evaluate its own performance and that of its committees and individual directors. Accordingly, the performances of the members of the Board as a whole and of its individual directors were evaluated as per the provisions of the Act at the Board & Committees meeting held on May 7, 2019.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

As per provisions of SEBI LODR and the Act, the Company has formulated a Familiarization Programme for Independent Directors. The same is available on the website of the Company at https://www.3i-infotech.com/investors-2/ under Corporate Governance. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment to an Independent Director outlining his/her role, function, duties, responsibilities, etc. The terms and conditions for appointment of Independent Directors are also available on the website of the Company at the location mentioned above.

The Board members are provided with necessary documents/brochures, reports and internal policies to enable familiarizing them with the Company's procedures and practices. Periodic presentations are made at the Board Meetings on business performance updates of the Company, global business environment, business strategy and risk involved.

COMMITTEES OF THE BOARD

As on March 31, 2019, the Board has four mandatory committees:

i. Audit Committee,

ii. Nomination and Remuneration Committee,

iii. Stakeholders' Relationship Committee and

iv. Corporate Social Responsibility Committee.

A detailed note on the composition of the Board and its mandatory committees is provided in the Corporate Governance Report.

Since the Company is not amongst top 500 listed entities, Regulation 21 of SEBI LODR does not apply to the Company. Hence, the Company has not constituted a Risk Management Committee.

VIGIL MECHANISM

In line with the provisions of the Act and SEBI LODR, the Company has devised and implemented a vigil mechanism in the form of "Whistle Blower Policy". As per the policy, the Company has an internal committee comprising of the Head-HR and the Compliance Officer of the Company to oversee the functioning of the vigil mechanism as mandated by the Act and to assist the Audit Committee thereunder. The Whistle Blower Policy framed by the Company is available on the website of the Company at https://www.3i-infotech.com/investors-2/ under Corporate Governance.

The detailed information regarding the committees of the Board, including composition of the Audit Committee, has been given in the Corporate Governance Report which forms an integral part of this Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies, associates and joint ventures and form part of this Report. The Audited Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS").

INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The Company has implemented adequate procedures and internal controls which provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements. The Company also ensures that internal controls are operating effectively.

STATUTORY AUDITORS

M/s. GMJ &Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company at the 23rd Annual General Meeting held in 2016 for a term of 5 (five) years, subject to ratification of their appointment at every Annual General Meeting.

The requirement for the annual ratification of auditor's appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018. The Company has received letter from statutory auditors that their appointment is within limits prescribed under Section 141 (3)(g) of the Act and they are not disqualified.

STATUTORY AUDITOR'S REPORT

The Auditor's Report for the Financial Year 2018-19 does not contain any qualifications, adverse remarks or reservations. The Auditor's Report is enclosed with the financial statements in this Annual Report.

SECRETARIAL AUDITOR'S REPORT

Pursuant to the provisions of Section 204 of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. BNP & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the Financial Year 2018-19.

The Secretarial Audit Report is appended as *Annexure VI* to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

REPORTING OF FRAUD BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee any instances of fraud committed against the Company by its officers or employees under Section 143 (12) of the Act, the details of which would need to be reported in the Board's Report.

SECRETARIAL STANDARDS

The Company complies with all the mandatory secretarial standards issued by the Institute of Company Secretaries of India as may be applicable.

LISTING ON STOCK EXCHANGES

The Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited and its Foreign Currency Convertible Bonds (FCCBs) are listed on Singapore Stock Exchange (SGX).

CONSERVATION OF ENERGY

Although the operations of the Company are not energy intensive, the management is highly conscious of the criticality of conservation of energy at all operational levels. The requirement of disclosure of particulars with respect to conservation of energy as prescribed in Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not applicable to the activities of the Company.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The Company continues to use the latest technologies for improving the productivity and quality of its services and products.

During the year, the Company has taken the following technology initiatives:

- Information and Cyber Security Awareness programmes;
- Strengthened its IPRs through technology innovation and appropriate security controls;
- Improved utilization and delivery productivity by use of LEAN IT techniques for project delivery and
- Partnerships with major technology providers and publishers for win-win relationships and go-to-market strategies.

RESEARCH AND DEVELOPMENT (R & D)

The solutions offered by the Company for various market segments are continuously developed and upgraded through the Global Development Centers (GDCs).

The GDCs function as the product research and development arm of the Company and focus on developing and expanding the Company's products and IPRs. Besides this, the Company is also in the process of upgrading its varied product lines to standard and latest technological platforms.

With an aim to further enhance the Company's software products based on market needs, the GDCs work in line with the Company's strategy for growth.

Expenditure on R & D

₹ in Crores

Particulars	2018-19	2017-18
Revenue Expenditure	25.03	18.38
Capital Expenditure	-	-
Total	25.03	18.38
Total R&D expenditure as a percentage of total standalone revenue	8.81%	7.74%

QUALITY

The Company is committed to providing innovative and high quality products and services that meet or exceed customer expectations.

This includes-

- Maintaining a quality focus on continuous improvement to our Products, Process and Services and
- Process adherence and governance ensuring lower defect & On Time delivery.

The Company's Quality Management System (QMS) addresses the processes required for the entire Software Development Life Cycle (SDLC) and Project Management Life Cycle (PMLC) supported with industry standard templates and guidelines to ensure disciplined project execution, thereby transforming business from taking corrective & preventive measures to the state of predicting outcomes. This framework is designed based on the CMMi Process framework to enhance productivity and to reduce inefficiencies.

The Company has achieved CMMi Level 3 certification business process and further plans to extend the certification to CMMi Level 5.

FOREIGN EXCHANGE EARNINGS AND OUTGO

a) **Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans**

More than 30.94% of the revenue of the Company is derived from exports.

b) **Foreign Export earnings and expenditure**

During the year 2018-19, the expenditure in foreign currencies amounted to ₹ 4.73 crores on account of cost of professional charges, cost of outsourced services and bought out items, travelling and other expenses and interest (excluding expenditure incurred by UAE Branch). During the same period, the Company earned an amount equivalent to ₹ 87.84 crores in foreign currencies as income from its operations abroad (excluding income from UAE Branch).

PERSONNEL

The Company has continued to improve the quality of Human Resources. The key facet has been better levels of productivity as compared to earlier years which has contributed in the operating financial parameters showing a strong uplift. Regular interactions and career enhancements by way of bigger roles to talented employees have helped in strengthening the confidence of the employees in the tough financial scenario of the Company. The talent pipeline is looking healthy though attrition and retention remains a challenge for the industry and more so for the Company.

The Company will continue to focus and build the human potential which would help in improving operating parameters in the coming year.

Human Resource Development:

The Company focused on attracting new talent and had a net addition of 553 people globally, taking the headcount to 5570. Women make up 21% percent of the workforce.

We continue to focus on standardising people practices across all entities and geographies.

Progressive HR policies, up skilling employees, creating leaders and continued engagement will remain our focus in the current fiscal.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report. Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. In terms of Section 136, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

Disclosures pertaining to the remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this Report as *Annexure IV*.

Prevention of Sexual Harassment at Workplace

The Company has in place a policy aiming at prevention of sexual harassment at all workplaces of the Company in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. An internal Complaints Committee has been set up in the Company to consider and redress complaints received with respect to sexual harassment. The details of complaints received during the year are given separately in the Corporate Governance Report.

CORPORATE SOCIAL RESPOSIBILITY (CSR)

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”), the Company has constituted a CSR Committee. A brief outline of the CSR policy of the Company and the statutory disclosures with respect to CSR Committee and an Annual Report on CSR for Financial Year 2018-19 as required under Rule 8 (1) of the CSR Rules is set out in *Annexure V* of this Report. The CSR Policy as recommended by CSR Committee and as approved by the Board is available on the website of the Company.

During the year, the Company has not spent any amount on CSR activities in view of losses incurred as per provisions of the Act.

DISCLOSURE REQUIREMENTS

Disclosures required under SEBI LODR are shown under the Corporate Governance Report.

The Corporate Governance Report along with the certificate thereon from Practising Company Secretary and the Management Discussion and Analysis form part of this Report.

FUTURE OUTLOOK

The Company will continue to technologically upgrade its products and concentrate on the Software Products, IT Services and IT enabled Services for its growth. The business outlook and the initiatives proposed by the management to address its financial risks have been discussed in detail in the Management Discussion and Analysis which forms a part of this Report.

FORWARD LOOKING STATEMENTS

This Report along with its annexures and Management Discussion & Analysis contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words ‘anticipate’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘will’ and other similar expressions as they relate to the Company and/or its businesses are intended to identify such forward looking statements. The Company undertakes no obligation to publicly update or revise any forward- looking statements, whether as a result of new information, future events or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Act, your Directors hereby confirm that:

a) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and profit of the Company for the financial year ended on that date;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Further, the financial statements are prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Based on the reviews of internal, statutory and secretarial auditors, external consultants, the management and respective committees of the Board, the Board is of the opinion that the Company's system of internal financial controls was adequate and the operating effectiveness of such controls was satisfactory during the financial year 2018-19.

ACKNOWLEDGEMENTS

The Directors are thankful to the Members for their confidence and continued support. The Directors are grateful to the Central and State Government, Stock Exchanges, Securities & Exchange Board of India, Reserve Bank of India, Customs and other government authorities, Lenders, FCCB holders and last but not the least, its trusted clients for their continued support.

The Directors would like to express their gratitude for the unstinted support and guidance received from alliance partners and vendors.

The Directors would also like to express their sincere thanks and appreciation to all the employees for their commendable team work and professionalism.

For and on behalf of the Board

Sd/-	**Sd/-**
Ashok Shah	**Padmanabhan Iyer**
Chairman	**Managing Director & Global CEO**

October 17, 2019 at Navi Mumbai

Annexure I

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2018-19

CORPORATE GOVERNANCE PHILOSOPHY OF THE COMPANY

Corporate Governance is viewed as both the structure of and relationships within a Company which determine corporate direction and performance. It is a guideline as to how the Company should be managed and operated in a manner that adds value to the Company and is also beneficial for all stakeholders in the long term.

A good Corporate Governance process aims to achieve balance between shareholders' interest and corporate goals by providing long term vision for the business and establishing systems that help the Board of Directors (the "Board") in understanding and monitoring risk at every stage of the corporate evolution process to enhance the trust and confidence of the stakeholders without compromising with laws and regulations.

The Company is committed towards transparency in all its dealings and places high emphasis on business principles and believes that good Corporate Governance goes beyond working results and financial priority and is a pre-requisite for attainment of excellent performance. The Company's business practices are based on the conviction that good business sense underpins good ethics.

This Corporate Governance Report (the "CG Report") is prepared in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR").

I. BOARD OF DIRECTORS

The Board ensures Company's prosperity by collectively directing the Company affairs towards securing appropriate interests of its shareholders and stakeholders. They are the key persons who deal with challenges and issues relating to good Corporate Governance, Corporate Social Responsibility and Corporate Ethics.

a. Size and Composition of the Board

The total strength of the Board as on the date of this Report is 6 (six). The Board consists of 3 (three) Non-Executive Directors, of which 2 (two), including the Chairman, are Independent Non-Executive Directors. The composition of the Board and the directorships held by the Board Members as on the date of this CG Report are as under:

Name and Designation	Category	Date of appointment	Date of Resignation	Number of directorships in other companies @	Number of chairmanships in committees of Board of other companies #	Number of memberships in committees of Board of other companies #	Directorships held in other Listed Entities along with category
Mr. Ashok Shah - Chairman (DIN-01194846)	INED	1-Oct-15^	-	1	-	-	-
Ms. Sarojini Dikhale - Director (DIN-02755309)	NED	23-Oct-15	31-Jul-18*	NA	NA	NA	NA
Dr. Shashank Desai - Director (DIN-00143638)	INED	23-Sept-15^	-	1	-	-	-
Mr. Gautam Dutta - Director (DIN-02335468)	ND	12-Jan-18$$	14-Jun-19$$$	-	-	-	-

Name and Designation	Category	Date of appointment	Date of Resignation	Number of directorships in other companies @	Number of chairmanships in committees of Board of other companies #	Number of memberships in committees of Board of other companies #	Directorships held in other Listed Entities along with category
Mr. Shanti Lal Jain - Director (DIN – 07692739)	ND	23-Jan-17**	26-Sept-18**	NA	NA	NA	NA
Ms. Anjoo Navalkar- Director (DIN – 00270356)	NED	16-Nov-18	-	-	-	-	-
Mr. Avaya Kumar Mohapatra - Director (DIN – 07811921)	ND	30-Nov-18***	-	-	-	-	-
Mr. Rajeev Kumar Sinha-Director (DIN-01334549)	ND	14-Jun-19$$	-	1	-	-	-
Mr. Padmanabhan Iyer - Managing Director & Global CEO (DIN-05282942)	ED	11-Aug-16^^	-	5	-	-	-

Legend: INED - Independent Non-Executive Director, NED - Non-Executive Director, ND - Nominee Director, ED - Executive Director

@ Excludes Directorships in private limited companies, foreign companies and companies formed under Section 8 of the Companies Act, 2013 (the "Act").

\# Includes Membership/Chairmanship only in the Audit Committee and Stakeholders' Relationship Committee.

* Ceased to be a Director for want of the requisite majority in the previous Annual General Meeting held on July 31, 2018.

$$ Was appointed as Nominee Director pursuant to nomination by IDBI Bank Limited in its capacity as a Corporate Debt Restructuring (CDR) Lender.

$$$ Resigned on June 14, 2019 pursuant to withdrawal of nomination by IDBI Bank Limited in its capacity as a CDR Lender.

** Was appointed as a Nominee Director by Allahabad Bank in its capacity as a CDR lender. However, due to pre-occupation of service, he submitted his resignation to the Company.

*** Was appointed as Nominee Director pursuant to nomination by Allahabad Bank in its capacity as a CDR Lender.

^ Re-appointed/appointed effective this date for a period of 5 years as per the Act. Mr. Ashok Shah and Dr. Shashank Desai were originally appointed as Directors on the Board of the Company on December 1, 2011 and November 3, 2014 respectively.

^^ Was appointed as Executive Director effective May 18, 2016 and was further appointed as Managing Director and Global CEO effective August 11, 2016.

None of the Directors or Key Managerial Personnel (KMP) of the Company is inter se related.

b. Board qualifications, expertise and attributes

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. The Board members are committed to ensure that the Board is in compliance with the standards of corporate governance.

The Board has identified following key qualifications, skills and attributes for the effective functioning of the Company which are currently available with the Board:

Global business	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks and a broad perspective on global market opportunities.
Strategy	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies for the growth of the Company.
Finance	Qualifications and experience in accounting and/or finance and the ability to: • analyse key financial statements; • critically assess financial viability and performance; • contribute to strategic financial planning; • oversee budgets and the efficient use of resources and oversee funding arrangements and accountability.
Information Technology	• Background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models. • Understanding the current drivers of innovation in the information technology market and specifically in the software delivery and licensing and cloud computing sectors. Experience in delivering new product offerings in response to market demand to achieve market leadership.
Risk	Ability to identify key risks to the organization in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks and systems.

c. Independent Directors

The Board includes Directors with independent standing in their respective fields/professions who can effectively contribute to the Company's business and policy decisions.

Each Independent Director gives a declaration as required under Section 149(7) of the Act and Regulation 25(8) of SEBI LODR that he/she meets the criteria of independence as required under Section 149(6) of the Act and as per Regulation 16(1)(b) of SEBI LODR at the first meeting of the Board in which he/she participates as a Director and thereafter, at the first meeting of the Board held in every financial year. All Independent Directors maintain their limits of directorships as required under Regulation 17 of SEBI LODR. The Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may have reasonably anticipated that could impair or impact their ability to discharge their duties. The Company has also received necessary declarations from the concerned Independent Directors regarding the compliance of independence criteria and based on the declarations received from Independent Directors, the Board is of the opinion that the Independent Directors fulfill the conditions specified in SEBI LODR and are independent of the management.

Regulation 25 (3) of SEBI LODR and Section 149 (8) read with Schedule IV of the Act and the rules made thereunder mandate that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. Accordingly, a meeting of the Independent Directors without presence of the other Directors or Management Personnel was held on May 7, 2019 for evaluation of performance of non-independent directors and the Board as a whole, which was further reviewed by the Board as a whole.

d. Board Meetings

Along with the matters mandated as per SEBI LODR, the Board at its Meetings reviews key matters like operations and financial results, acquisitions, joint ventures, capital/operating budgets, findings/comments of the statutory, internal and other auditors, risk management, internal controls, issue of capital and other resource mobilization efforts, etc. The Board also regularly deliberates on the Company's positioning in the Indian and global IT scenario and adopts and approves the strategy for medium and long term growth.

During the financial year ended March 31, 2019, the Board met 5 (five) times on April 23, 2018; June 29, 2018; July 13, 2018; October 12, 2018 and January 18, 2019. The intervening period between two Board Meetings was well within the maximum period of 120 days as prescribed under the Act and SEBI LODR. During the year 2018-19, information as mentioned in Part A of Schedule II of SEBI LODR has been placed before the Board for its consideration.

The day to day matters concerning the business are conducted by the executives of the Company under the directions of the Managing Director with ultimate supervision of the Board. The Board holds its meeting at regular intervals to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company. Meetings are governed by a structured agenda. All agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Board Members are presented in advance with the detailed agenda in respect of all Board meetings. The Board also undertakes periodical review of compliance reports and certificates of all laws applicable to the Company and its Subsidiaries. On some occasions, experts are also invited to provide insights on complex matters.

Details of Meetings attended by the Directors during the year:

Board meeting and AGM attendance of Directors during financial year 2018-19

Director	Attendance at the AGM held on July 31, 2018	Number of Meetings held during the tenure of the Director	Number of Meetings attended	
			In person	Through tele/video conference
Mr. Ashok Shah	✓	5	5	-
Dr. Shashank Desai	✓	5	5	-
Ms. Sarojini Dikhale*	✗	3	1	-
Mr. Shanti Lal Jain**	✗	3	1	-
Mr. Padmanabhan Iyer	✓	5	5	-
Mr. Gautam Dutta	✗	5	1	-
Ms. Anjoo Navalkar@	-	1	1	-
Mr. Avaya Kumar Mohapatra#	-	1	-	-

* Ceased to be a Director for want of the requisite majority in the previous Annual Gerneral Meeting held on July 31, 2018.

** Resigned during the year on September 26, 2018.

@ Appointed during the year on November 16, 2018.

\# Appointed during the year on November 30, 2018.

e. **Appointment criteria, performance evaluation, age and remuneration of the Directors**

The policy of the Company for appointment, performance evaluation, age and remuneration of Directors is as mentioned below:

Appointment criteria

The Nomination and Remuneration Committee (NRC) consists of three Non-Executive Directors as on the date of this Report, of which half are Independent Directors as per provisions of the Act and SEBI LODR. NRC identifies, selects, nominates and recommends induction of Additional Directors on the Board. Based on the recommendations of NRC, the Board approves the appointment or re-appointment of Directors on the Board and their remuneration.

Performance Evaluation

The Company has in place a Board evaluation framework setting out the process and the criteria for the performance evaluation which has been recommended by the NRC and approved by the Board. The said process is in line with the provisions of the Act and SEBI LODR.

Process of Performance Evaluation

The following process is being followed by the Company for performance evaluation of the individual Directors, including Independent Directors, Non-Independent Directors, Managing Director & Global CEO and Chairman, Committees of the Board and the Board as a whole:

- Independent Directors collectively evaluate the performance of Non-Independent Directors as well as the Board as a whole.
- The NRC evaluates the performance of the Managing Director and Global CEO.
- The Board, excluding the Director being evaluated, evaluates the performance of the Independent Directors.
- Based on the recommendations of the NRC, the Board takes the appropriate action/steps.

Criteria of Performance Evaluation

The criteria for performance evaluation of individual Directors are inter alia:

- Quality of and regularity in participation in meetings and devotion of time to matters of the Company;
- Strategic direction, inputs, advice and contribution for long term stability and sustenance of the Company;
- Contribution to Board deliberations using their knowledge, skill, experience and expertise in relation to the business of the Company, industry, international, financial/investment banking, domestic/global market and regulatory and other environment and its practical application towards the growth of the Company;
- Contribution towards accounting, finance, tax matters, general management practices, matters of international relevance;
- Level of commitment towards compliance of legal requirements, codes of conduct and corporate ethics and values;
- Working relationships with other Board Members and Senior Management and the Director's ability to communicate with and listen to others, within and outside the Board;
- Sensitivity towards the shareholders' wealth and interest of Company's customers, suppliers, employees and partners and
- Ability to analyse and review the performance of the management on behalf of and in the interest of the stakeholders and to give concrete suggestions for course corrections.

For performance evaluation of the Independent Directors, their independence criterion and their professional expertise and skills in their individual capacity as independent professionals are also considered.

In addition to the above, the parameters for performance evaluation of Managing Director & Global CEO are qualification, length of service, potential and the extent of being self-driven and self-motivated.

Remuneration Policy

As per provisions of SEBI LODR, the Company has formulated a policy of remuneration to Directors, Key Managerial Personnel (KMP) and other key employees. While deciding on the remuneration of Directors, the Board and the NRC take into consideration the performance of the Company, the current trends in the industry, the qualification of the appointee(s), their experience, past performance and other relevant factors. The Board/ NRC regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries.

The detailed policy on remuneration of Directors / KMP and other employees is available on the Company's website at the following link: https://www.3i-infotech.com/investors-2/ under Corporate Governance.

Details of Remuneration / Compensation

In the year 2018-19, the Company did not pay remuneration by way of commission to the Non-Executive Directors of the Company for the year 2017-18. The NRC evaluates the performance of the Non-Executive Directors every year on the basis of well-defined parameters and discussions and its recommendations are placed before the Board. The Board considers the recommendations of the NRC while deciding the remuneration to be paid to the Non-Executive Directors. The quantum of sitting fee payable to Directors is ₹90,000 per meeting of the Board, ₹75,000 per meeting of the Audit Committee and ₹50,000 per meeting of any other committee of the Board. The details of the sitting fees paid to the Directors during the year 2018-19 are as given below:

Name of the Non-Executive Director	Total Sitting Fees (In ₹)		
	Gross	TDS	Net
Mr. Ashok Shah	1,225,000	122,500	1,102,500
Dr. Shashank Desai	1,225,000	122,500	1,102,500
Ms. Sarojini Dikhale^*	140,000	14,000	126,000
Mr. S.L. Jain$ *	140,000	14,000	126,000
Mr. Gautam Dutta*	165,000	16,500	148,500
Ms. Anjoo Navalkar#	140,000	14,000	126,000
Mr. Avaya Kumar Mohapatra@*	-	-	-

* The sitting fees in respect of these Directors are paid to their respective employers as per their terms of appointment.

^ Ceased to be a Director w.e.f. July 31, 2018.

$ Resigned from directorship w.e.f. September 26, 2018.

Appointed as Additional (Non-Executive) Director effective November 16, 2018.

@ Appointed as Nominee Director effective November 30, 2018.

During the year, the Company paid remuneration to its Whole Time Director in accordance with and within the overall limits as per the provisions of Section 197 and other applicable provisions of the Act and rules thereunder, including any notifications/circulars issued by the Ministry of Corporate Affairs as per the details given below:

(in ₹ crores)

Name of the Director	Salary, allowances, incentives bonus*	PF & other contribution	Perquisites	Total
Mr. Padmanabhan Iyer	2.046	0.067	-	2.113

* includes performance bonus paid for Financial Year 2017-18

During the financial year ended on March 31, 2019, the Managing Director, who is the only Whole-Time Director of the Company, has not received any remuneration or commission from any of its subsidiaries.

f. Number of shares, convertible instruments or options held by Directors as on March 31, 2019:

Name of the Director	Number of Equity Shares	Number of options
Mr. Padmanabhan Iyer	1,920	87,30,000

None of the other Directors holds any shares, convertible instruments or options of the Company as on March 31, 2019, except as disclosed above.

g. Code of Conduct

The Company has adopted a Code of Conduct for Board of Directors and Senior Management, which aims to inculcate the spirit of Corporate Governance in the affairs of the Company and promotes ethical conduct. The Code is available on the website of the Company in the 'Investors' section under the heading 'Corporate Governance'. Adherence to this Code is essential and any breach of the same attracts disciplinary action. All the Directors and Senior Management Personnel have affirmed compliance with the said Code of Conduct as on March 31, 2019.

A declaration to this effect signed by the Managing Director forms part of this CG Report.

h. Code of Conduct for Prevention of Insider Trading

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for Directors and Designated Persons of the Company, its subsidiaries and their dependent family members in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing in the shares of the Company and cautions them on the consequences of violations.

II. BOARD COMMITTEES

Currently, the Board has four Committees, viz.

a. Audit Committee;

b. Stakeholders' Relationship Committee;

c. Nomination and Remuneration Committee and

d. Corporate Social Responsibility Committee.

The Committees of the Board at present, their constitution and terms of reference are set out below:

a. Audit Committee

The Audit Committee, which acts as a link between the management, external and internal auditors and the Board of Directors of the Company, is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of Internal and Statutory Audits.

The terms of reference of the Audit Committee, inter alia, include:

- Oversee the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommend the appointment / removal of Statutory Auditor(s) & Internal Auditor(s), fixing the audit fee and also approve the payment for any other services;
- Recommending the terms of appointment of auditors of the Company;
- Review with the Management, the quarterly/annual financial statements and the auditors' report thereon before submission to the Board, with particular reference to :
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Act;
  - b) Changes, if any, in accounting policies and practices, and reasons for the same;
  - c) Major accounting entries involving estimates based on exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large; and
  - g) Qualifications in draft audit report.
- Review with the management the performance of external and internal auditors and the adequacy of internal control systems;
- Review the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Review the findings of any internal investigations by the internal auditors into matters where there was suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- Review the Company's financial and risk management policies;
- Evaluation of internal financial controls and risk management systems;
- Look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

- Reviewing the functioning of the Whistle Blower mechanism;
- Approving the appointment of Chief Financial Officer (CFO) before finalization of the same by the Management. While approving the appointment, the Audit Committee shall assess the qualifications, experience and background etc. of the candidate;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Approving any subsequent modification of transactions of the Company with related parties;
- Monitoring the end use of funds raised through public offer and review with the Management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document /prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Scrutinize inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments and
- To carry out any other function as may be required to be carried out by the Audit Committee under the Act, the listing agreement and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force).

During the year under review, there were no changes in the composition of Audit Committee.

The composition of the Audit Committee as on March 31, 2019 was as under:

Director	**Position**
Dr. Shashank Desai	Chairman
Mr. Ashok Shah	Member
Mr. Gautam Dutta	Member

The Committee was re-constituted on June 14, 2019 by inducting Mr. Rajeev Kumar Sinha as a Member in place of Mr. Gautam Dutta.

The Audit Committee comprises of Non-Executive Directors, majority of them being independent. The qualifications and expertise of the committee members are in line with requirements of SEBI LODR read with Section 177 of the Act. The Chairman of the Committee is an Independent Director. The Managing Director & Global CEO, CFO, Internal Auditors and Statutory Auditors attend the Meetings of the Audit Committee as invitees. The Company Secretary acts as the Secretary to the Audit Committee. The Chairman of the Audit Committee attended the previous Annual General Meeting (AGM) held on July 31, 2018 and responded to the queries raised by Members at the AGM.

The Committee met five times during the year 2018-19 on April 23, 2018; June 29, 2018; July 13, 2018; October 12, 2018 and January 18, 2019. The time gap between any two meetings was less than 120 days as prescribed under SEBI LODR.

Meetings attended by the Committee members during the year:

Director	Number of Meetings held during the tenure of the Director as a Member of the Committee	Number of Meetings attended
Dr. Shashank Desai	5	5
Mr. Ashok Shah	5	5
Mr. Gautam Dutta	5	1

b. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company was constituted by the Board to look into the redressal of shareholders'/investors' complaints, such as transfer of securities, non-receipt of dividend, notice, Annual Reports and all other securities holders related matters.

The terms of reference of this Committee, inter alia, include:

- Allot to the applicants, shares and other securities issued by the Company from time to time including allotment under Employee Stock Option Scheme as amended from time to time.
- Approve transfers duly lodged for registration of transfer of shares and other securities issued and that may be issued from time to time;
- Approve or reject application for transmission of shares and other securities with and without any legal representation (i.e. probate, letter of administration, succession certificate etc.) in the name(s) of the legal heir(s) or such other person on such terms and conditions as the Committee might deem fit;
- Reject applications for transfer of shares and other securities based on the normal technical grounds and as per any prevailing law or order;
- Lay down suitable procedure and approve issue of duplicate certificates of shares and other securities;
- Approve printing of such number of certificates of shares and other securities as the Committee might deem fit and lay down procedure(s) for their issue(s), safe keeping and proper maintenance of records etc.;
- Decide account(s) to be opened/closed with any bank(s) in India for the purpose of payment of interest/dividend or for such other purpose relating to shares or other securities and to authorise such of the executive(s) or officer(s) of the Company or any other person(s) as the Committee might deem fit to open/close and operate bank account(s) already opened for said purposes;
- Decide the stock exchange(s)/depository(ies) in India or abroad, on which shares or other securities issued by the Company to be listed or delisted including offering/issuing such shares/securities through depositories;
- Fix record date and determine closure of Register of Members and Transfer books for the purpose of payment of dividend, interest, issue of rights/bonus shares or for such other purpose as Committee might deem fit;
- Delegate the authority in respect of any or all of the above matters to any person(s), including but not restricted to the employees of its registrars to the issue and transfer agents, as may be permissible in law and on such terms and conditions as the Committee might deem fit and revoke and substitute such delegation;

- Authorize such of the officers of the Company or any other person for:
  - a) Revalidation of dividend and interest warrants, issue of duplicate dividend and interest warrants and endorsement for payment of the same to the mandatees and successors;
  - b) Signing and make endorsement on shares and all securities of the Company in respect of issues so far made and might be made hereinafter in connection with the transfer or transmission of shares and other securities, the application in respect of which is approved by the Committee;
  - c) Signing certificates of shares/other securities of the Company alongwith any two of the directors or their attorneys as witness to the seal of the Company to be affixed thereto in their presence in terms of the Companies (Share Capital and Debentures) Rules, 2014 and;
  - d) Signing the fixed deposit receipts, pass through certificates and any other instruments.
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non – receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- Ensure that the notices, balance sheet, annual and other reports, and other documents contain adequate disclosures to the shareholders;
- Report to the Board about the important developments in the area of servicing of the shareholders;
- Taking initiatives for better servicing of the shareholders;
- Consider and resolve grievances of shareholders, debentureholders, deposit holders and other security holders of the Company;
- Redressal of shareholders' and investors' complaints such as non-payment of interest to debenture holders and deposit holders or any security holders, etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company and such other activities as the Board may determine from time to time.

The composition of the Committee as on March 31, 2018 was as under:

Name of the Director	**Position**
Mr. Ashok Shah	Chairman
Dr. Shashank Desai	Member
Mr. Shanti Lal Jain	Member

The Committee was re-constituted by appointing Mr. Padmanabhan Iyer as a Member of this committee on October 5, 2018 pursuant to resignation of Mr. Shanti Lal Jain.

The composition of the Committee as on March 31, 2019 was as under:

Name of the Director	Position
Mr. Ashok Shah	Chairman
Dr. Shashank Desai	Member
Mr. Padmanabhan Iyer	Member

Further, the Committee was re-constituted on May 7, 2019 by inducting Mr. Avaya Kumar Mohapatra as a Member in place of Mr. Padmanabhan Iyer, who wished to step down as a Member of the Committee. Majority of the Members of this Committee, including the Chairman of the Committee, are Independent Non- Executive Directors. Mr. Rajeev Limaye, Company Secretary is Secretary to this Committee and the Compliance Officer of the Company.

The Committee met four times during the year 2018-19 on April 23, 2018; July 13, 2018; October 12, 2018 and January 18, 2019.

Meetings attended by the Committee members during the year:

Director	Number of Meetings held during the tenure of the Director as a Member of the Committee	Number of Meetings Attended
Mr. Ashok Shah	4	4
Dr. Shashank Desai	4	4
Mr. Shanti Lal Jain	2	1
Mr. Padmanabhan Iyer	2	2

The status of Investors' and Shareholders' instructions and grievances received during the year is as below:

Particulars	Opening Balance as on April 1, 2018	Received	Processed	Pending as on March 31, 2019
Instructions	1	601	600	2
Grievances	Nil	1	1	Nil

c. Nomination and Remuneration Committee

Nomination and Remuneration Committee has been constituted in compliance with the provisions of Section 178 of the Act read with Regulation 19 of SEBI LODR and acts as a Board Governance cum Compensation Committee.

The terms of reference of this Committee inter alia include:

- Assist the Board in identifying the prospective directors and select or recommend to the Board in filling up vacancies in the offices of directors and appointment of additional directors of the Company and its subsidiaries;
- Evaluate the current composition, organization and governance of Board and its committees, board of its subsidiaries, determine future requirements and make recommendations to the Board for approval;
- Ensure that the Board and the board of its subsidiaries are properly constituted to meet its fiduciary obligations, the corporate governance principles and best practices;
- Determine the Directors who shall be liable to retire by rotation;
- Appointment of whole-time directors;

- Oversee the evaluation of the Board and management;
- Formulate the code of ethics and governance;
- Conduct succession planning and work with the Board for evaluating the potential successors to executive management positions;
- Co-ordinate and approve Board and Committee meeting schedules;
- Review of the terms of reference and annually review its own performance and subject it to the assessment by the Board;
- Identify persons who may be appointed in senior management in accordance with criteria laid down, recommend to the board their appointment and removal;
- Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- Formulate criteria for evaluation of Independent Director and the Board;
- Devise a policy on Board diversity;
- Evaluate and recommend to the Board, the compensation plan, policies and programs for executive directors and senior management;
- Review performance of whole-time directors and whole-time directors of the subsidiaries nominated by the Company on its Board and to recommend the remuneration payable to them from time to time by way of salary, perquisites, commission, allowances, performance bonus, stock options etc;
- Approve the policy for and quantum of bonus payable to the members of the staff;
- Frame/modify the Employees Stock Options Scheme and recommend granting of stock options to the staff and whole-time directors of the Company and the group companies;
- Make recommendations to the Board in respect of the incentive compensation plans;
- Recommend to the Board a policy relating to remuneration for the directors, key managerial personnel and other employees and
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The composition of the Committee as on March 31, 2018 was as under:

Director	**Position**
Dr. Shashank Desai	Chairman
Mr. Ashok Shah	Member
Ms. Sarojini Dikhale	Member

During the year, the Committee was re-constituted by appointing Mr. Gautam Dutta as a Member of this Committee on October 5, 2018 pursuant to cessation of Ms. Sarojini Dikhale as a Director. Further, the Committee was re-constituted on January 18, 2019 by inducting Ms. Anjoo Navalkar as a Member of the Committee in place of Mr. Gautam Dutta who stepped down as a Member of the Committee.

The composition of the Committee as on March 31, 2019 was as under:

Name of the Director	**Position**
Dr. Shashank Desai	Chairman
Mr. Ashok Shah	Member
Ms. Anjoo Navalkar	Member

The Committee met four times during the year 2018-19 on April 23, 2018; June 29, 2018; October 12, 2018 and January 18, 2019.

Meetings attended by the Committee members during the year:

Director	Number of Meetings held during the tenure of the Director as a Member of the Committee	Number of Meetings Attended
Dr. Shashank Desai	4	4
Mr. Ashok Shah	4	4
Ms. Sarojini Dikhale	2	1
Mr. Gautam Dutta	1	-
Ms. Anjoo Navalkar	1	1

All the Members of the Committee are Non-Executive Directors with majority being Independent Directors. The Chairman of the Committee is an Independent Director. The Chairman of the Board is a Member of the Committee but does not chair the Committee.

d. Corporate Social Responsibility (CSR) Committee

As required under Section 135 of the Act, the Board, at its meeting held on May 2, 2014, constituted a Committee for looking exclusively into the CSR initiatives of the Company.

The terms of reference of the CSR Committee inter alia include:

- Consider and formulate the Company's value and strategy with regard to CSR, develop and review the Company's CSR policies and recommend the amount of expenditure to be incurred on activities indicated in the said CSR policies;
- Identify CSR issues and related risks and opportunities relevant to the Company's operations and incorporate the issues or factors into the Company's existing risk management;
- Monitor and oversee the implementation of the Company's CSR policies and practices to ensure compliance with the applicable legal and regulatory requirements;
- Evaluate and enhance the Company's CSR performance and make recommendation to the Board for improvement;
- Review and endorse the Company's annual CSR report for the Board's approval for public disclosure and
- Monitor the CSR Policy of the Company from time to time.

The composition of the Committee as on March 31, 2018 was as under:

Director	Position
Mr. Ashok Shah	Chairman
Ms. Sarojini Dikhale	Member
Mr. Padmanabhan Iyer	Member

The Committee was re-constituted by appointing Ms. Anjoo Navalkar as a Member of the Committee on January 18, 2019 pursuant to cessation of Ms. Sarojini Dikhale as a Director.

The composition of the Committee as on March 31, 2019 was as under:

Director	Position
Mr. Ashok Shah	Chairman
Mr. Padmanabhan Iyer	Member
Ms. Anjoo Navalkar	Member

During the year, the Committee met once on April 23, 2018. This meeting was attended by all the Members of the Committee.

III. GENERAL MEETINGS

Details of the Annual General Meetings (AGMs) held in the last three years

Year	Date and Time	Venue	Special Resolutions passed
2017-18	July 31, 2018 at 12.30 p.m.	Arya Samaj Hall, Plot No. 6, Sector 9A, Vashi, Navi Mumbai – 400 703	1. Renewal of the resolution passed by the Members on March 18, 2016 (and renewed on May 21, 2017) in relation to issue of Equity Shares against conversion of a portion of the outstanding amounts due to the DRS Lenders and ratification of the actions taken pursuant thereto. 2. Approval for issue of shares under 3i Infotech Employee Stock Option Scheme 2018 to Employees and Directors of the Company. 3. Approval for issue of shares under 3i Infotech Employee Stock Option Scheme 2018 to Employees and Directors of subsidiaries of the Company.
2016-17	September 6, 2017 at 4:00 p.m.		1. Approval for waiver of remuneration paid to Mr. Padmanabhan Iyer (DIN – 05282942) as the Managing Director and Global CEO in excess of limits prescribed under Companies Act, 2013 for the period from August 11, 2016 to March 31, 2017. 2. Approval for payment of remuneration to Mr. Padmanabhan Iyer (DIN- 05282942) as the Managing Director and Global CEO for the period from April 1, 2017 till August 10, 2019.
2015-16	December 7, 2016 at 4:00 p.m.		1. Appointment of Mr. Padmanabhan Iyer (DIN-05282942) as Managing Director and Global CEO. 2. Issue of equity shares to SREI Alternative Investment Managers Limited - Vision India Fund (“SAIML-VIF”) against conversion of a portion of outstanding debt.

Attendance of the Directors at the previous Annual General Meeting held on July 31, 2018 ("previous AGM")

Mr. Ashok Shah (Chairman of the Board and Chairman of Stakeholders' Relationship Committee and Corporate Social Responsibility Committee), Mr. Padmanabhan Iyer (Managing Director & Global CEO) and Dr. Shashank Desai (Independent Director and Chairman of Audit Committee and Nomination and Remuneration Committee) had attended the previous AGM, while Ms. Sarojini Dikhale, Mr. Shanti Lal Jain and Mr. Gautam Dutta could not attend the previous AGM.

Apart from the Directors, Mr. Sanjeev Maheshwari, Partner from GMJ & Company- Statutory Auditor and Mr. Avinash Bagul, Scrutinizer and Partner from BNP & Associates, Practising Company Secretaries - Secretarial Auditor were also present at the previous AGM.

Details of Extraordinary General Meeting held during the last three years:

Year	Date and Time	Venue	Special Resolutions proposed but not passed due to want of requisite majority
2018-19	Wednesday, June 20, 2018 at 10:30 a.m.	Vishnudas Bhave Natyagruha, Sector-16A, Opp. Vashi Bus Depot, Vashi, Navi Mumbai – 400 703	Appointment of Mr. Roopendra Narayan Roy (DIN: 00152621) as an Independent Director for a period of 5 (five) years effective June 20, 2018

Resolutions passed through Postal Ballot

During the year 2018-19 and till the date of this CG Report, the Company sought the approval of the Members by way of Postal Ballot pursuant to Section 110 of the Act read with the rules thereunder, the details of which are given below:

Date of the Notice	Last date for receipt of Postal Ballot Forms	Date of Result	Name of the Scrutinizer	Resolutions passed through Postal Ballot	Type of Resolution
April 10, 2019	May 24, 2019	May 27, 2019	Mr. K. Venkataraman, Sr. Associate, BNP & Associates	Appointment of Ms. Anjoo Navalkar (DIN- 00270356) as a Director of the Company	Ordinary
June 9, 2019	July 24, 2019	July 26, 2019	Mr. Avinash Bagul, Partner, BNP & Associates	Approval for sale, transfer or disposal of the shares held by the Company in Locuz Enterprise Solutions Limited, one of the material subsidiaries of the Company	Special

Pursuant to Section 110 of the Act read with rules thereunder, notice of the Postal Ballot was sent through electronic form to all those shareholders whose email ids were registered with the Depository Participant (DP) and Postal Ballot forms along with the notice were sent through courier/speed post to those shareholders whose email ids were not so registered with the DP.

The results of the Postal Ballot declared on May 27, 2019 and July 26, 2019, details of which are given below were also displayed at the registered office of the Company and on its website:

Particulars	Number of Shares held	Number of Votes polled	Percentage of Votes polled on outstanding shares	Number of Votes- in favour	Number of Votes- against	Percentage of Votes in favour on votes polled	Percentage of Votes against on votes polled
Appointment of Ms. Anjoo Navalkar (DIN-00270356) as a Director of the Company	1,616,644,862	450,956,358	27.895	450,571,235	385,123	99.915	0.085
Approval for sale, transfer or disposal of the shares held by the Company in Locuz Enterprise Solutions Limited, one of the material subsidiaries of the Company	1,616,644,862	341,755,269	21.140	340,976,751	778,518	99.772	0.228

IV. DISCLOSURE REQUIREMENTS

a) Related party transactions:

There were no materially significant transactions with related parties during Financial Year 2018-19. The details of related party transactions entered into between the Company and its promoters, subsidiaries, directors or their relatives, etc. have been presented in Notes to Accounts in the Annual Report.

The Board has approved a policy on dealing with related party transactions which has been uploaded on the Company's website at the following link: https://www.3i-infotech.com/investors-2/ under Corporate Governance.

b) Details of non-compliance, penalties, strictures imposed on any matter related to capital markets during the last three years:

During the Financial Year 2018-19, at the Annual General Meeting held on July 31, 2018, the resolution for appointment of Director in place of Ms. Sarojini Dikhale (DIN-02755309), who was liable to retire by rotation and being eligible, offered herself for re-appointment, was not passed under remote E-voting and voting conducted at the meeting through physical ballot for want of the requisite majority. Due to cessation of office of Ms. Sarojini Dikhale as Director, composition of the Board of Directors was not as per Regulation 17 (1) of SEBI LODR since there was no woman director on the Board of the Company from November 1, 2018 upto November 15, 2018. Hence, penalty of ₹88,500 each was imposed by BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company paid the said penalty within the timeline prescribed by the

Exchanges. Further, Ms. Anjoo Navalkar was appointed as an Additional (Non-Executive) Director by the Board w.e.f. November 16, 2018 and hence, as on the date of this Report, the Company is in compliance with provisions of Regulation 17 of SEBI LODR.

No penalties or strictures were imposed on the Company by Stock Exchanges, the Securities and Exchange Board of India (SEBI) or any statutory or other authority on any matters relating to, capital markets during Financial Year 2017-18.

During Financial Year 2016-17, the Company could not submit the financial results for quarter and year ended March 31, 2016 within 60 days from the end of the financial year which amounted to a non-compliance under Regulation 33 of SEBI LODR for which a penalty of ₹7,788,996 and ₹6,773,039 was imposed by BSE and NSE respectively. The Company paid the penalty so imposed and also submitted the audited financial results for the quarter and year ended March 31, 2016 on August 11, 2016.

Except for the above, no other penalties or strictures were imposed on the Company by Stock Exchanges, SEBI or any statutory or other authority on any matters related to capital markets during the last three financial years.

c) **Whistle Blower Policy/Vigil Mechanism:**

The Company has put in place a Whistle Blower Policy and has established the necessary vigil mechanism to enable the employees and Directors to report concerns on unethical behavior.

Under the policy, employees and Directors of the Company and its subsidiaries are free to communicate any matters of concern in areas of accounts, finance, management, operations, employment and other affairs of the Company and its subsidiaries and discuss the same in terms of this policy. Since this policy came into effect, no employee has been denied access to the Chairman of the Audit Committee.

The policy is put up on the website of the Company at the following link: https://www.3i-infotech.com/investors-2/ under Corporate Governance.

d) **Details of compliance with mandatory requirements and adoption of non-mandatory Corporate Governance requirements mentioned in SEBI LODR:**

The Company has complied with all the mandatory requirements and has also adopted the following non-mandatory requirements of SEBI LODR:

i. **The Board:**

The Company arranges for reimbursement of expenses incurred by Non-Executive Chairman of the Company for his official duties.

ii. **Shareholders right:**

The Company's quarterly and half yearly results are published in the newspapers and are also available on its website www.3i-infotech.com and on Stock Exchange websites namely www.nseindia.com and www.bseindia.com. Therefore, no individual communications are sent to the shareholders in this regard.

iii. **Separate Posts of Chairman and CEO:**

Mr. Ashok Shah is the Chairman of the Company and Mr. Padmanabhan Iyer is the Managing Director and Global CEO of the Company. The Company has complied with the requirement of having separate persons for the posts of Chairman and CEO.

iv. **Unmodified opinion in Audit Report**

The Auditors have expressed an unmodified opinion on the financial statements of the Company.

e) Other disclosure requirements:

1. **Training of Board Members:**

A new Director, on being inducted to the Board, is familiarized with the Company's Corporate Profile, Code of Conduct for Directors and Senior Management, Insider Trading Code and the Company's Policy for Prohibition of Fraudulent and Unfair Trading Practices in Securities. The details of the familiarisation programme have been uploaded on the Company's website at the following link: https://www.3i-infotech.com/investors-2/ under Corporate Governance.

2. **Policy for determining material subsidiaries of the Company:**

The Company has 3 (three) material subsidiaries viz. 3i Infotech Inc., 3i Infotech Holdings Private Limited and Locuz Enterprise Solutions Limited considering the financials of the Company for the year ended March 31, 2019 as per threshold limits specified under Regulation 24 of SEBI LODR. Mr. Ashok Shah, Independent Director has been appointed on the Board of two material subsidiaries of the Company i.e. 3i Infotech Holdings Private Limited and 3i Infotech Inc. effective May 22, 2019 and June 6, 2019 respectively.

The policy for determining material subsidiaries is available on the website of the Company at the following link: https://www.3i-infotech.com/investors-2/ under Corporate Governance.

3. **Management Discussion & Analysis**

A detailed Management Discussion and Analysis along with risks and concerns is given in a separate section of the Annual Report.

4. **Details of utilization of funds raised through Preferential Allotment / Qualified Institutional Placement**

During the Financial Year 2018-19, the Company has not raised any funds through preferential allotment of shares or through qualified institutional placement.

5. **Disqualification of Directors**

During Financial Year 2018-19, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a director of a company by SEBI or Ministry of Corporate Affairs or any other statutory authority. The certificate from M/s. BNP & Associates, Practicing Company Secretaries, affirming the above has been obtained by the Company and the same is appended herewith as an *annexure* to this Report.

6. **Recommendations of Board / Committees**

During Financial Year 2018-19, the recommendations/opinion suggested by the Committee members on respective subject matters during the Committee / Board Meetings were thoroughly discussed and broadly reviewed by the members of the Board and were unanimously approved.

7. **Fees to Statutory Auditor**

During the year under review, the Company and its subsidiaries have made payments to the statutory auditor of the Company for providing audit and other services. The consolidated details of fees are mentioned below:

Fees paid to Statutory Auditor by the Company and its subsidiaries	**Amount (in ₹)**
1. Statutory Audit fees	7,400,000
2. Fees towards other services	3,697,188
Total	**11,097,188**

Note: The above fees are considered on accrual basis as accounted in the financial statements.

8. **Commodity price risk or foreign exchange risk and commodity and other hedging activities:**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular (Ref: SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141) dated November 15, 2018 is not required to be given.

9. **Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has in place a policy aiming at prevention of sexual harassment at all workplaces of the Company in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder. An internal Complaints Committee has been set up in the Company to consider and redress complaints received with respect to sexual harassment. As per requirements of SEBI LODR, details of complaints or grievances of the nature covered under the said Act are mentioned below.

Particulars	No. of cases
Number of complaints pending as on April 1, 2018	0
Number of complaints filed during the year	1
Number of complaints disposed of during the year	1
Number of complaints pending as on March 31, 2019	0

10. **Code of Conduct for Prevention of Insider Trading:**

The Company in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, formulated the Code of Conduct for Prevention of Insider Trading by Designated Persons, Code of Conduct for Prevention of Insider Trading by Designated Persons of Intermediaries, Code of Practices and Procedures for Fair Disclosure and Policy and Procedure for inquiry in the event of suspected leak of Unpublished Price Sensitive Information (UPSI).

V. MEANS OF COMMUNICATION - QUARTERLY / HALF YEARLY RESULTS, ETC.

The Company's periodic financial results, factsheets and official news releases made to the investors and analysts are displayed on the website of the Company at www.3i-infotech.com. Financial results are also published in The Financial Express (English) and Navshakti (regional newspaper). During Financial Year 2018-19, the Company has not made any presentations to the institutional investors or analysts.

The Company has an Investor Grievance cell to address the grievances / queries of the shareholders. In order to enable shareholders to raise queries and grievances, the Company has a separate email ID: investors@3i-infotech.com

VI. GENERAL SHAREHOLDER INFORMATION

a) **Details of ensuing AGM:**

Day and Date	Time	Venue
Thursday, December 12, 2019	4:00 p.m.	Arya Samaj Hall, Plot No. 6, Sector 9A, Vashi, Navi Mumbai - 400 703

b) **Schedule of the Board Meetings for consideration of Financial Results:**

Quarter Ended	Date
June 30, 2019	July 12, 2019
September 30, 2019	October 17, 2019
December 31, 2019	January 17, 2020*
March 31, 2020	May 4, 2020*

* Above dates are tentative and subject to change

c) **Financial Year:** April 1 - March 31

d) **Date of Book Closure:** Thursday, December 5, 2019 to Thursday, December 12, 2019 (both days inclusive)

e) **Listing**

The Equity Shares of the Company are listed on NSE and BSE. Annual Listing Fees have been paid to both these Stock Exchanges.

f) **Stock Exchanges Codes and ISIN (International Securities Identification Number) for Equity Shares**

Stock Exchange	NSE	BSE
Exchange Code	3IINFOTECH	532628
Temporary ISIN in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) pending receipt of trading approvals from exchanges	IN8748C01011	
Permanent ISIN in NSDL and CDSL for credit of shares upon receipt of trading approvals from exchanges	INE748C01020	

g) **Stock Market Data**

Monthly highs, lows and trading volume for 2018-19:

Month	National Stock Exchange			Bombay Stock Exchange			Total Quantity Traded
	High	Low	Trade Quantity	High	Low	Trade Quantity	
April-18	5.90	4.80	85,423,588	5.88	4.82	84,012,562	169,436,150
May-18	5.10	3.95	48,615,236	5.14	3.97	54,489,008	103,104,244
June-18	4.85	3.95	62,488,134	4.83	3.97	31,881,118	94,369,252
July-18	4.25	3.45	108,166,586	4.22	3.48	42,643,883	150,810,469
August-18	3.90	3.45	56,954,807	3.92	3.49	24,167,932	81,122,739
September-18	4.00	3.35	72,885,328	4.01	3.33	35,040,690	107,926,018
October-18	3.65	3.05	59,938,687	3.60	3.09	29,192,897	89,131,584
November-18	4.40	3.30	121,159,505	4.36	3.31	52,790,578	173,950,083
December-18	3.80	3.50	34,485,207	3.81	3.51	17,688,721	52,173,928
January-19	3.90	3.30	64,304,594	3.92	3.32	30,235,806	94,540,400
February-19	3.90	2.70	64,915,711	3.90	2.71	24,305,823	89,221,534
March-19	3.95	3.50	59,896,721	3.97	3.48	32,880,918	92,777,639

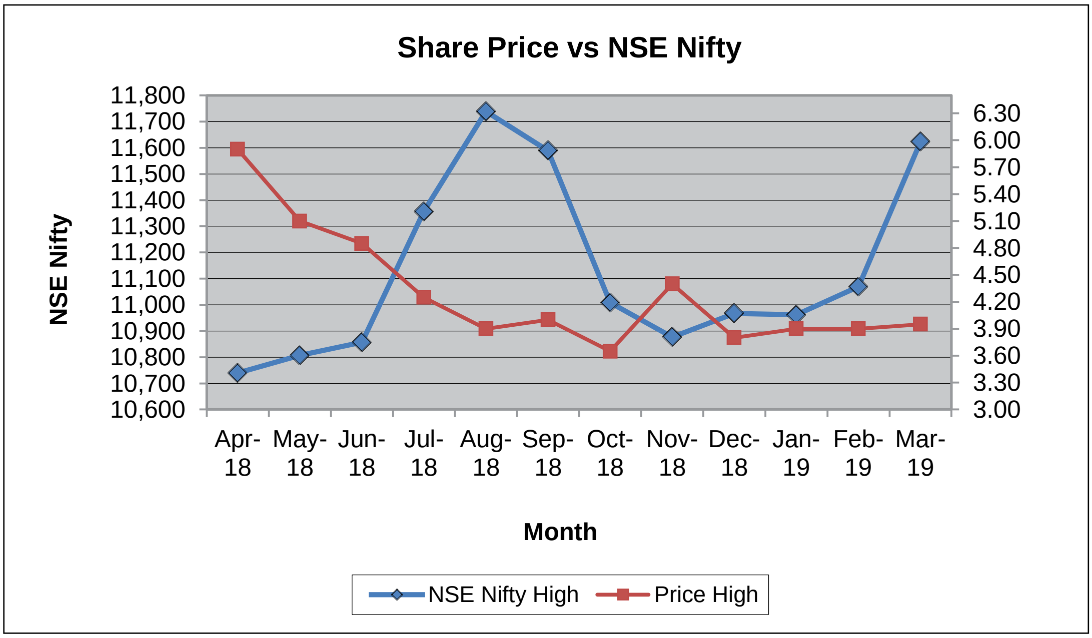
h) **Registrar to an Issue and Transfer Agent**

The Company is a SEBI registered, Category I Registrar to an Issue and Share Transfer Agent and handles all Registrar and Transfer Agents' work in-house. The Company has adequate infrastructure to service its Shareholders.

i) **Share transfer system**

The Company, as SEBI registered Registrar and Transfer Agent, has expertise and effective systems for share transfers.

j) **3i Infotech share prices versus the NSE Nifty**



k) **Distribution of Holdings as on March 31, 2019**

Shareholding of nominal value of (₹)	Shareholders		Share Amount	
	Number	Percentage to total (%)	(₹)	Percentage to total (%)
Upto 5000	98,650	61.58	167,979,900	1.04
5001-10000	21,103	13.17	185,436,130	1.15
10001-20000	13,956	8.71	227,214,600	1.41
20001-30000	6,299	3.93	166,888,450	1.03
30001-40000	3,010	1.88	110,504,360	0.68
40001-50000	4,077	2.54	197,646,520	1.22
50001-100000	6,117	3.82	480,878,280	2.97
100001 and above	6,992	4.37	14,629,900,380	90.50
Total	**160,204**	**100.00**	**16,166,448,620**	**100.00**

l) **Shareholding Pattern as on March 31, 2019**

Category	Shares	Percentage (%)
Promoter- IDBI Trusteeship Services Limited (ICICI Strategic Investments Fund)	-	-
Government Financial Institutions	14,077,422	0.87
Nationalized Banks	187,775,884	11.62
Financial Institutional Investors (FIIs)	3,660,691	0.23
Overseas Corporate Bodies (OCBs)	-	-
Foreign Banks / Companies	236,763,817	14.65
Non-Residents	114,112,629	7.06

Category	**Shares**	**Percentage (%)**
Mutual Funds	-	-
Bodies Corporate	110,463,095	6.83
Other Banks	209,588,919	12.96
Resident Indians	738,575,288	45.68
NBFCs Registered with RBI	1,278,417	0.08
Provident Fund-Pension Fund	-	-
Investors' Education and Protection Fund (IEPF)	348,700	0.02
Total	**1,616,644,862**	**100.00**
Number of Shareholders	**160,204**	

m) Top 10 equity shareholders of the Company as on March 31, 2019:

Sr. No.	**Name of the Shareholder**	**Number of equity shares held**	**Percentage of holding**
1	SREI Multiple Asset Investment Trust	263,909,361	16.32
2	Standard Chartered Bank	148,302,327	9.17
3	IDBI Bank Limited	123,637,521	7.65
4	Allahabad Bank	49,991,676	3.09
5	Canara Bank	49,169,220	3.04
6	Sony Sebastian	47,762,921	2.95
7	MACSF Epargne Retraite	40,416,504	2.50
8	Energy Management Limited	40,021,201	2.48
9	HDFC Bank Limited	25,895,818	1.60
10	Tata Capital Financial Services Limited	23,280,000	1.44

n) Dematerialization of shares and liquidity

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 issued by SEBI vide notification (Ref: SEBI/LAD-NRO/GN/2018/24) and published in Official Gazette on June 8, 2018 read with SEBI notification (Ref: SEBI/LAD-NRO / GN/ 2018/49) published in Official Gazette on November 30, 2018, SEBI has mandated that with effect from April 1, 2019, requests for effecting transfer of securities shall not be processed unless securities are held in a dematerialized form with a depository, except in case of transmission or transposition of securities.

As on March 31, 2019, all the shares of the Company were held in dematerialized mode, except 6,631,750 shares, which were held in physical mode.

The Company has also disseminated an advisory on its website at the following link: https://www.3i-infotech.com/investors-2/ under General Announcements for the benefit of the relevant shareholders briefing them about the requirement of shares being in demat form to be transferable along with a brief procedure for dematerializing physical holdings into demat. Those Shareholders who have not yet dematerialized their holding are requested to please proceed to dematerialize their physical holding.

o) Unclaimed Shares lying in Demat Suspense Account

The Company has a separate demat suspense account (no. IN302902/47834376) as per the requirements of Regulation 39 read with Schedule VI of SEBI LODR (previously SEBI Circular No. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009 amending the erstwhile listing agreement) for the purpose of holding unclaimed shares.

The details of shares held in the said demat suspense account are as under:

Particulars	Number of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as on April 1, 2018	4	532
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Number of shareholders to whom shares were transferred from suspense account during the year	-	-
Aggregate number of shareholders and the outstanding shares lying in suspense account as on March 31, 2019	4	532

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

p) Transfer to Investor Education and Protection Fund

As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") which came into force from September 7, 2016, the Company was required to file with the Registrar of Companies (ROC), details of unclaimed/unpaid dividend lying with the Company which would be transferred to Investors' Education and Protection Fund (IEPF) after a period of seven years of its declaration and to display the details on the website of the Company. Accordingly, the details of unclaimed/unpaid dividend were filed with ROC and were also displayed on the website of the Company.

Further, the unclaimed dividend of ₹1,322,733 pertaining to year 2010-11 was transferred on October 15, 2018 to IEPF as required by the IEPF Rules. As per the provisions of Section 124(6) of the Act equity shares numbering 231,714 which correspond to this unclaimed dividend amount pertaining to Financial Year 2010-11 have also been transferred to IEPF on October 22, 2018. Details of such unclaimed dividend pertaining to Financial Year 2010-11 and the corresponding shares are available on the Company's website at this link: https://www.3i-infotech.com/investors-2/ under Announcements >> IEPF.

Further, the Company has also transferred all those shares in respect of which dividend has not been claimed/paid for seven consecutive years as per provisions of Section 124(6) of the Act read with Rules 6 and 8 of the IEPF Rules.

q) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The details of the outstanding Foreign Currency Convertible Bonds as on March 31, 2019 are given below:

Particulars	USD 125.356 Million 5% Convertible Bonds due 2025	USD 2.435 Million 4.75% Convertible Bonds due 2025	USD 42.44175 Million 2.50% Convertible Bonds due 2025
ISIN	XSO769181982	XSO308551166	XS1423751418
Outstanding Amount	USD 2.66950 Million	USD 0.43375 Million	USD 16.01580 Million
Coupon/Yield (payable at semi-annual intervals)	2.50% p.a.	2.50% p.a.	2.50% p.a.

Particulars	USD 125.356 Million 5% Convertible Bonds due 2025	USD 2.435 Million 4.75% Convertible Bonds due 2025	USD 42.44175 Million 2.50% Convertible Bonds due 2025
Conversion Price	₹16.50	₹165.935	₹12.50
Fixed Exchange Rate	1 USD = ₹50.7908	1USD = ₹40.81	1USD = ₹66.326
Maturity Date	March 31, 2025	March 31, 2025	March 31, 2025
Redemption Price	100% of the principal amount	100% of the principal amount	100% of the principal amount
Expected number of shares to be issued	8,217,335	1,06,676	84,981,116

r) Credit ratings

During the year, CRISIL has upgraded the credit rating from "CRISIL BB/Stable" to "CRISIL BBB-/ Stable" (Investment Grade) in respect of bank loan facilities of the Company.

s) Plant Locations

As the Company is engaged in the Information Technology industry, it does not have any plant. The Company operates from various offices in India and abroad.

t) Address for correspondence

COMPLIANCE OFFICER
Company Secretary & Compliance Officer
3i Infotech Limited
(CIN: L67120MH1993PLC074411)
Tower # 5, 5th Floor, International Infotech Park,
Vashi, Navi Mumbai 400 703,
Maharashtra (India)
Ph: (91-22) 7123 8000
Email: investors@3i-infotech.com

SHARE DEPARTMENT
3i Infotech Limited
Tower # 5, 3rd Floor, International Infotech Park,
Vashi Railway Station Commercial Complex,
Vashi, Navi Mumbai 400 703,
Maharashtra (India)
Ph: (91-22) 7123 8015/8034
Email: investors@3i-infotech.com

Navi Mumbai, October 17, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
3i Infotech Limited
Tower # 5, International Infotech Park,
Vashi Station Complex,
Navi Mumbai - 400 703, Maharashtra

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **3i Infotech Limited** having **CIN:- L67120MH1993PLC074411** and having registered office at **Tower # 5, International Infotech Park, Vashi Station Complex, Navi Mumbai- 400 703, Maharashtra** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company, as stated below, for Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority .

Sr. No.	Name of Director	DIN	Date of appointment/ re-appointment in Company
1	Mr. Ashok Shah	01194846	01/10/2015^
2	Dr. Shashank Narendra Desai	00143638	23/09/2015*
3	Mr. Gautam Dutta	02335468	12/01/2018
4	Mr. Avaya Kumar Mohapatra	07811921	30/11/2018
5	Ms. Anjoo Tejwant Navalkar	00270356	16/11/2018
6	Mr. Padmanabhan Nemmara Ranganathan Iyer	05282942	11/08/2016^^

^ Mr. Ashok Shah was originally appointed on 01/12/2011 as per the data reflecting in the MCA site.

* Dr. Shashank Narendra Desai was originally appointed on 03/11/2014 as per the data reflecting in the MCA site.

^^ Was appointed as Executive Director effective May 18, 2016 and was further appointed as Managing Director and Global CEO effective August 11, 2016.

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
[Firm Regn. No.P2014MH037400]

Avinash Bagul
Partner
FCS No. 5578 / CP No. 19862
[PR No. 544 /2017]
(UDIN: F005578A000082041)

Place: Mumbai
Date: October 17, 2019

CERTIFICATE FROM MANAGING DIRECTOR & GLOBAL CEO FOR COMPLIANCE OF CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT

This is to certify that 3i Infotech Limited has put in place the Code of Conduct for the Board of Directors and Senior Management. This Code is applicable to all the Directors of the Company and the Members of Senior Management, who are one level below the Executive Directors, including all the functional heads and business heads and includes Company Secretary and Chief Financial Officer. The Directors and Members of Senior Management have affirmed compliance with the Code of Conduct for the Board of Directors and Senior Management for the financial year ended March 31, 2019.

Padmanabhan Iyer,
Managing Director & Global CEO,
3i Infotech Limited

October 17, 2019 at Navi Mumbai

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of
3i Infotech Limited

We have examined the compliance of the conditions of Corporate Governance, by 3i Infotech Limited ("the company"), for the financial year ended March 31, 2019, as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46, and paras C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR ").

We state that the compliance of the conditions of Corporate Governance is the responsibility of the management of the Company and our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations, given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the aforesaid provisions of LODR.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
[Firm Regn. No.P2014MH037400]
[PR No. 544 /2017]

Avinash Bagul
Partner
FCS No. 5578 / CP No. 19862

Place: Mumbai
Date: October 17, 2019

Annexure II

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	L67120MH1993PLC074411
Registration Date	October 11, 1993
Name of the Company	3i Infotech Limited
Category / Sub-Category of the Company	Public Company / Limited by shares
Address of the Registered Office and contact details	Tower #5, 3rd to 6th Floor, International Infotech Park, Vashi, Navi Mumbai – 400 703 Ph: +91-22-7123 8000
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	The Company has an in-house Share Department at the registered office address. Contact details – email: investors@3i-infotech.com Ph: +91-22-7123 8000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Computer programming, consultancy and related activities	620	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	Country	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Professional Access Software Development Private Limited	India	U72200TN2002PTC048799	Subsidiary	100	2(87)
2	3i Infotech BPO Limited	India	U74899DL1990PLC039478	- do -	100	2(87)
3	3i Infotech Consultancy Services Limited	India	U72900MH2007PLC176323	- do -	100	2(87)
4	Locuz Enterprise Solutions Limited	India	U72200TG1999PLC032881	- do -	74	2(87)
5	IFRS Cloud Solutions Limited	India	U74999MH2011FLC215259	- do -	100	2(87)
6	3i Infotech Inc.	USA	N.A.	- do -	100	2(87)

7	3i Infotech (UK) Limited	UK	N.A.	- do -	100	2(87)
8	3i Infotech Asia Pacific Pte. Limited	Singapore	N.A.	- do -	100	2(87)
9	3i Infotech (Thailand) Limited	Thailand	N.A.	- do -	100	2(87)
10	3i Infotech Services SDN BHD	Malaysia	N.A.	- do -	100	2(87)
11	3i Infotech (Western Europe) Holdings Limited	UK	N.A.	- do -	100	2(87)
12	3i Infotech (Western Europe) Group Limited	UK	N.A.	- do -	100	2(87)
13	Rhyme Systems Limited	UK	N.A.	- do -	100	2(87)
14	3i Infotech Holdings Private Limited	Mauritius	N.A.	- do -	100	2(87)
15	3i Infotech Saudi Arabia LLC	KSA	N.A.	- do -	100	2(87)
16	3i Infotech (Africa) Limited	Kenya	N.A.	- do -	100	2(87)
17	3i Infotech (Middle East) FZ LLC	UAE	N.A.	- do -	100	2(87)
18	3i Infotech SDN BHD	Malaysia	N.A.	- do -	100	2(87)
19	Elegon Infotech Limited	China	N.A.	- do -	100	2(87)
20	3i Infotech (South Africa) (Pty) Limited	RSA	N.A.	- do -	100	2(87)
21	Locuz Inc.	USA	N.A.	- do -	74*	2(87)
22	3i Infotech Software Solutions LLC	Cyprus	N.A.	- do -	100	2(87)
23	Process Central Limited	Nigeria	N.A.	Associate	47.5	2(6)

* Locuz Inc is the wholly owned subsidiary of Locuz Enterprise Solutions Limited in which the Company holds 74% stake.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Please refer *Annexure IIA*.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹in Crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	362.92	285.97	-	648.89
ii) Interest due but not paid	1.96	15.01	-	16.97
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**364.88**	**300.98**	-	**665.86**
Change in Indebtedness during the Financial Year				
Principal Addition				
- On account of Debt Restructuring Scheme	-	-	-	-
- Others	-	28.85	-	28.85
Interest – Addition				
- On account of Debt Restructuring Scheme	-	-	-	-
- Others	48.99	3.80	-	52.79
Principal – (Reduction)				
- On account of Debt Restructuring Scheme	-	-	-	-
- Others	(8.30)	(161.15)	-	(169.45)
Interest – (Reduction)				
- On account of Debt Restructuring Scheme	-	-	-	-
- Others	(48.19)	(18.51)	-	(66.70)
Net Change	**(7.50)**	**(147.01)**	-	**(154.51)**
Indebtedness at the end of the financial year				
i) Principal Amount	354.63	153.67	-	508.30
ii) Interest due but not paid	2.76	0.30	-	3.06
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**357.39**	**153.97**	-	**511.36**

Notes:

1) The transaction movements reflected in the above table exclude the effects of fair valuation of financial instruments, which have been accounted in 'Borrowings' consequent to implementation of Ind AS.

2) Addition/Reduction on account of DRS represents the effects accounted consequent to crystallization during the year of final exposure amounts of borrowings of certain lenders.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Please refer *Annexure IIB*.

VII. PENALTIES /PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalties / Punishment / Compounding fees imposed	Authority (RD /NCLT / Court)	Appeal made, if any (give details)
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				

Other Officers in Default

Type	Section of the Companies Act, 1956	Brief Description	Details of Penalties / Punishment / Compounding fees imposed	Authority (RD /NCLT / Court)	Appeal made, if any (give details)
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				

Annexure II A

I. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

Sr. No.	Category of shareholders	No. of Shares held at the beginning of the year April 1, 2018				No. of Shares held at the end of the year March 31, 2019				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	**Promoters**									
(1)	**Indian**									
a)	Individual / HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	-	-	-	-	-	-	-	-
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any Other - Trust	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1) :-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2)	**Foreign**				-				-	-
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other - Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B	**Public Shareholding**				-				-	-
(1)	**Institutions**				-				-	-
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks /FI	389,580,127	16,756,240	406,336,367	25.15	397,364,803	-	397,364,803	24.58	(0.57)
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	21,687,921	-	21,687,921	1.34	14,077,422	-	14,077,422	0.87	(0.47)
g)	FIIs	6,052,783	-	6,052,783	0.37	3,660,691	-	3,660,691	0.23	(0.15)
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Other (specify)	-	-		-	-	-		-	-
	Foreign Banks	195,245,241	-	195,245,241	12.09	148,302,328	-	148,302,328	9.17	(2.91)
	FII - DR	-	-		-	-	-		-	-
	Sub-total (B) (1) :-	**612,566,072**	**16,756,240**	**629,322,312**	**38.96**	**563,405,244**	**-**	**563,405,244**	**34.85**	**(4.10)**

Sr. No.	Category of shareholders	No. of Shares held at the beginning of the year April 1, 2018				No. of Shares held at the end of the year March 31, 2019				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	**Non-Institutions**		-		-		-		-	-
a	Bodies Corp.									
i	Indian	121,594,823	-	121,594,823	7.53	111,741,512	-	111,741,512	6.91	(0.62)
ii	Overseas	-	-	-	-	-	-		-	-
b	Individuals				-				-	-
i	Individual shareholders holding nominal share capital upto ₹1 lakh	147,881,631	28,066	147,909,697	9.16	151,598,001	25,464	151,623,465	9.38	0.22
ii	Individual shareholders holding nominal share capital excess of ₹1 lakh	620,790,972	7,161,899	627,952,871	38.87	694,458,166	6,606,286	701,064,452	43.37	5.0
c	Others (specify)		-	-	-		-	-	-	-
	Foreign Companies	88,461,489	-	88,461,489	5.48	88,461,489	-	88,461,489	5.47	(0.01)
	Foreign Bodies	-	-	-	-	-	-	-	-	-
	IEPF	116,986	-	116,986	0.01	348,700	-	348,700	0.02	0.01
	NRI	-	-	-	-	-	-	-	-	-
	Sub-total (B) (2) :-	**978,845,901**	**7,189,965**	**986,035,866**	**61.04**	**1,046,607,868**	**6,631,750**	**1,053,239,618**	**65.15**	**4.10**
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**1,591,411,973**	**23,946,205**	**1,615,358,178**	**100.00**	**1,610,013,112**	**6,631,750**	**1,616,644,862**	**100.00**	**-**
c	**Shares held by Custodian for GDRs & ADRs**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Grand Total (A+B+C)	**1,591,411,973**	**23,946,205**	**1,615,358,178**	**100.00**	**1,610,013,112**	**6,631,750**	**1,616,644,862**	**100.00**	**-**

II. SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year April 1, 2018			Shareholding at the end of the year March 31, 2019			% change in share-holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1	IDBI Trusteeship Services Limited (ICICI Strategic Investments Fund)	-	-	-	-	-	-	-
	Total	**-**	-	-	-	-	-	-

III. CHANGE IN PROMOTER'S SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

Sr. No.	Particulars	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	Reason for change	Date of change	No. of shares	% of total shares of the Company
1	At the beginning of the year	-	-	No changes during the year			-	-
2	At the end of the year	-	-	No changes during the year			-	-
	Total			-	-	-	-	-

IV. SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sr. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year April 1, 2018		Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity, etc)			Cumulative Shareholding during the year		Shareholding at the end of the year March 31, 2019	
		No.of Shares	% of total shares of the Company				No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
1	SREI MULTIPLE ASSET INVESTMENT TRUST	263,909,361	16.34	-	-	-	263,909,361	16.32	263,909,361	16.32
2	STANDARD CHARTERED BANK	148,302,327	9.18	-	-	-	148,302,327	9.17	148,302,327	9.17
3	IDBI BANK LIMITED	126,088,948	7.81	-	Sell	9-Mar-18	126,088,948	7.81		
				(1,512,531)	Sell	27-Apr-18	124,576,417	7.71		
				(391,235)	Sell	8-Jun-18	124,185,182	7.69		
				(352,500)	Sell	15-Jun-18	123,832,682	7.67		
				(100,000)	Sell	22-Jun-18	123,732,682	7.66		
				4,600	Buy	27-Jul-18	123,737,282	7.66		
				(4,600)	Sell	3-Aug-18	123,732,682	7.66		
				(45,161)	Sell	23-Nov-18	123,687,521	7.65		
				(50,000)	Sell	30-Mar-19	123,637,521	7.65	123,637,521	7.65
4	ALLAHABAD BANK	50,126,676	3.10	(135,000)	Sell	25-May-18	49,991,676	3.09	49,991,676	3.09
5	CANARA BANK-MUMBAI	49,169,220	3.04	-	-	-	49,169,220	3.04	49,169,220	3.04
6	DBS BANK LIMITED	46,942,913	2.91	-	-	-	46,942,913	2.90	46,942,913	2.90
7	MACSF EPARGNE RETRAITE	40,416,504	2.50	-	-	-	40,416,504	2.50	40,416,504	2.50
8	ENERGY MANAGEMENT LTD	40,021,201	2.48	-	-	-	40,021,201	2.48	40,021,201	2.48
9	SONY SEBASTIAN	27,142,367	1.68	350,000	Buy	6-Apr-18	27,492,367	1.70		
				152,000	Buy	13-Apr-18	27,644,367	1.71		
				115,000	Buy	20-Apr-18	27,759,367	1.72		
				850,700	Buy	27-Apr-18	28,610,067	1.77		
				133,750	Buy	4-May-18	28,743,817	1.78		
				718,100	Buy	11-May-18	29,461,917	1.82		
				73,500	Buy	18-May-18	29,535,417	1.83		
				1,854,673	Buy	25-May-18	31,390,090	1.94		
				205,500	Buy	1-Jun-18	31,595,590	1.96		
				505,000	Buy	20-Jul-18	32,100,590	1.99		
				160,000	Buy	10-Aug-18	32,260,590	2.00		

Sr. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year April 1, 2018		Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity, etc)			Cumulative Shareholding during the year		Shareholding at the end of the year March 31, 2019	
		No.of Shares	% of total shares of the Company				No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
				324,460	Buy	21-Sep-18	32,585,050	2.02		
				13,500	Buy	12-Oct-18	32,598,550	2.02		
				676,005	Buy	16-Nov-18	33,274,555	2.06		
				125,010	Buy	30-Nov-18	33,399,565	2.07		
				1,151,000	Buy	7-Dec-18	34,550,565	2.14		
				293,850	Buy	14-Dec-18	34,844,415	2.16		
				109,000	Buy	4-Jan-19	34,953,415	2.16		
				76,500	Buy	11-Jan-19	35,029,915	2.17		
				361,550	Buy	25-Jan-19	35,391,465	2.19		
				111,000	Buy	8-Feb-19	35,502,465	2.20		
				443,600	Buy	15-Feb-19	35,946,065	2.22		
				2,070,500	Buy	22-Feb-19	38,016,565	2.35		
				5,132,606	Buy	1-Mar-19	43,149,171	2.67		
				183,000	Buy	8-Mar-19	43,332,171	2.68		
				912,300	Buy	15-Mar-19	44,244,471	2.74		
				(538,000)	Sell	22-Mar-19	43,706,471	2.70		
				4,056,450	Buy	30-Mar-19	47,762,921	2.95	47,762,921	2.95
10	HDFC BANK LTD	25,895,818	1.60	-	-	-	25,895,818	1.60	25,895,818	1.60
11	TATA CAPITAL FINANCIAL SERVICES LTD	23,280,000	1.44	-	-	-	23,280,000	1.44	23,280,000	1.44

Note: The shares of the Company are traded on a daily basis. Hence, the date-wise increase/decrease has been indicated only for instances where the Company has allotted shares or where the Company has any information on the date of increase/decrease in shareholding. In all other cases, the change in shareholding has been derived on the basis of analysis of weekly benpos data provided by the depositories and the date of benpos is assumed to be the date of change in shareholding.

V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (i.e. on April 1, 2018)		Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc)	Shareholding at the end of the year (i.e. on March 31, 2019)		Cummulative Shareholding during the year	
		No.of Shares	% of total shares of the Company		No.of Shares	% of total shares of the Company	No.of share	% of total shares of the Company
1	Mr. Ashok Shah	-	-	-	-	-	-	-
2	Dr. Shashank Desai	-	-	-	-	-	-	-
3	Ms. Anjoo Navalkar*	-	-	-	-	-	-	-
4	Ms. Sarojini Dikhale#	-	-	-	-	-	-	-
5	Mr. Avaya Kumar Mohapatra	-	-	-	-	-	-	-
6	Mr. Gautam Dutta	-	-	-	-	-	-	-
7	Mr. Padmanabhan Iyer	1,920	0.00	-	1920	0.00	-	-
8	Mr. Rajeev Limaye	0	0	-	0	-	-	-

* Appointed during the year

Ceased to be a Director during the year

Annexure II B

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

In ₹

Sr. No	Particulars of Remuneration	Name of MD/WTD
		Padmanabhan Iyer
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	20,466,000
	(b) Value of perquisites under Section 17(2) of Income Tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-
2	Stock Option	87,30,000
3	Sweat Equity	-
4	Commission - as a % of profit - others, specify	-
5	Others: PF and Pension Fund contribution	672,000
	Total (A) *	**21,138,000**
	Ceiling as per the Act	As per Schedule V, Part II of Companies Act, 2013

* Includes performance bonus paid for Financial Year 2017-18

B. Remuneration to other directors:

In ₹

Sr. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
1	**Independent Directors**				
	Dr. Shashank Desai	1,102,500	-	-	1,102,500
	Mr. Ashok Shah	1,102,500	-	-	1,102,500
	Total (1)	**2,205,000**	-	-	**2,205,000**
2	**Other Non-Executive Directors**				
	Ms. Sarojini Dikhale #	126,000	-	-	126,000
	Mr. Shanti Lal Jain #	126,000	-	-	126,000
	Mr. Gautam Dutta #	148,500	-	-	148,500
	Mr. Avaya Kumar Mohapatra #	-	-	-	-
	Ms. Anjoo Navalkar	126,000	-	-	126,000
	Total (2)	**526,500**	**-**	**-**	**526,500**
	Total (B) = (1+2)	**2,731,500**	**-**	**-**	**2,731,500**
	Total Managerial Remuneration (A+B)	**-**	**-**	**-**	**23,869,500**
	Overall Ceiling as per the Act	₹100,000 for attending each Board Meeting			

The sitting fees in respect of these Directors are paid to their respective employers as per their terms of appointment.

C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager

In ₹

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Padmanabhan Iyer, CEO & CFO	Mr. Rajeev Limaye, Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	20,466,000	2,923,944	23,389,944
	(b) Value of perquisites under Section 17(2) of Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	8,730,000	2,500,000	11,230,000
3	Sweat Equity	-	-	-
4	Commission - as a % of profit - others, specify	-	-	-
5	Others: PF and Pension Fund contribution	684,000	94,119	778,853
	Total	**21,138,000***	**3,018,063**	**24,156,063**

* Includes performance bonus paid for Financial Year 2017-18

Annexure III

EMPLOYEES STOCK OPTION SCHEMES (ESOS)

Employees Stock Option Schemes

The Company has three Employees Stock Option Schemes (ESOS) instituted in the fiscal years 2000, 2007 and 2018 to enable the employees and Directors of the Company and its subsidiaries to participate in the future growth and financial success of the Company. The options granted under ESOS schemes 2000 and 2007 vest in a graded manner over a three year period, with 20%, 30% and 50% of the grants vesting in each year, commencing one year from the date of grant. Options can be exercised within 10 years from the date of grant or five years from the date of vesting, whichever is later. The price of the options granted after the IPO was lower of the face value or the closing market price on the stock exchange which recorded the highest trading volume preceding the date of grant of the options. The pricing of the stock options is in line with SEBI guidelines.

During the year, the Company at its Annual General Meeting held on July 31, 2018 had obtained approval from the Members of the Company for issue of shares to Employees and Directors of the Company and subsidiaries of the Company under 3i Infotech Employee Stock Option Scheme 2018 ("ESOS 2018"). On January 18, 2019, the Company has granted 88,430,000 stock options under ESOS 2018. The options granted under ESOS 2018 vest in a graded manner over a three year period, with 33%, 33% and 34% of the grants vesting in each year, commencing one year from the date of the grant.

a. The particulars of the options granted and outstanding up to March 31, 2019 are as under:

Particulars	ESOS 2000	ESOS 2007	ESOS 2018
Options granted	26,284,226	48,752,000	88,430,000
Options declined	-	-	810,000
Options vested	-	17,863,370	-
Options exercised	34,80,412	-	-
Number of shares allotted pursuant to exercise of options	34,80,412	-	-
Options forfeited / lapsed	22,803,814	32,146,600	665,000
Extinguishment or modification of options	-	-	-
Total number of options in force	-	16,605,400	86,955,000
Amount realized by exercise of options (₹)	-	-	-

b. Diluted Earnings Per Share (EPS) pursuant to issue of Equity Shares on exercise of options calculated in accordance with Accounting Standard 20 (AS-20):

In 3 years prior to IPO

Financial Year	Diluted EPS (in ₹)
2002-03	(0.09)
2003-04	0.17
2004-05	2.18

Last 5 years

Financial Year	Diluted EPS (in ₹)
2014-15	(18.25)
2015-16	(17.08)
2016-17	0.77
2017-18	0.44
2018-19	0.42

c. The number of stock options held by the Directors as on March 31, 2019 are as below:

Name of Director	Number of options	Average Exercise Price (in ₹)
Mr. Ashok Shah	NIL	N.A.
Dr. Shashank Desai	NIL	N.A.
Mr. Gautam Dutta	NIL	N.A.
Mr. Avaya Kumar Mohapatra #	NIL	N.A.
Ms. Anjoo Navalkar *	NIL	N.A.
Mr. Padmanabhan Iyer	87,30,000	10

* Appointed on November 16, 2018

Appointed on November 30, 2018

d. Details related to Employees Stock Option Schemes (ESOS)

Particulars	ESOS Scheme 2000	ESOS Scheme 2007	ESOS Scheme 2018
Date of shareholders' approval	January 28, 2000 further amended on July 22, 2005	July 25, 2007	July 31, 2018
Total number of options approved under ESOS	13,261,213	74,915,513	100,000,000
Vesting Requirements	The options granted vest in a phased manner over three years		
Exercise price or pricing formula	₹10/-	₹10/-	₹10/-
Maximum term of options granted	10 years from the date of grant or 5 years from the date of vesting of options, whichever is later		5 years from the date of vesting
Source of shares (primary, secondary or combination)	Primary		
Variation in terms of options	As per ESOS Scheme, 2000, the limit for grant of maximum number of Options to any Eligible Employee in a financial year was not in excess of 5% of the issued equity shares of the Company at the time of grant of the Options. The aggregate limit of all such Options granted to all the Eligible Employees was	As per ESOS Scheme 2007, the aggregate limit of all Options granted to all the Eligible Employees was upto 25% of the aggregate number of issued equity shares of the Company as at the time of grant of the options from time to time subject	As per ESOS Scheme 2018, the aggregate limit of all options granted to all the Eligible Employees was upto 15% of the paid-up share capital of the Company, subject to a maximum of 10 crore shares of the Company of ₹10/-

Particulars	ESOS Scheme 2000	ESOS Scheme 2007	ESOS Scheme 2018
	upto 25% of the aggregate number of issued equity shares of the Company as at the time of grant of the Options.	to a maximum of 50 million shares of ₹10/- each (excluding the stock options granted as on July 25, 2007), which shall increase or decrease proportionately in the ratio of any further split, consolidation, bonus issue of shares or any other corporate action that has the effect of alteration of the share capital from time to time.	each, on such terms and conditions as approved by the Shareholders.
Method used to account for ESOS	Fair Value Method		

e. Movement for each ESOS during the year

Particulars	ESOS Scheme 2000	ESOS Scheme 2007	ESOS Scheme 2018
Number of options outstanding at the beginning of the period	-	18,959,900	N.A.
Number of options granted during the year	-	-	88,430,000
Number of options declined during the year	-	-	810,000
Number of options forfeited / lapsed during the year	-	16,76,500	665,000
Number of options vested during the year	-	2,092,500	-
Number of options exercised during the year	-	-	-
Number of shares arising as a result of exercise of options	-	-	-
Money realized by exercise of options (INR), if scheme is implemented directly by the Company	-	-	-
Loan repaid by the Trust during the year from exercise price received	N.A.	N.A.	N.A.
Number of options outstanding at the end of the year	-	17,283,400	86,955,000
Number of options exercisable at the end of the year	-	17,283,400	-

f. Employee Wise Details of options granted to-

Sr. No.	Name	Number of options granted during the year	Exercise Price (in ₹)	Designation
	Senior Managerial Personnel			
1	Padmanabhan Iyer	75,00,000	10	MD & Global CEO
2	Rajeev Limaye	25,00,000	10	Head – Legal & Company Secretary
3	Rakesh Doshi	50,00,000	10	Global Head - Product Delivery
4	Krish Narayanaswami	50,00,000	10	Global Practice Head
5	Suryanarayan Kasichainula	50,00,000	10	Business Head – Orion
6	Mrinal Ghosh	25,00,000	10	Senior Vice President
7	Ramasubramanian Sankaranarayanan	25,00,000	10	Chief Financial Controller, NA
8	Sreerupa Sengupta	15,00,000	10	Global Head -Human Resources
9	Sunil Kumar	15,00,000	10	Deputy Vice President
	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and			
None				
	identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant			
None				

Annexure IV

DETAILS RELATING TO REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

i. Ratio of the remuneration of each director to the median remuneration of the employees of the Company

Name of Director	Designation	Ratio of remuneration to median of remuneration of employees for Financial Year 2018-19
Padmanabhan Iyer	Managing Director and Global CEO, CFO	33

ii. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year

Name	Designation	Percentage increase / (decrease) in remuneration
Padmanabhan Iyer	Managing Director and Global CEO, CFO	10%
Rajeev Limaye	Company Secretary	11%

iii. The percentage increase in the median remuneration of employees in the financial year

The percentage increase in the median remuneration of employees in the financial year is 6% on a like to like basis. The median remuneration for Financial Year 2018-19 includes applicable performance bonus for the previous year.

iv. The number of permanent employees on the rolls of the Company

The number of permanent employees on the rolls of the Company as at March 31, 2019 was 2,052.

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

On an average, employees received an annual increase of 6.69%. The individual increments varied from 4% to 15 % based on individual performance. The average increase in the remuneration of the KMP is 10%.

vi. Affirmation that the remuneration is as per the remuneration policy of the Company

Remuneration is as per the remuneration policy of the Company.

Annexure V

Report on Corporate Social Responsibility (CSR) activities

<table>
<tr><td>1.</td><td>A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.</td><td>Kindly refer the Corporate Social Responsibility Policy as stated therein below at the Company's website at following link:
http://3i-infotech.com/content/investors-2/</td></tr>
<tr><td>2.</td><td>The Composition of the CSR Committee as on March 31, 2019</td><td>1. Mr. Ashok Shah – Chairman
2. Ms. Anjoo Navalkar – Member
3. Mr. Padmanabhan Iyer- Member</td></tr>
<tr><td>3.</td><td>Average net profit of the Company for last three financial years</td><td><table><tr><td>Particulars</td><td>FY 17-18</td><td>FY 16-17</td><td>FY 15-16</td></tr><tr><td>Net Profit/ (Loss) before tax (₹ in crores)</td><td>(2,276.57)</td><td>(2,351.89)</td><td>(2,436.45)</td></tr></table>Average Net Profit/(Loss) before tax for last 3 years calculated in accordance with Section 198 of Companies Act, 2013 = (₹2,354.97 crores) i.e.[{(2,276.57)+{2,351.89)+(2,436.45)}/3]</td></tr>
<tr><td>4.</td><td>Prescribed CSR expenditure (two percent of the amount as in item 3 above)</td><td rowspan="2">As per Section 135 of the Companies Act, 2013, the Company does not meet the applicability threshold. Hence, the provisions of the said section are not applicable during the current financial year.</td></tr>
<tr><td>5.</td><td>Details of CSR spent during the financial year :
a) Total amount to be spent for the financial year
b) Amount unspent, if any
c) Manner in which the amount spent during the financial year as given below:</td></tr>
</table>

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through imple-menting agency**
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-

6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

   Not applicable

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.

For 3i Infotech Limited

Sd/-

Ashok Shah
Chairman – CSR Committee

Sd/-

Padmanabhan Iyer
Managing Director and Global CEO

Annexure VI

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
3i Infotech Limited
Tower -5, 3rd to 6th Floors
International Infotech Park
Vashi, Navi Mumbai – 400 703

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **3i Infotech Limited** (hereinafter called 'the Company') for the year ended on 31st March, 2019 (the 'audit period').The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder. In the course of the examination, it was observed that the Company had received approval from the Ministry of Corporate Affairs (MCA) vide its letter dated April 5, 2018 for waiver of ₹61,54,452/-(Rupees Sixty One Lac Fifty Four Thousand Four Hundred and Fifty Two Only) against a total remuneration of ₹1,23,08,903/- (Rupees One Crore Twenty Three Lac Eight Thousand Nine Hundred and Three Only) paid to Mr. Padmanabhan Iyer, Managing Director of the Company for the period from 11/8/2016 to 31/3/2017 with a direction to the Company to recover remaining (excess) remuneration of ₹61,54,451/- (Rupees Sixty One Lac Fifty Four Thousand Four Hundred and Fifty One Only) paid to him for the period from 11/8/2016 to 31/3/2017, under intimation to the Ministry.

    The Company had obtained prior approval from lenders and also approval from Shareholders by means of Special Resolution at the Annual General Meeting held on September 6, 2017 and thus complied with the provisions of Section 197 of the Companies Act, 2013. The Company has received a notice from Ministry of Corporate Affairs dated April 5, 2017 in respect of recovery of the excess remuneration paid to Mr. Padmanabhan Iyer, Managing Director & Global CEO in the year 2016-17 and same was not recovered in view of the Companies Amendment Bill which has since been passed in 2018 and the Company has been advised that the excess remuneration so paid is not recoverable as per the amended Act as per Legal Opinion obtained by the Company.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings and Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India

Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the course of the examination, it was observed that in the Annual General Meeting held on July 31, 2018, the resolution for appointment of Director in place of Ms. Sarojini Dikhale (DIN-02755309), who was liable to retire by rotation and being eligible, offered herself for re-appointment, was not passed under remote E-voting and Voting conducted at the meeting through physical ballot for want of the requisite majority. Due to her cessation of office, new woman Director i.e. Ms. Anjoo Navalkar was appointed as an Additional (Non-Executive) Director by the Board w.e.f. November 16, 2018.

In the light of above, the Composition of the Board of Directors was not as per Regulation 17 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and a penalty of ₹75000 + GST was levied by BSE Ltd and National Stock Exchange of India Limited on January 31, 2019. The penalty was paid by the Company during the year. As on the date of this report, the Company is in compliance with the relevant provisions of the SEBI LODR; and

(f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India related to meetings and minutes.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

During the period under review, provisions of the following regulations were not applicable to the Company:

(i) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

(ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and

(iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

We further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, except as stated above.

Adequate notice is given to all directors to schedule the Board Meetings. Agendas and detailed notes on agendas were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company and at Committees were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the year under review.

We further report that –

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that –

1. During the year under review, the Company has allotted equity shares pursuant to conversion of Foreign Currency Convertible Bonds (FCCBs), the details of which are as follows:

Date of Allotment	No of equity Shares	Particulars of Bonds
24-04-2018	163,914	5% Bonds (ISIN XS0769181982)
05-06-2018	23,086	5% Bonds (ISIN XS0769181982)
27-09-2018	366,119	2.5% Bonds (ISIN XS1423751418)
20-12-2018	733,565	2.5% Bonds (ISIN XS1423751418)
Total	**12,86,684**	

2. An Extra Ordinary General Meeting of the Company was held on June 20, 2018 for appointment of Mr. Roopendra Narayan Roy (DIN: 00152621) as an Independent Director for a period of 5 (five) years effective June 20, 2018, pursuant to receipt of a requisition under Section 100 of the Companies Act, 2013 (the "Act") from SREI Multiple Asset Investment Trust, which holds 26,39,09,361 equity shares of the Company (constituting 16.34% of the paid up share capital of the Company carrying voting right as on May 20, 2018). The resolution mentioned above was not passed under remote E-voting and Voting conducted at the meeting through physical ballot for want of the requisite majority.

3. The Board of Directors at its meeting held on June 29, 2018, approved the Scheme of Arrangement between 3i Infotech Limited ("Company") and its shareholders, under Sections 230 and 232 and other applicable provisions of the Companies Act, 2013 ("Scheme").

   The Scheme, inter alia, provides for the following:

   - Reduction of share capital of the Company on the Record Date (as defined in the Scheme). Such reduction shall be effected by reducing the face value of the equity shares of the Company from INR 10 to INR 1. The capital so reduced will be utilized to write off the accumulated losses of the Company.
   - Subsequent to such reduction in face value of the equity shares of the Company, the Scheme provides for consolidation of 10 equity shares of the Company of INR 1 into one equity share of the Company of INR 10 each.

   The Company had filed Scheme of arrangement with Stock Exchanges and the Company has received observation letters from both Stock Exchanges i.e. BSE Limited on November 27, 2018 and National Stock Exchange of India Limited on November 28, 2018. As per the stock exchange observation letters, the Company may file the said Scheme with NCLT within a period of six months from the aforesaid dates. The Company has informed the Exchanges that Management has decided to keep the filing of the draft scheme along with the observation letters with National Company Law Tribunal on hold due to internal re-consideration of certain factors relating to the draft Scheme in the best interest of the Company at this point of time.

4. In the Annual General Meeting held on July 31, 2018, the members had given approval for issue of shares under 3i Infotech Employee Stock Option Scheme 2018 ("ESOS 2018") to Employees and Directors of the Company and to Employees and Directors of Subsidiaries of the Company. Accordingly, the Company has granted Employee Stock Options not exceeding 8,90,00,000 under ESOS 2018 on January 18, 2019.

5. The Company has incorporated a new step down subsidiary "3i Infotech Software Solutions LLC" w.e.f May 15, 2018.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR:544/2017]

Avinash Bagul
Partner
FCS 5578/CP No 19862
(UDIN:F005578A000082151)

Place: Mumbai
Date: October 17, 2019

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,

The Members,
3i Infotech Limited

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to 3i Infotech Limited (the 'Company) is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records were produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR:544/2017]

Avinash Bagul
Partner
FCS 5578/CP No 19862
(UDIN:F005578A000082151)

Place: Mumbai
Date: October 17, 2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management discussion and financial analysis is based on the consolidated financial statements prepared in accordance with the accounting principles generally accepted in India ('GAAP') and in compliance with the Accounting Standards ('AS').

Global Information Technology Industry

As per Gartner, worldwide IT spending is projected to reach $3.76 trillion in 2019, an increase of 3.2% from 2018. The global enterprise IT spending is expected to see a five-year average growth rate of 4.3% to reach an estimated $3.89 trillion by 2023. Enterprise software spending is forecast to experience the highest growth in 2019 with an 8.5% increase to $431 billion. World spending for devices will grow 1.6% over 2018 to $679 billion. Communication services which makes up the largest component of IT spending is expected to reach $1.42 trillion. IT Services another key spend area will jump 4.7% in 2019 to $1.03 trillion. Spending is moving from saturated segments such as mobile phones, PCs and on-premises data center infrastructure to cloud services and Internet of Things (IoT) devices. With the shift to cloud, a key driver of IT spending, enterprise software will continue to exhibit strong growth. Organizations are expected to increase spending on enterprise application software in 2019, with more of the budget shifting to software as a service (SaaS).

Overview

3i Infotech is a global Information Technology company headquartered in Mumbai, India. A comprehensive set of 20+ IP based software solutions, coupled with a wide range of IT services, uniquely positions the Company to address the dynamic requirements of a variety of industry verticals, predominantly Banking, Financial Services, Insurance, Capital Markets and Asset & Wealth Management (BFSI). The Company also provides solutions for other verticals such as Government, Manufacturing, Distribution, Telecom, Healthcare and Retail. The Company has over 1200 customers, in more than 50 countries across 4 continents.

The Company's quality certifications include ISO 9001:2015 for Business Process Outsourcing, Application Development & Maintenance Services, e-Governance, Business Intelligence & Infrastructure Management Services & ISO/IEC 27001:2013 for Data Centre Operations for Mumbai, Chennai, Bangalore & Hyderabad locations and CMMi Level 3 for Development and Services across Mumbai, Chennai, Bangalore & Hyderabad.

The Company's Global Delivery Model provides for optimal resources, to be drawn from its vast talent pool across the globe, to offer best fit solutions to customers. By integrating products and services, the model facilitates customized solutions to enable customers to undertake technology-based business transformation and reorganize in line with today's dynamic digital business environment. The Company, which has won many awards and recognitions globally, operates in two main business lines namely, IT Solutions and Transaction Services. Its IT Solutions business comprises of Software Products and IT Services contributing 95% and Transaction Services contributing 5% of the total operating revenue.

IT Products & Services

IT Solutions segment includes sale of IT products developed by the Company and providing IT services to varied companies on an outsourcing business model. IT product business includes packaged applications for the BFSI space and an ERP suite. Through IT service offerings, the Company provides clients with application development and maintenance, IT infrastructure services, e-governance services, retail, business intelligence, document management service, business process management and data warehousing. Our services are being strengthened with digital transformation offerings including Consulting, recommending appropriate solutions and partnering with the customers in building, testing and maintaining them.

Transaction Services segment covers management of back office operations. Through Transaction Service offerings, the Company provides clients with services such as remittance, cheque processing, human resources, account origination, printing and mail room services, collection services, record management, registrar and transfer agent services, securitization and contact center services. The Transaction Service offerings cover the banking, insurance, capital markets, healthcare, energy, utilities and telecommunications industries. The

Company's major thrust in the Transaction Services space is in the activities of Digitization, Customer On-boarding, Credentials Validation and Payment Management.

Over 25 years of experience across the Banking & Financial Services, Insurance & Healthcare and Government spectrum gives our domain expertise an exceptional edge and puts us in a leadership position. Our long standing understanding of industry practices across these sectors, and across the globe, helps us understand customers' needs and pain points, tailor our solutions to suit their specific needs and add value to their services to their customers. Our engagement with industry experts and regulators keeps us abreast of market developments which reflect in our product enhancements. In addition to this, our ongoing investment in our products and services ensures that our products retain their cutting edge. The domain expertise combined with investment ensures that we identify and facilitate our customers' digital transformation journey with maximum impact benefiting their business. During the year, the Company consolidated its positions in its existing markets and customer segments on account of the enhancements in its solutions achieved due to an acceleration of investments.

FY2019 was a significant year for AMLOCK™, 3i Infotech's financial crime detection and management solution. After the upgraded version 4.x was launched last year, further features and enhancements were included this year to facilitate the product's entry into advanced markets. Significant amongst them was the compliance to the anti-money laundering (AML) requirements of the Mobile Wallet industry. Redefining and fine tuning the existing Analytical models and developing new models focused on specific AML problem statements was another major step forward. This was supported by basic visualization techniques like Sankey Graph, Time Series based graphs which emphasize on descriptive analytics.

Kastle® Universal Lending Solution is now a fully integrated end to end Lending solution across Retail Lending, SME Lending, Corporate Lending and Islamic Finance. After the upgraded version 6.x was launched last year, further features and enhancements were included this year, Kastle ULS now powers Digital Lending & Business Analytics. The new release has seen traction and has already been implemented across Asia Pacific, Middle East, Kingdom of Saudi Arabia and Africa.

Key modules and functionalities were added to our next generation web based Investment Management Solution, MFund Plus®. Mobility features have been developed to assist fund managers and compliance officers access the application on the go. Pension Fund industry specific enhancements for the Indian market, now make the product fully ready for Pension Fund management. A significant achievement for MFund Plus®. Includes an Oracle cloud certification during this financial year.

During the year, ORION™ ERP had new product developments as well as enhancements to existing products with latest technology, framework updates and mobility features. As a cloud initiative, ORION™ Platform as a Service (OPaaS), a creative subscription model was initiated. Also a Cloud eco-system with multiple cloud partner offerings now ensures the best cloud offerings to customers. ORION™ Construction Vertical (OCV), a core synchronized solution integrating technology, resources and multiple locations of a Construction enterprise, and Enterprise Process & Information Control Stack (EPiCS), an end-to-end solution for business process optimization, improvement and re-engineering, are the cutting-edge developments.

The Company also launched Premia Astra™, a state of the art General Insurance product whose development was initiated last year. It is heartening to note that the feedback from the market for this product is encouraging and the traction based on interaction with prospects is promising.

On the services front, the Company has been able to make significant strides to monetize, in terms of valued orders, its previous investments in various solution frameworks. The Company's Services division, Altiray® is also working on some cutting edge technology projects which will enhance its brand in the Services space.

Business and Company Overview

The Company is now in its investment and growth phase. It has a two pronged objective while planning its investments in products and services, namely, expand its footprint in its current market and facilitate its entry into advanced markets.

The Company has already initiated steps to grow its presence in high potential geographies, where its presence has been limited till date. The focus is now on increasing our investments in our people, processes, products and services to meet the requirements of developed markets, such as the USA, Canada, UK and specific parts of Europe. Resources have already been selectively deployed in these markets to ascertain appropriate market positioning. The plan is to build a pipeline and begin conversion next year. The Company has also entered into strategic engagements with partners in the US. Based on the enhancements in the products and the engagements with the partners, the Company has been able to win orders in new geographies. One encouraging indicator is that the Company has been able to win deals in its current markets, with individual values higher than was being done hitherto and the size of the customers with whom the Company is engaging has also increased.

The trajectory the Company has now achieved would be impossible without its most important asset, a strength of over 5,500 employees. Empowering employees, enhancing their ability to be on top of information and harnessing the knowledge capital has been the driving force behind a number of initiatives across the organization. One of the ways to manage the demand-supply gap is to actively up-skill talent to complement lateral infusion. We hire fresh graduates for different roles and technologies and customize training programs depending on the role selected for. A substantial portion of our needs are managed by this internal initiative, with the balance being managed by lateral hiring of multi-skilled resources. Being a product and services company focused on BFSI, we stress on technical talent. Our extensive market presence and brand helps attract knowledge seekers and the challenge of ongoing product enhancement ensures retention. Opportunity to work on multiple projects and clients, across the globe, increasing their domain knowledge and familiarity with best practices help them grow professionally. Matured HR processes make us a preferred employer.

The Company continues its run of winning awards for its products and services. The Company has won awards which enhance its brand image and perception in the market. The appreciation received for its products and services endorse the capability and recognition of the Company's solutions

The Organization has marked its presence in Asia Pacific, South Asia, Middle East and Africa, Kingdom of Saudi Arabia, Western Europe and North America, providing a platter of end-to-end solutions that offer product innovation, faster time to market, efficient business processes, productivity and cost savings, enhanced customer service and comprehensive risk management.

Technology Overview

The pace at which technology is touching the lives of everyone across the globe has been scorching and will continue at an even increasing pace over the foreseeable future. All industry sectors are in for exciting times and Banking, Financial Services, Insurance (BFSI) and Healthcare segments will be no exception. Complexity brews herein, fuelled by regulatory challenges, uncertain economic cycles, risks, partnerships and alliances, talent management and above all ever-increasing customer expectations. Companies which can rein in this complexity on an ongoing basis, will undoubtedly survive. With complexity comes the need to continually innovate processes and products to manage each of the above. An enabler in this business whirlwind is the marked set of emerging technologies.

In 2020, there will be continued progress toward the integration of AI, machine learning, and deep learning in business applications. AI will deliver the first-line-of-response business insights from data it analyses with a baseline of algorithms. As computers and other mechanized appliances observe anomalies that conflict with baseline assumptions, they will refine their knowledge bases with the help of machine learning. If the insights yielded continue to be incomplete, they will invoke a deeper set of algorithms known as deep learning to operate on the data. Artificial Intelligence and Machine Learning will continue to dominate through 2019 and beyond. Artificial Intelligence, Robotics and process automations or customer service using robotics will eventually surface in India in bigger ways than they are today. Analytics is the key word here. With the rise of population and business opportunities, big data and analytics will continue to be the pivot for innovation. Blockchain adoption will depend on regulatory concerns being addressed. Conversational services will be a prime channel (Omni channel) for day to day transactions. Customers will prefer using voice to interact with smart devices. There will be a continuum for rise in the Demand for Wearable Devices and IoT. There will be a further push to implement Machine Learning and Artificial Intelligence in smart devices. Chabot will be integral to websites and mobile apps. Augmented Reality and Virtual Reality will influence mobile strategies.

As a technology company, we at 3i Infotech stay abreast of the latest technology trends. We pivot our offerings on three distinct areas, namely, co-innovation for transformation, customer centric and modular frameworks based on a curated technology stack for adept deployments and quantifiable outcomes that will maximize ROI. The Innovation and Research labs in each of our business units regularly introduce solution frameworks using these technologies. These frameworks are easily adaptable across various business scenarios and help clients stay abreast of digital disruptions that presently infiltrate organizations at every level. To better our decision making capabilities, we mine customer issues, feedbacks and requirements and profile a customer, region and market. The insights power innovation within each business unit's research lab and eventually drive our go-to-market strategies, product upgrades, new products or a new set of services. The practice is working well for us and helps us keep pace with challenges from the market and competition

Vision and Strategies

The Company's position in its existing markets continues to get strengthened, both from the Products as well as the Services perspective. The efforts taken towards cross-selling have also begun to show early results albeit in a muted manner. The objective is to increase the wallet share of existing customers with the spectrum of solutions in the Company's bouquet.

The Company is moving forward on the course charted for itself in FY2016. After the phase of Protection executed earlier, the Company is in the Consolidation phase after the implementation of the Debt Restructuring Scheme and concurrently, the investment and background work required for the Growth phase has been initiated. The Company's efforts in this area have begun to bear fruits with an encouraging response from the advanced markets to its solutions. To keep its efforts focused and economical, the Company has adopted a strategy of exploring entry into Advanced Markets through Partners. This gives the Company the advantage of gaining knowledge of the market, its nuances and its requirements, through the partners, while at the same time keeping the Company's costs largely success based. The process of identifying and engaging with the appropriate partner in various geographies has already been initiated. The Company would continue this process as also work on expanding the partner network during FY2020.

The above is in line with the Company's objective of revitalizing itself as a future-ready IT enterprise by remaining focused on People, Business Verticals, New Products and Solutions and Growth Markets. While working towards increasing wallet share from its existing customers with its range of products and services, the Company is exploring the possibility of creating, as a service, composite offerings of its products and services which will obviate the requirement of capital expenditure by its customers, as is expected to be the need of the market, in addition to enhancing longevity of engagements and increase in annuity revenues.

The thrust on upselling and cross selling will continue as the Company works towards expanding its footprint in its current markets in addition to establishing its presence in new markets.

Keeping pace with rapidly changing technologies continues to be one of the prime challenges faced by the Company. The innovative mechanism envisaged by the market for rendering services to end customers necessitates the need for the features and functionalities of the Companies product also to be constantly enhanced. The Company has a clearly defined investment plan to address these challenges. This is in line with the strategy crystallized over the past few years. The market requirement terminology, workflows adopted by businesses in the Geographies where the Company wishes to enter are different from those in the geographies where the Company is currently present. This will need significant changes in the products to make them suitable for those markets. Tie ups with appropriate partners has been initiated to overcome this challenge. In the light of the growth plans of the Company the need for quality resources is crucial. The Company depends on upskilling of its resources in addition to lateral hiring to fulfill this need.

Operations during the year

The table below shows the Profit and Loss account of the Group for the year ended March 31, 2019:

₹ in Crores

Particulars	2018-19	2017-18
REVENUE		
I. Revenue from operations (net)	1,121.75	991.19
II.Other income	21.05	19.24
III. Total Revenue (I + II)	**1,142.80**	**1,010.43**
IV. EXPENSES		
Employee benefits expense	604.35	528.04
Cost of third party products and services	236.06	198.54
Finance costs	84.23	86.65
Depreciation and amortization expense	2.11	8.94
Other expenses	136.94	108.78
Total Expenses	**1,063.69**	**930.95**
V.Profit/(loss) before exceptional items and tax (III-IV)	**79.11**	**79.48**
VI.Exceptional Items - Income / (Expenses)	**-**	**-**
VII.Profit/(loss) before tax (V+VI)	**79.11**	**79.48**
VIII.Tax expense	10.96	8.37
IX.Profit/(loss) for the Year (VII - VIII)	**68.15**	**71.11**
OTHER COMPREHENSIVE INCOME		
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:		
Remeasurement of gains (losses) on defined benefit plans	1.85	0.50
Income tax effect	0.02	-
Other Comprehensive income for the year, net of tax	**1.87**	**0.50**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**70.02**	**71.61**

The details of the accounting policies have been updated in the notes to accounts.

There are no significant changes in the ratios as compared to previous financial year, hence the same has not been disclosed separately.

The return on net worth on a consolidated basis is 12.37% as on March 31, 2019 as compared to 15.64% as on March 31, 2018.

The Company made a profit of ₹ 70.02 Crores for the year ending March 31, 2019 as against a profit of ₹ 71.61 Crores for the year ending March 31, 2018.

Revenue from operations, Employee Benefit expenses and Cost of Third Party

The revenue from Operations for the year FY 2019 stands at ₹ 1,121.75 Crores compared to ₹ 991.19 Crores in FY 2018. The increase is mainly due to increase in new business.

The increase in employee benefit expenses pertains to increased headcount and cost of third party products and services pertains to increased business volumes.

Other Income

The increase in Other Income from ₹ 19.24 crores in FY 2018 to ₹ 21.05 crores in FY 2019 is mainly due to foreign exchange fluctuations

Finance Cost

The reduction in finance cost from ₹ 86.65 crores in FY 2018 to ₹ 84.23 crores in FY 2019 is on account of prepayment of principal to lenders during FY 2018

Depreciation and amortization expense

These expenses stand reduced from ₹ 8.94 Crores in FY 2018 to ₹ 2.11 Crores in FY 2019. The reduction in depreciation is on adjustment pertaining to reinstatement of earlier impaired intangible assets in Malaysia

Other Costs

There has been an overall increase in cost from ₹ 108.78 crores in FY 2018 to ₹ 136.94 crores in FY 2019. This is mainly because of increased Legal & Professional fees, foreign exchange loss and miscellaneous expenses.

Analysis of Balance Sheet

₹ in Crores

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
I. EQUITY AND LIABILITIES		
Shareholders' funds		
Equity share capital	1,616.64	1,615.36
Non Controlling Interest	4.40	3.50
Other Equity	(1,293.43)	(1,363.59)
Borrowings	845.40	846.59
Trade payables and other Liabilities	318.65	268.47
	1,491.66	**1,370.33**
II. ASSETS		
Goodwill arising on consolidation	435.06	435.06
Non current investments	0.16	0.16
Property , Plant and Equipment and Intangible Assets	371.27	367.97
Deferred tax asset	3.66	3.24
Long-term loans and advances and other non current assets	153.21	160.96
Cash and bank balances	104.72	51.67
Inventories	0.60	0.99
Trade receivables and other Assets	422.98	350.28
	1,491.66	**1,370.33**

Equities and Liabilities

1. **Equity Share Capital**

The Authorized capital of the Company is ₹ 2200 crores divided into 2,200,000,000 Equity shares of ₹10 each,

200,000,000 Non-Convertible Cumulative Redeemable Preference shares (Class A Preference Shares) of ₹ 5 each, 1,500,000,000 Non-Convertible Cumulative Redeemable Preference shares (Class B Preference Shares) of ₹ 5 each, 1,050,000,000 Non-Convertible Cumulative Redeemable Preference shares (Class C Preference Shares) of ₹ 1 each

The issued, subscribed and paid-up capital stood at ₹ 1,616.64 Crores as at March 31, 2019 compared to ₹ 1,615.36 Crores as at March 31, 2018.

2. **Other Equity**

The Other Equity increase to ₹ (1,293.43) crores as at March 31, 2019 from ₹ (1,363.59) crores as at March 31, 2018, The increase of ₹ 70.16 crores is on account of profit for the current year of ₹ 70.02 crores.

3. **Borrowings**

There has been a decrease of ₹ 1.19 crores in FY 2018 from ₹ 846.59 crores as at March 31, 2018 to ₹ 845.40 crores as at March 31, 2019. This is primarily on account of Principal Repayment and Unwinding of discount under Ind AS 109 of Fair Value of certain Financial instruments.

4. **Trade payables and other liabilities**

Trade payables and other current liabilities consist of trade liabilities, short term provisions for employee benefits and other liabilities.

Assets

1. **Goodwill on consolidation**

Goodwill acquired through business combinations has been allocated to various products / services which are considered as CGUs. The Group tests whether goodwill has been impaired periodically. The recoverable amount of a cash generating unit (CGU) is determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

2. **Non-Current Investments**

Non-current investments consist of unquoted / non-trade long term investments.

3. **Property, Plant and Equipment and Intangible Assets**

As at March 31, 2019, the Property, Plant and Equipment and Intangible Assets of the Company stood at ₹ 371.27 crores as compared to ₹ 367.97 crores in FY 2018.

4. **Deferred Tax Asset / Liability**

Deferred Tax Asset of company primarily comprises of benefits available to the company in the form of reduction in tax liability by setting off of brought forward losses and unabsorbed depreciation. The likelihood that the deferred tax asset will be recovered from the future taxable income is assessed annually.

5. **Loans & Advances and other Non-current assets**

There is a decrease in long term loans & advances and other non-current assets, the amount decreased from ₹ 160.96 crores as at March 31, 2018 to ₹ 153.21 crores as at March 31, 2019.

6. Cash and Bank balance

The bank balance includes current accounts maintained in India and abroad.

7. Inventories

Inventories consist of hardware and supplies and are stated at cost or net realizable value, whichever is lower.

8. Trade receivables and Other assets

Other assets include unbilled revenue, other financials assets and current assets.

Internal Controls

The Company exercises internal controls through a formalized process 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. 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 the 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 Companies Act, 2013, as amended. The adherence to the internal controls are periodically reviewed by the internal audit process. The Company's budgeting process at various levels monitors performance by business, delivery and support groups.

Enterprise Risk Management

The Enterprise Risk Management (ERM) at 3i Infotech encompasses practices relating to identification, assessment, monitoring and mitigation of various risks to our business. Our ERM seeks to facilitate mitigation of risks that may affect the achievement of our business objectives and impact stakeholder value. Risk management is an integral part of our business model. The business practices at 3i Infotech are oriented to leverage the risk management to generate maximum reward while keeping risks below a defined level.

Major risks identified include geographic and client concentration, attrition, managing of contractual obligations, etc. To address these risks, the Company has increased its diversification across geographies, enlarged the basket of offerings and is considering various steps for employee retention.

Safe Harbour

Certain statements made in the Management Discussion and Analysis report relating to the Company's objectives, projections, outlook, expectations, estimates, etc. may constitute "forward - looking-statements" within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections, etc. whether expressed or implied. Several factors could make a significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, natural calamities, etc. over which the Company does not have any direct control.

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF 3i INFOTECH LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of 3i INFOTECH LIMITED ("the Company") its subsidiaries and joint venture (the Company, its subsidiaries and joint venture together referred as "the Group") which comprise the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year ended on that date, and notes to financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2019, and the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How was the matter addressed in our audit
1	Ind As 115 "Revenue from Contract from customers" The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Refer Notes 20 and 2(g) to the Consolidated Ind AS Financial Statements.	Principal Audit Procedures: We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing as follows: • Selected a sample of continuing and new contracts and performed the following procedures: - Read, analysed and identified the distinct performance obligations in these contracts. - Compared these performance obligations with that identified and recorded by the Group. - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. - Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. - In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems. - Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. - Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. - We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

2	Revenue recognition – Fixed price development contracts The Group inter alia engages in Fixed-price development contracts, where, revenue is recognized using the percentage of completion computed as per the input method based on management's estimate of contract costs (Refer Note 20 and Note 2(g) to the consolidated financial statements) We identified revenue recognition of fixed price development contracts as a KAM considering – There is an inherent risk around the accuracy of revenues given the customised and complex nature of these contracts and significant involvement of IT systems; Application of revenue recognition accounting standard is complex and involves a number of key judgments and estimates including estimating the future cost-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation; These contracts may involve onerous obligations on the group that require critical estimates to be made by management; and At year-end a significant amount of work in progress (Unbilled and Unearned revenue) related to these contracts is recognised on the balance sheet.	Our audit procedures on revenue recognized from fixed price development contracts included: • Obtaining an understanding of the systems, processes and controls implemented by management for recording and calculating revenue and the associated contract assets, unearned and deferred revenue balances. • On selected samples of contracts, we tested that the revenue recognized is in accordance with the accounting standard by– - Evaluating the identification of performance obligation; - Testing management's calculation of the estimation of contract cost and onerous obligation, if any. We: ➢ Observed that the estimates of cost to complete were reviewed and approved by appropriate levels of management; ➢ Performed a retrospective review of costs incurred with estimated costs to identify significant variations and verify whether those variations have been considered in estimating the remaining costs to complete the contract; ➢ Assessed the appropriateness of work in progress (contract assets) on balance sheet by evaluating the underlying documentation to identify possible delays in achieving milestones which may require change in estimated costs to complete the remaining performance obligations; and ➢ Performed test of details including analytic to determine reasonableness of contract costs
3	Evaluation of uncertain tax position and contingent liability The Group operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including transfer pricing and indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the consolidated financial statements. Refer Note 30B to the Consolidated Financial Statements	Our audit procedures include the following substantive procedures: • Obtained understanding of key uncertain tax positions; and • We along with our internal tax experts – - Read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions; - Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and - Assessed management's estimate of the possible outcome of the disputed cases;

4	Impairment of Goodwill and Intangible Assets Refer to note 2p and note 04 to the consolidated financial statements As at March 31, 2019, the Group had goodwill amounting to ₹ 435.06 crores and Intangible Assets of ₹ 230.32 Crores, which relates system development, software, other license costs and other intangible assets and arose mainly from past acquisitions. The group is required to, at least annually, perform impairment assessments of intangible assets and goodwill which have an indefinite useful life and when there is an indication of impairment. For the purpose of performing impairment assessments, all intangible assets have been allocated to Group's cash generating units ("CGUs"). In carrying out the impairment assessments, significant judgements are required to estimate the future cash flows of the Group's businesses and CGUs and to determine the key assumptions, including including sales growth rates, gross profit margin, net profit margin and perpetual growth rates used to estimate future cash flows, the EBITDA multiples used in determining the terminal values, and the discount rates applied to bring the future cash flows back to their present values. Based on the results of these impairment assessments conducted by the Group, it is believed that there is sufficient headroom and therefore there is no impairment of goodwill and CGUs of Intangible Assets. This conclusion is based on the recoverable amounts is exceeding the book amount of the goodwill and Intangible Assets.	Principal Audit Procedures: We understood, evaluated and validated management's key controls over the impairment assessment process. We compared the methodology used (value-in-use calculations based on future discounted cash flows) by the group to market practice. We obtained management's future cash flow forecasts, tested the mathematical accuracy of the underlying value-in-use calculations and compared the same to the approved financial budget and future forecasts. We also compared historical actual results to those budgeted to assess the quality of management's forecasts. We also assessed the reasonableness of key assumptions used in the calculations, comprising sales growth rates, gross profit margin, net profit margin, perpetual growth rate and discount rates. When assessing these key assumptions, we discussed them with management to understand and evaluate management's basis for determining the assumptions, and compared them to external industry outlook reports and economic growth forecasts from a number of sources. We also obtained from management valuation report from external valuation expert. We obtained and tested management's sensitivity analysis around the key assumptions, to ascertain that selected adverse changes to key assumptions, both individually and in aggregate, would not cause the carrying amount of goodwill to exceed the recoverable amount. We evaluated management's assessment on whether any events or change in circumstances indicate there may be a change in the expected useful lives of intangible assets and goodwill. We found the group's estimates and judgments used in the impairment assessment and review of useful lives of goodwill and Intangible Assets are supported by the available evidence.

Other information

The Company's Board of Directors is responsible for the preparation of the other information. The other information included comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholders' information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The above stated reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the above stated reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the companies included in the Group is also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Consolidated Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company and its subsidiaries incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements.

Materiality is the magnitude of misstatements in the Ind AS financial statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The accompanying Statement includes the financial statements and other information of 6 subsidiaries whose financial information includes total assets of ₹ 199.11 Crores as at March 31, 2019 total revenues of ₹ 391.35 Crores and net profit of ₹ 37.59 Crores for year ended on March 31, 2019 respectively, which have been audited us.

We did not audit the financial statements and other information, in respect of 4 subsidiaries, whose financial information reflects total assets of ₹ 509.98 Crores as at March 31, 2019 and total revenues of ₹ 397.15 Crores for the year ended on March 31, 2019 respectively. These financial results/statements and other financial information have been audited by other auditors, whose reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors. Our opinion is not modified in respect of this matter.

The Statement includes financial statements and other information of 13 subsidiaries, whose financial information reflects total assets of ₹ 89.33 Crores as at March 31, 2019, and total revenues of ₹ 135.74 Crores for the year ended on that date respectively and the financial statements of 1 joint venture which reflects Group's share of net profit of ₹ Nil for the year ended on March 31, 2019 respectively, which are certified by the Management. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other information are not material to the Group. Our opinion is not modified in respect of this matter

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated Ind AS financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of the subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure A” which is based on the auditor’s report of the Company and its subsidiaries incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for the reasons stated therein.

   g) In our opinion and to the best of our information and according to the explanations given to us, we report as under 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 Consolidated financial statements disclose the impact of pending litigations on its Consolidated financial position as referred to Note 30 to the Consolidated Ind AS financial statement.

      (ii) Provisions has been made in the Consolidated Ind AS financial statement, as required under the applicable law or accounting standard, for material foreseeable laws if any, on long term contracts.

      (iii) There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For GMJ & Co
Chartered Accountants
(FRN: 103429W)

(CA S. Maheshwari)
Partner
Membership No.: 038755

Place : Mumbai
Date : May 7, 2019

Annexure – ‘A’ to the Auditors’ Report

(Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”))

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of 3i Infotech Limited of even date)

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of “3i Infotech Limited” (“the Company”) and its subsidiaries companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The board of directors of the Company and its subsidiaries companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (‘the 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiaries companies, which are companies incorporated in India, 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 judgment, 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 internal financial controls system over financial reporting of the Company and its subsidiaries companies, which are companies incorporated in India.

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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations 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 Consolidated Ind As 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiaries companies, which are companies incorporated in India, have, 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 31,2019, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GMJ & Co
Chartered Accountants
(FRN: 103429W)

(CA S. Maheshwari)
Partner
Membership No.: 038755

Place : Mumbai
Date : May 7, 2019

3i INFOTECH LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

₹ in Crores

Particulars	Notes	March 31, 2019	March 31, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	140.95	142.55
(b) Goodwill	4	435.06	435.06
(c) Other Intangible Assets	4	230.32	225.42
(d) Financial Assets			
(i) Investments	5	0.16	0.16
(ii) Other Financial Assets	5	8.81	6.98
(e) Deferred Tax Asset (Net)	11	3.66	3.24
(f) Income Tax Asset		124.12	139.68
(g) Other Non-Current Assets	10	20.28	14.30
		963.36	**967.39**
Current assets			
(a) Inventories	6	0.60	0.99
(b) Financial Assets			
(i) Trade Receivables	7	244.40	212.07
(ii) Cash and Cash Equivalents	8	101.19	48.90
(iii) Bank Balances Other than (ii) above	9	3.53	2.77
(iv) Loans	5	0.09	0.22
(v) Other Financial Assets	5	154.40	120.72
(c) Other Current Assets	10	24.09	17.27
		528.30	**402.94**
TOTAL		**1,491.66**	**1,370.33**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12	1,616.64	1,615.36
(b) Other Equity	13	(1,293.43)	(1,363.59)
Equity attributable to equity holders of the parent		**323.21**	**251.77**
Non Controlling Interest		4.40	3.50
Total Equity		**327.61**	**255.27**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	813.70	824.68
(b) Provisions	19	20.28	20.39
		833.98	**845.07**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	31.70	21.91
(ii) Trade Payables	17	104.49	112.60
(iii) Other Financial Liabilities	16	72.71	28.26
(b) Other Current Liabilities	18	103.26	91.70
(c) Provisions	19	4.40	2.75
(d) Current Tax Liabilities (Net)		13.51	12.77
		330.07	**269.99**
TOTAL		**1,491.66**	**1,370.33**
Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements	1 to 42		

As per our report of even date attached
For GMJ & CO
Chartered Accountants
F. R. No. 103429W

S. Maheshwari
Partner
M.No. 038755

Navi Mumbai
Date: May 07, 2019

For and on behalf of the board

Padmanabhan Iyer
CFO, Managing Director and Global CEO
(DIN: 05282942)

Shashank Desai
Director
(DIN: 00143638)

Rajeev Limaye
Company Secretary
(M. No. A17168)

Navi Mumbai
Date: May 07, 2019

3i INFOTECH LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Crores

Particulars	Notes	2018-19	2017-18
REVENUE			
Revenue from operations (net)	20	1,121.75	991.19
Other income	21	21.05	19.24
Total Revenue (I)		**1,142.80**	**1,010.43**
EXPENSES			
Employee benefits expense	23	604.35	528.04
Cost of third party products and services	22	236.06	198.54
Finance costs	24	84.23	86.65
Depreciation and amortization expense	25	2.11	8.94
Other expenses	26	136.94	108.78
Total Expenses (II)		**1,063.69**	**930.95**
Profit/(loss) before tax (I-II)		**79.11**	**79.48**
Tax expense:			
Current tax		10.69	7.40
Adjustment of tax relating to earlier periods		0.67	0.54
Deferred tax		(0.40)	0.43
Profit/(loss) for the year		**68.15**	**71.11**
OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans		1.85	0.50
Income tax effect		0.02	-
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:			
Other Comprehensive income for the year, net of tax		**1.87**	**0.50**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**70.02**	**71.61**
Profit for the year attributable to:			
Equity holders of the parent		67.25	70.40
Non-controlling interests		0.90	0.71
Other comprehensive income for the year attributable to:			
Equity holders of the parent		1.87	0.50
Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
Equity holders of the parent		69.12	70.90
Non-controlling interests		0.90	0.71
Earnings per share for profit attributable to equity shareholders	27		
Basic EPS		0.42	0.44
Diluted EPS		0.42	0.44

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements 1 to 42

As per our report of even date attached
For GMJ & CO
Chartered Accountants
F. R. No. 103429W

S. Maheshwari
Partner
M.No. 038755

Navi Mumbai
Date: May 07, 2019

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Padmanabhan Iyer
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Rajeev Limaye
Company Secretary
(M. No. A17168)

Navi Mumbai
Date: May 07, 2019

3i INFOTECH LIMITED
CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

₹ in Crores

Particulars	2018-19	2017-18
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax	79.11	79.48
Adjustments for:		
Depreciation and amortisation expense	2.11	8.94
Employee share-based payment expense	0.68	0.20
Loss on disposal of property, plant and equipment	(0.01)	(0.03)
Other income	(6.34)	(7.22)
Remeasurement of Defined Benefit Obligation	1.85	0.50
Allowance for doubtful debts	3.59	3.78
Provision reversal for doubtful advances	-	(5.00)
Interest income classified as investing cash flows	(14.71)	(1.41)
Finance costs	84.23	86.65
Net foreign exchange differences	5.14	(1.42)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	(29.43)	(11.60)
(Increase)/Decrease in inventories	0.39	(0.07)
Increase/(decrease) in trade payables	(7.95)	(7.26)
(Increase) in other financial assets	(31.66)	(48.48)
(Increase)/decrease in other non-current assets	(5.99)	(6.13)
(Increase)/decrease in other current assets	(7.56)	7.01
Increase/(decrease) in provisions	1.54	(0.82)
Increase in other current liabilities	55.82	11.99
Cash generated from operations	**130.81**	**109.11**
Less: Income taxes paid / (Refund) (Net)	6.22	(16.37)
Net cash inflow from operating activities	**137.03**	**92.74**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(10.83)	(3.83)
Payments for software development costs	5.43	(0.25)
Loans to employees	-	(0.26)
Proceeds from sale of investments	-	5.00
Proceeds from sale of property, plant and equipment	-	(1.51)
Repayment of loans by employees	0.13	0.14
Interest received	10.84	(1.79)
Net cash inflow/(outflow) from investing activities	**5.57**	**(2.50)**

3i INFOTECH LIMITED
CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

₹ in Crores

Particulars	2018-19	2017-18
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from/(Repayment/Reclassification of) borrowings	(45.11)	(105.41)
Interest paid	(44.23)	(53.99)
Dividends paid	(0.64)	(0.97)
Dividend distribution tax paid	(0.32)	(0.01)
Net cash inflow/ (outflow) from financing activities	**(90.30)**	**(160.38)**
Net increase (decrease) in cash and cash equivalents	52.29	(70.15)
Cash and Cash Equivalents at the beginning of the financial year	48.90	119.05
Cash and Cash Equivalents at end of the year	**101.19**	**48.90**
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents as per above comprise of the following:		
Balances with banks:		
-On current accounts	26.90	26.23
-On deposit accounts	74.28	22.67
Cash on hand	0.01	-
Balances as per statement of cash flows	**101.19**	**48.90**

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 on "Statement of Cash Flows" notified by the Companies Act, 2013.
2. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements 1 to 42

As per our report of even date attached
For GMJ & CO
Chartered Accountants
F. R. No. 103429W

S. Maheshwari
Partner
M.No. 038755

Navi Mumbai
Date: May 07, 2019

For and on behalf of the board

Padmanabhan Iyer
CFO, Managing Director and Global CEO
(DIN: 05282942)

Shashank Desai
Director
(DIN: 00143638)

Rajeev Limaye
Company Secretary
(M. No. A17168)

Navi Mumbai
Date: May 07, 2019

3i INFOTECH LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A Equity Share Capital

₹ in Crores

Particulars	Balance at the Beginning of the year	Changes in Equity share capital during the year	Balance at the end of the year
March 31, 2018			
Numbers	1,223,672,604	391,685,574	**1,615,358,178**
Amount	1,223.67	391.69	**1,615.36**
March 31, 2019			
Numbers	1,615,358,178	1,286,684	**1,616,644,862**
Amount	1,615.36	1.28	**1,616.64**

B Other Equity

₹ in Crores

Particulars	Equity Component of Compound financial instruments	Reserves and Surplus				Share Suspense account - Equity Shares	Shares held in abeyance	Total other equity attributable to parent	Non Controlling Interest	Total other equity
		Securities Premium Reserve	Share Based Payment Reserve	Retained Earnings	Property , Plant and Equipment Reserve					
As as April 1, 2017	20.13	894.85	1.91	(2,496.67)	119.07	414.49	40.02	(1,006.20)	2.81	(1,003.39)
Profit for the year				70.40				70.40	0.71	71.11
Other comprehensive income				0.50				0.50		0.50
Total comprehensive income for the year	-	-	-	**70.90**	-	-	-	**70.90**	**0.71**	**71.61**
Securities Premium					-			-		-
Issue of equity shares						(390.07)	(40.02)	(430.09)		(430.09)
Changes in Share Suspense account						1.53		1.53		1.53
FCCB conversions during the year	(0.81)	0.93		0.72				0.84		0.84
Dividend on Preference Shares				(0.02)				(0.02)		(0.02)
Share based payment expense			0.20					0.20		0.20
Transfer from PPE Reserve				2.76	(2.76)			-		-
Others				(0.75)				(0.75)	(0.02)	(0.77)
As at March 31, 2018	**19.32**	**895.78**	**2.11**	**(2,423.06)**	**116.31**	**25.95**	-	**(1,363.59)**	**3.50**	**(1,360.09)**
Profit for the year				67.25				67.25	0.90	68.15
Other comprehensive income				1.87				1.87	-	1.87
Total comprehensive income for the year	-	-	-	**69.12**	-	-	-	**69.12**	**0.90**	**70.02**
FCCB conversions during the year	(0.43)	0.40	-	0.32	-	-	-	0.29	-	0.29
Dividend on Preference Shares				-				-		-
Share based payment expense	-	-	0.68	-	-	-	-	0.68	-	0.68
Amortisation of Revaluation Reserve	-	-	-	2.76	(2.76)	-	-	-	-	-
Others				0.07				0.07	-	0.07
As at March 31, 2019	**18.89**	**896.18**	**2.79**	**(2,350.79)**	**113.55**	**25.95**	-	**(1,293.43)**	**4.40**	**(1,289.03)**

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements **1 to 42**

As per our report of even date attached
For GMJ & CO
Chartered Accountants
F. R. No. 103429W

S. Maheshwari
Partner
M.No. 038755

Navi Mumbai
Date: May 07, 2019

For and on behalf of the board

Padmanabhan Iyer
CFO, Managing Director and Global CEO
(DIN: 05282942)

Shashank Desai
Director
(DIN: 00143638)

Rajeev Limaye
Company Secretary
(M. No. A17168)

Navi Mumbai
Date: May 07, 2019

3i Infotech®
LIMITLESS EXCELLENCE

3i Infotech Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1 Corporate Information

These statements comprise Consolidated Financial Statements of 3i Infotech limited (the Company) and its subsidiaries (collectively referred as 'the Group') and a Joint Venture for the year ended March 31, 2019.

The Company is a Global Information Technology Company committed to Empowering Business Transformation. A comprehensive set of IP based software solutions, coupled with a wide range of IT services, uniquely positions the Company to address the dynamic requirements of a variety of industry verticals of Banking and Financial Services Industry (BFSI), predominantly Banking, Insurance, Capital Markets, Asset & Wealth Management. The Company also provides solutions for other verticals such as Government, Manufacturing, Retail, Distribution, Telecom and Healthcare.

The Company is a Public Limited Company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The address of its registered office is at International Infotech Park, Tower No.5, 3rd to 6th floors, Vashi, Navi Mumbai-400703.

The consolidated financial statements for the year ended March 31,2019 were approved by the Board of Directors and authorised for issue on May 07, 2019.

2 Significant Accounting Policies

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

b) Basis of preparation

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has both joint operations and joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in below.

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or Other Comprehensive Income (OCI), as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash- generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

e) Group companies translation

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

f) Use of estimates and judgments

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

(i) Impairment of investments

The Group reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(ii) Useful lives of property, plant and equipment

The Group reviews the useful life of propery,plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(iii) Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note (l).

(iv) Provisions and Contingent liabilities

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the consolidated financial statements. A contingent asset is neither recognised nor disclosed in the consolidated financial statements.

g) Revenue Recognition

The Group earns primarily from providing services of Information Technology (IT) solutions and Transaction services.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 : Revenue and Ind AS 11 : Construction Contracts. The impact of adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Revenue from software development and related services have been recognised basis guidelines of Ind AS 115 – "Revenue from contract with customers", by applying the revenue recognition criteria for each distinct performance obligation based on the contractual arrangement in conjunction with the Company's accounting policies.

Revenue from Licenses where customer obtains a ' right to use ' the license is recognised at the time when the license is made available to the customer.

When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling price.

Revenue from the sale of and Cost of, distinct third party hardware is recognised upon performance of the contractual obligation.

The Company recognises revenue in terms of the contracts with its customers, combined with its accounting policies. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue recognition for fixed priced development contracts is based on percentage completion method. Invoicing to the client is based on milestones as stipulated in the contract.

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

Revenue from sharing of infrastructure facilities is recognised based on usage of facilities.

Unbilled Revenue pertains to revenue which would be billed as per the stipulations of the contract.

Invoicing in excess of earnings are classified as unearned revenue.

Performance Obligation and remaining performance obligation

The remaining performance obligations disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation-related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

h) Interest / Dividend Income

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

i) Leases

(i) Finance lease

Assets taken on lease by the Group in its capacity as a lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at the lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

(ii) Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

j) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Group are broadly categorised in employee benefit expenses, cost of third party products and services, finance costs, depreciation and amortisation and other expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Cost of third party products and services mainly include purchase of software licenses and products, fees to external consultants, cost of running its facilities, cost of equipment and other operating expenses. Finance cost includes interest and other borrowing cost. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, printing and stationery ,communication, repairs and maintenance etc.

k) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit or loss.

Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

l) Income taxes

Current income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Advance taxes and provisions for current income taxes are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future economic tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Group recognises interest levied and penalties related to income tax assessments in finance costs.

m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- **Debt instruments at amortised cost**

  A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

  a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

  b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- **Debt instrument at fair value through other comprehensive income (FVTOCI)**

  A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

  (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

  (b) The asset's contractual cash flows represent SPPI.

  Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

- **Debt instrument at fair value through profit and loss (FVTPL)**

  FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

  In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). the Group has not designated any debt instrument as at FVTPL.

  Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

- **Equity investments**

  All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value, the Group makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows.

(iii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial Liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

  Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

  Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

- **Loans and borrowings**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

  Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iv) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n) Compound financial instruments

Compound Financial instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the compound financial instruments, the fair value of the liability component is determined using a market rate for an equivalent non- convertible instrument. This amount is classified as an financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are dedcuted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction Costs are apportioned between the liability and equity components of the compound financial instruments based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

o) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives adopted by Group

Category of Assets	Useful lives adopted by Company	Useful Lives prescribed under Schedule II of the Act
Computers	1-6 years	3-6 years
Plant and Machinery, Electrical Installation	5 years	15 years
Office Equipment	1-5 years	5 years
Furniture and Fixtures	3-10 years	10 years
Vehicles	3-8 years	10 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit or loss within other gains/(losses).

p) Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

(ii) Software Products- Meant for sale

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and are tested for impairment from the point at which the asset is available for use.

(iii) Software Products- Others

Purchased software meant for in house consumption and significant upgrades thereof which have a probable economic benefit exceeding one year are capitalised at the acquisition price.

(iv) Patents, copyrights , Business commercial rights and other rights

Separately acquired patents and copyrights are shown at historical cost. Patents, copyrights and non-compete acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(v) Research and development

Research expenditure and development expenditure that do not meet the criteria specified above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Category of Assets	Useful lives adopted by Company
Business Commercial rights	10 years
Software others	5 years or as per license period

Intangible Assets with indefinite useful lives

Based on the analysis of product life cycle studies, market and competitive trends, it is assessed that 'Software Products - meant for sale' would generate net cash flows for an indefinite period.

q) Impairment

(i) Financial assets (other than at fair value)

The Group assesses at each date of Balance sheet whether a financial asset or a Group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk or the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets within finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

r) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund.

(c) superannuation contribution plans .

- **Gratuity obligations**

  The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

  The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than ₹, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

  The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

  Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

  Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

- **Defined contribution plans**

  The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

- **Superannuation contribution plan**

  Certain employees of the Company are also participants in a defined superannuation contribution plan. The Company contributes to the scheme with Life Insurance Corporation of India on a monthly basis. The Company has no further obligations to the scheme beyond its monthly contributions.

(iv) Employee Benefits in Foreign Subsidiaries and Foreign Branch

In respect of employees in foreign subsidiaries and foreign branch, necessary provisions are made based on the applicable local laws. Gratuity and leave encashment/entitlement as applicable for employees in foreign branch are provided on the basis of acturial valuation and based on estimates.

(v) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Option Plan.

Employee options

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

s) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

t) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred and are recognised in the statement of profit and loss.

u) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

v) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

w) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

x) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

y) Current/non current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period the Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

z) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing the inventory to its present location and condition are included in the cost of inventories.

Hardware and Supplies

Carried at lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

aa) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated.

3. PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Particulars	Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computer Hardwares	Leasehold Improvements	Assets under Finance Lease	Total
GROSS CARRYING VALUE										
As at April 1, 2017	**0.70**	**140.47**	**0.84**	**2.86**	**0.47**	**4.69**	**9.29**	**3.71**	**97.76**	**260.79**
Additions	-	-	-	0.27	-	0.25	4.82	-	-	**5.34**
Disposals	-	-	(0.14)	(0.05)	(0.07)	(0.11)	(3.53)	-	-	**(3.90)**
Discontinued operations (Note 23)	-	-	-	-	-	-	-	-	-	-
Acquisition through business combinations	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	0.01	-	(0.01)	(0.01)	1.19	(1.19)	(0.01)
As at March 31, 2018	**0.70**	**140.47**	**0.70**	**3.09**	**0.40**	**4.82**	**10.57**	**4.90**	**96.57**	**262.22**
Additions	-	-	0.16	0.57	-	1.09	3.00	-	-	**4.82**
Disposals	-	-	(0.04)	(0.36)	(0.08)	(0.50)	(0.01)	-	-	**(0.99)**
Discontinued operations (Note DO11)	-	-	-	-	-	-	-	-	-	-
Acquisition through business combinations	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	0.61	-	-	**0.61**
Other Adjustments	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	**0.70**	**140.47**	**0.82**	**3.30**	**0.32**	**5.41**	**14.17**	**4.90**	**96.57**	**266.66**
ACCUMULATED DEPRECIATION/IMPAIRMENT										
As at April 1, 2017	0.33	6.21	0.37	2.09	0.36	3.10	6.90	0.42	97.26	117.04
Depreciation for the year	0.01	3.11	0.14	0.46	0.06	0.77	2.45	1.07	-	8.07
Impairment Loss for the year	-	-	-	-	-	-	-	-	-	-
Discontinued operations (Note 23)	-	-	-	-	-	-	-	-	-	-
Acquisition through business combinations	-	-	-	-	-	-	-	-	-	-
Deductions\Adjustments during the period	(0.01)	0.01	(0.14)	(0.05)	(0.07)	(0.67)	(4.19)	0.37	(0.69)	(5.44)
As at March 31, 2018	**0.33**	**9.33**	**0.37**	**2.50**	**0.35**	**3.20**	**5.16**	**1.86**	**96.57**	**119.67**
Depreciation for the year	0.01	3.11	0.16	0.53	0.02	0.82	1.95	0.94	-	7.54
Impairment Loss for the year	-	-	-	-	-	-	-	-	-	-
Discontinued operations (Note DO12)	-	-	-	-	-	-	-	-	-	-
Acquisition through business combinations	-	-	-	-	-	-	-	-	-	-
Deductions\Adjustments during the period	-	-	-	(0.62)	(0.10)	(0.46)	(0.12)	(0.20)	-	(1.50)
As at March 31, 2019	**0.34**	**12.44**	**0.53**	**2.41**	**0.27**	**3.56**	**6.99**	**2.60**	**96.57**	**125.71**
Net Carrying value as at March 31, 2019	**0.36**	**128.03**	**0.29**	**0.89**	**0.05**	**1.85**	**7.18**	**2.30**	**-**	**140.95**
Net Carrying value as at March 31, 2018	**0.37**	**131.14**	**0.33**	**0.59**	**0.05**	**1.62**	**5.41**	**3.04**	**-**	**142.55**

i. **Leased Assets**

Property, Plant and Equipment includes the following amounts where the Group is a lessee under finance lease :

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Land		
Cost	0.40	0.40
Accumulated Depreciation	(0.04)	(0.03)
Net carrying amount	**0.36**	**0.37**
Building		
Cost	140.47	140.47
Accumulated Depreciation	(12.44)	(9.33)
Net carrying amount	**128.03**	**131.15**
Computers		
Cost	70.64	70.64
Accumulated Depreciation	(70.64)	(70.64)
Net carrying amount	**-**	**-**
Plant and Equipment/Electrical Installation		
Cost	0.04	0.04
Accumulated Depreciation	(0.04)	(0.04)
Net carrying amount	**-**	**-**
Furniture and Fixtures		
Cost	-	0.42
Accumulated Depreciation	-	(0.24)
Net carrying amount	**-**	**0.18**
Leasehold Improvements		
Cost	-	0.09
Accumulated Depreciation	-	(0.07)
Net carrying amount	**-**	**0.02**

Refer to Note 30 for lease term and options available for lessee and lessor and options.

ii. **Property, Plant and Equipment pledged as security against borrowings by the Group**

Refer to Note 38 for information on property, plant and equipment pledged as security by the Group.

iii. **Contractual Obligations**

Refer to Note 30 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4. INTANGIBLE ASSETS

₹ in Crores

Particulars	Goodwill	Software Products - Meant for sale	Software Products - Others	Total
GROSS CARRYING VALUE				
As at April 1, 2017	**676.87**	**1,154.54**	**6.38**	**1,837.79**
Additions	**-**	**-**	0.24	**0.24**
Deletions	**-**	**-**	-	**-**
Other Adjustments	-	0.01	(1.52)	**(1.51)**
As at March 31, 2018	**676.87**	**1,154.55**	**5.10**	**1,836.52**
Additions	**-**	**32.21**	**0.08**	**32.29**
Deletions	**-**	**-**	**-**	**-**
Other Adjustments	-	-	(0.61)	**(0.61)**
As at March 31, 2019	**676.87**	**1,186.76**	**4.57**	**1,868.20**
ACCUMULATED AMORTISATION AND IMPAIRMENT				
As at April 1, 2017	241.81	930.87	2.47	1,175.15
Amortisation for the year	-	-	0.86	0.86
Deductions\Adjustments during the period	-	0.01	0.02	0.03
As at April 1, 2018	**241.81**	**930.88**	**3.35**	**1,176.04**
Amortisation for the year	-	0.71	0.11	0.82
Deductions\Adjustments during the period	-	25.97	(0.01)	25.96
As at March 31, 2019	**241.81**	**957.56**	**3.45**	**1,202.82**
Net Carrying value as at March 31, 2019	**435.06**	**229.20**	**1.12**	**665.38**
Net Carrying value as at March 31, 2018	**435.06**	**223.67**	**1.75**	**660.48**

i. Significant Estimate : Useful life of Intangible Assets

Refer to sub note (p) of Note 2 'Significant Accounting policies'

ii. Intangible Assets with indefinite useful lives

The Group provides IT based software solutions to variety of industry verticals which includes softwares meant for Banking industry, Insurance industry, Enterprise Resource Panning (ERP) softwares and softwares meant for financial service industry. These softwares have been capitalised as 'Software Products - meant for sale' category under intangible assets. The Group based on the analysis of product life cycle studies, market and competitive trends assesses that the 'Software Products - meant for sale' products will generate net cash flows for an indefinite period.

iii. Impairment testing of goodwill and intangible assets with idefinite lives

(a) Software Products - meant for sale

Software Products - meant for sale with indefinite lives have been allocated to the CGUs below forming part of IT Solution segment which is Group's operating and reportable segment, for impairment testing :

- Banking
- Insurance
- ERP
- Financial Services

Carrying amount of intangible assets with indefinite lives allocated to each of the CGUs:

₹ in Crores

Intangible Assets	March 31, 2019	March 31, 2018
Software meant for sale		
- Banking	110.52	104.99
- Insurance	56.63	56.63
- ERP	47.64	47.64
- Financial Services	14.41	14.41
	229.20	**223.67**

The Group tests whether softwares have suffered any impairment periodically. The recoverable amount of a cash generating unit (CGU) is determined based on value in use of the underlying asset. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

The recoverable amount of CGUs (business units) based on value in use as at December 31, 2018: ₹ 1,654 crores (December 31, 2017: ₹ 1,123 crores). The recoverable amounts represents the fair value of the business of the software products over the periord of budgeted five years.

Based on estimates of the management, though the fair valuation of the product businesses are much higher than the carrying amount of the software products, these intangibles are carried at amounts which the management estimates to be the residual value of the development costs.

(b) Goodwill

Goodwill acquired through business combinations has been allocated to the below mentioned product / services which are considered as CGUs for impairment testing :

- Banking
- Financial Services
- BPO Services
- US Geography Services

Carrying amount of goodwill allocated to each of the CGUs:

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Allocation to CGUs		
Products		
- Banking	13.69	13.69
- Financial Services	67.40	67.40
Services		
- BPO Services	53.00	53.00
- US Geography Services	300.97	300.97
	435.06	**435.06**

The Group tests whether goodwill has impaired periodically. The recoverable amount of a cash generating unit (CGU) is determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

The recoverable amount of CGUs based on value in use as at December 31, 2018 ₹ 1,648.85 crores (December 31, 2017 ₹ 1,795.80 crores). The recoverable amounts represent the aggregate fair value of the business of the products / services over the period of budgeted five years.

However, having regard to the complexities involved and uncertainties envisaged with respect to the businesses of subsidiaries, the management; as a prudent measure has been writing down the goodwill amounts and has reflected these at carrying values, which have been lower than the aggregate recoverable amounts derived from respective Value in Use of these products / services.

5. INVESTMENTS & OTHER FINANCIAL ASSETS

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
(A) INVESTMENTS		
Non Current		
Investments carried at fair value through Profit and Loss		
Unquoted		
Investments in Equity Instruments		
200,000 Equity Shares of Sri Lankan Rupee 10 each fully paid up of First Capital Asset Management Co.Ltd.(as at March 31, 2018 - 200,000 shares)	0.10	0.10
55,000 equity shares of ₹ 10 each fully paid up of Vashi Railway Station Commercial Complex Limited. (as at March 31, 2018 - 55,000 shares)	0.06	0.06
37,500 Equity Shares of Egyptian Pounds 100 each fully paid up of Nile Information Technology. (as at March 31, 2018 - 37,500 shares)	2.91	2.91
Less: Impairment Allowance	(2.91)	(2.91)
8% holding in Four Seasons Software LLC, a 'S' corporation, Connecticut, USA.	2.10	2.10
Less: Impairment Allowance	(2.10)	(2.10)
Total	**0.16**	**0.16**
Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate amount of unquoted investments	5.17	5.17
Aggregate amount of impairment in the value of investments	(5.01)	(5.01)
Investments carried at amortised cost	-	-
Investments carried at fair value through other comprehensive income	-	-

Particulars		March 31, 2019	March 31, 2018
Investments carried at fair value through profit and loss		**0.16**	**0.16**
Investments carried at cost		-	-
(B)	**LOANS**		
	Current		
	Unsecured, considered good unless otherwise stated		
	Loans to Employees	0.09	0.22
	Total	**0.09**	**0.22**
(C)	**OTHER FINANCIAL ASSETS**		
	Non Current		
	Financial assets carried at amortised cost		
	Security Deposits	9.30	7.47
	Less: Loss Allowances	(0.49)	(0.49)
	Total	**8.81**	**6.98**
	Current		
	Financial assets carried at amortised cost		
	Security Deposits	8.69	12.62
	Unbilled Revenue	169.12	154.37
	Interest Accrued but not due	2.06	0.63
	Less: Loss Allowances on Doubtful deposits	(0.89)	(2.65)
	Less: Loss Allowances on Doubtful unbilled revenue	(24.58)	(44.25)
	Total	**154.40**	**120.72**

6. INVENTORIES

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
(Valued at lower of Cost and Net Realisable value)		
Hardware and Supplies	0.60	0.99
Total	**0.60**	**0.99**

7. TRADE RECEIVABLES

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Current		
Trade Receivables from customers	244.40	212.07
	244.40	**212.07**
Breakup of Security details		
Secured, considered good	-	-
Unsecured, considered good	244.40	212.07
Which have significant increase in credit risk	-	-
Doubtful	25.60	32.97
	270.00	**245.04**
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Doubtful	25.60	32.97
	25.60	**32.97**
Total	**244.40**	**212.07**

Trade or Other Receivable due from directors or other officers of the company either severally or jointly with any other person amounted to ₹ NIL (Previous year ₹ NIL)

Trade or Other Receivable due from firms or private companies respectively in which any director is a partner, a director or a member amounted to ₹ NIL (Previous year ₹ NIL)

8. CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Balances with banks:		
- On current accounts	26.90	26.23
- On deposit accounts	74.28	22.67
Cash on hand	0.01	-
	101.19	**48.90**

9. OTHER BANK BALANCES

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Balances with banks to the extent held as margin money	2.15	2.01
Deposits with banks to the extent held as margin money	1.38	0.03
Other Balances with banks		
- in Dividend accounts	-	0.14
- in Escrow accounts	-	0.59
	3.53	**2.77**

10. OTHER ASSETS

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Non Current		
Capital Advances	1.33	0.17
Others		
- Prepaid expenses	8.69	6.84
- Balances with Statutory, Government Authorities	10.26	7.29
Total	**20.28**	**14.30**
Current		
Advances other than Capital advances		
- Advances to creditors	4.32	2.29
- Other Advances	4.72	4.28
Others		
- Prepaid expenses	12.38	8.24
- Balances with Statutory, Government Authorities	2.39	2.18
- Other current assets	0.28	0.28
Total	**24.09**	**17.27**

11. INCOME TAX

Deferred Tax

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Deferred tax relates to the following:		
Depreciation for tax purposes	(102.97)	(105.13)
Gratuity	5.60	5.49
Expenses allowable on payment basis	-	2.97
Leave Encashment	0.46	0.35
Loss Allowance on Financial Assets	6.39	6.39
Losses available for offsetting against future taxable income	223.16	235.42
Other Ind AS adjustments	(128.98)	(142.25)
Net Deferred Tax Assets / (Liabilities)	**3.66**	**3.24**

Movement in deferred tax liabilities/assets

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Opening balance as of April 1	3.24	3.07
Tax income/(expense) during the period recognised in profit or loss	0.40	(0.43)
Tax income/(expense) during the period recognised in OCI	0.02	-
Foreign exchange fluctuation loss	0.01	0.60
Closing balance as at March 31	**3.66**	**3.24**

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Unrecognised deferred tax assets		
Deductible temporary differences	328.98	332.67
Unrecognised tax losses	554.90	624.97

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Tax losses which arose in India of ₹ 628.23 crores (Previous year ₹ 918.45 crores) that are available for offsetting for eight years against future taxable profits of the company. Majority of these losses will expire in March 2021.

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of tax lossses carried forward by the Company.

Unrecognised Tax Assets are subject to compliance with the Tax Laws of respective countries.

Major Components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are as follows:

i. Income tax recognised in profit or loss **₹ in Crores**

Particulars	2018-19	2017-18
Current income tax charge	10.69	7.40
Adjustment in respect of current income tax of previous year	0.67	0.54
Deferred tax		
Relating to origination and reversal of temporary differences	(0.40)	0.43
Income tax expense recognised in profit or loss	**10.96**	**8.37**

ii. Income tax recognised in OCI **₹ in Crores**

Particulars	2018-19	2017-18
Net loss/(gain) on remeasurements of defined benefit plans	0.02	-
Income tax expense recognised in OCI	**0.02**	**-**

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2019 and March 31, 2018

₹ in Crores

Particulars	2018-19	2017-18
Accounting profit before income tax	**79.11**	**79.48**
Enacted tax rate in India	34.61%	34.61%
Income tax on accounting profits	**27.38**	**27.51**
Effect of		
Loss credit forward to next year	-	2.13
Loss for year	0.01	-

Utilisation of previously unrecognised tax lossses	(92.00)	(18.87)
Depreciation	(2.23)	1.27
Accounting Income not assessable for tax purpose	(11.30)	(8.03)
Adjustment for current tax of prior period	-	0.54
Translation Effect	15.52	(1.02)
Other non taxable income	(0.04)	4.62
Withholding Tax on Remittances to Holding Company	6.12	-
Inter Company Elimation	(22.58)	-
Non-deductible expenses for tax purposes:		
Accounting expenses not deductible for tax purpose	19.99	18.35
Other non deductible expenses	(0.12)	44.82
Share based payment expenses not deductible for tax purposes	32.81	0.07
Allowable expenses for tax purposes:		
Expenditure allowable on payment basis	0.09	0.04
Tax impact on Intercompany transation	-	(61.73)
Effect of differential tax rate	36.19	(1.33)
Tax at effective income tax rate	**9.84**	**8.36**

12. SHARE CAPITAL

i. Authorised Share Capital

₹ in Crores

Particulars	Equity Share (₹ 10 Each)		Non Convertible Cumulative Reedemable Preference Share (Class A) (₹ 5 Each)	
	Number	Amount	Number	Amount
At April 1, 2017	**2,200,000,000**	**2,200**	**200,000,000**	**100**
Increase/(decrease) during the year	-	-	-	
At April 1, 2018	**2,200,000,000**	**2,200**	**200,000,000**	**100**
Increase/(decrease) during the year	-	-	-	-
At March 31, 2019	**2,200,000,000**	**2,200**	**200,000,000**	**100**

Particulars	Non Convertible Cumulative Reedemable Preference Share (Class B) (₹ 5 Each)		Non Convertible Cumulative Reedemable Preference Share (Class C) (₹ 1 Each)	
	Number	Amount	Number	Amount
At April 1, 2017	**1,500,000,000**	**750**	**1,050,000,000**	**105**
Increase/(decrease) during the year	-	-	-	-
At April 1, 2018	**1,500,000,000**	**750**	**1,050,000,000**	**105**
Increase/(decrease) during the year	-	-	-	-
At March 31, 2019	**1,500,000,000**	**750**	**1,050,000,000**	**105**

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 each. 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 of preferential amounts in proportion to their shareholding.

Terms/rights attached to preference shares

The terms of Class A Preference Shares having face value of ₹ 5 each, had been amended in financial year 2015-2016 and these were made redeemable on March 15, 2026. Redemption Premium shall be an amount that would provide the holder of the said shares an internal rate of return (IRR) of 6% per annum excluding the Dividend Rate on the outstanding amount of the said shares, to be paid at the time of redemption of the said shares.

Contingent liability in respect of arrears of dividend on these preference shares as at March 31, 2019 would be ₹ Nil crores (₹ Nil crores as at March 31, 2018).

Class B Preference Shares of face value of ₹ 5 each are redeemable on March 15, 2026 and would carry a dividend of 0.10 % per annum.

Class C Preference Shares of face value of ₹ 1 each with a premium of ₹ 4 each and would carry a dividend of 0.10 % per annum.

ii. Issued Capital

Equity Shares **₹ in Crores**

Particulars	Number	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid		
At April 1, 2017	**1,223,672,604**	**1,223.67**
Issued during the period		
Shares issued towards conversion of FCCB	1,611,058	1.62
Shares issued under CDR/DRS	390,074,516	390.07
At April 1, 2018	**1,615,358,178**	**1,615.36**
Issued during the period		
Shares issued towards conversion of FCCB	1,286,684	1.28
Shares issued under CDR/DRS	-	-
At March 31, 2019	**1,616,644,862**	**1,616.64**

Preference Shares **₹ in Crores**

Particulars	Non Convertible Cumulative Reedemable Preference Share (Class A) of ₹ 5 each issued and fully paid		Non Convertible Cumulative Reedemable Preference Share (Class B) of ₹ 5 each issued and fully paid	
	Number	Amount	Number	Amount
At April 1, 2017	**130,000,000**	**-**	**693,270,487**	**-**
Issued during the year	-	-	582,251,109	-
At April 1, 2018	**130,000,000**	**-**	**1,275,521,596**	**-**
Issued during the year	-	-	-	-
At March 31, 2019	**130,000,000**	**-**	**1,275,521,596**	**-**

This note covers the number of preference shares issued by the Company. Since the preference shares are non convertible redeemable shares, it is reflected in financial liabilities.

iii. Paid up Capital **₹ in Crores**

Particulars	Number	Amount
Equity shares of ₹ 10 each		
At April 1, 2017	**1,183,651,403**	**1,183.65**
Issued Capital during the year	431,706,775	431.71
At March 31, 2018	1,615,358,178	1,615.36
At April 1, 2018	**1,615,358,178**	**1,615.36**
Issued Capital during the year	1,286,684	1.28
At March 31, 2019	**1,616,644,862**	**1,616.64**

iv. Shares held by holding/ ultimate holding company and / or their subsidiaries / associates

The Company does not have a holding company or ultimate holding company.

v. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Number	% holding	Number	% holding
Equity shares of ₹ 10/- each fully paid				
SREI Multiple Asset Investement Trust (SMAIT)	263,909,361	16.32	263,909,361	16.34
Standard Chartered Bank	148,302,327	9.17	148,302,327	9.18
IDBI Bank Limited	123,637,521	7.65	126,088,948	7.81
Non Convertible Cumulative Reedemable Preference Share (Class A) of ₹ 5 each issued and fully paid				
IDBI Trusteeship Services Limited (ICICI Strategic Investments Fund)	130,000,000	100.00	130,000,000	100 .00
Non Convertible Cumulative Reedemable Preference Share (Class B) of ₹ 5 each issued and fully paid				
SREI Multiple Asset Investement Trust (SMAIT)	444,982,211	34.89	444,982,211	34.89
Standard Chartered Bank	189,505,860	14.86	189,505,860	14.86
IDBI Bank Limited	180,743,103	14.17	180,743,103	14.17

vi. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date are Nil.

vii. Shares reserved for issue under options

For details of shares reserved for issue under the Share based payment plan of the company, please refer note 29.

For details of shares reserved for issue on conversion of Foreign Currency Convertible Bonds , please refer note 15 related to terms of conversion/ redemption of Foreign Currency Convertible Bonds.

viii. Shares issued/to be issued under DRS

Appendix D 'Extinguishing Financial Liabilities with Equity Instruments' of IndAS 109 on Financial Instruments requires an entity to measure equity shares issued on extinguishment of liabilities at fair value on the date of extinguishment. Accordingly, fair value of equity shares issued under DRS Scheme is the consideration paid against settlement of liabilities and the difference between the fair value of consideration and liability settled is to be charged to statement of profit or loss.

On the date of extinguishment of liability, which is the date of implementation of DRS scheme, the fair value of equity shares is below face value. Therefore as per IndAS 109, the difference between the liability settled and fair value of equity shares is required to be charged to statement of profit or loss.

However, as per Section 53 of the Companies Act, 2013, a Company shall not issue shares at a discount. Therefore, for the purpose of compliance of Companies Act, 2013, the Company has considered face value of shares issued as consideration paid towards extinguishment of liabilities and no impact is given in the statement of profit or loss.

13. OTHER EQUITY

i. Reserves and Surplus **₹ in Crores**

Particulars	March 31, 2019	March 31, 2018
Securities Premium Reserve	896.18	895.78
Share Based Payment Reserve	2.79	2.11
Retained Earnings	(2,350.79)	(2,423.06)
Property, Plant Equipment Reserve	113.55	116.31
	(1,338.27)	**(1,408.86)**

(a) Securities Premium Reserve **₹ in Crores**

Particulars	March 31, 2019	March 31, 2018
Opening balance	895.78	894.85
Add/(Less):		
Allotment of equity shares under FCCB conversion	0.40	0.93
Allotment of equity shares under Debt Restructuring Scheme	-	-
Closing balance	**896.18**	**895.78**

The amount received in excess of face value of the equity shares is recognised in Share Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

(b) Share Based Payment Reserve **₹ in Crores**

Particulars	March 31, 2019	March 31, 2018
Opening balance	2.11	1.91
Add/(Less):		
Employee Stock Option Expense recognised	0.68	0.20
Closing balance	**2.79**	**2.11**

The Company has three share option schemes under which options to subscribe for the company's shares have been granted to certain executives and senior employees.

The Share based payment reserve is used to recognise the value of equity settled share based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 29 for further details of these plans.

(c) Retained Earnings ₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Opening balance	(2,423.06)	(2,496.67)
Net Profit/(Loss) for the period	67.25	70.40
Add/(Less):		
Transfer From PPE Reserve	2.76	2.76
FCCB's Converted during the year	0.32	0.72
Dividend on Preference Shares	-	(0.02)
Others	0.07	(0.75)
Remeasurement of post employment benefit obligation, net of tax	1.87	0.50
Closing balance	**(2,350.79)**	**(2,423.06)**

(d) Property, Plant and Equipment Reserve ₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Opening balance	116.31	119.07
Add/(Less):		
Transferred to Retained Earnings	(2.76)	(2.76)
Closing balance	**113.55**	**116.31**

Property, Plant and Equipment Reserve represents reserve created on revaluation of leasehold building and it is non distributable reserve.

ii. Other Components of Equity ₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Share Suspense account - Equity Shares	25.95	25.95
Equity Component of Compound financial instruments	18.89	19.32
Total	**44.84**	**45.27**

14. DISTRIBUTION MADE AND PROPOSED

Cash dividends ₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Cash dividends on Preference shares declared and paid:	0.64	0.97
Dividend distribution tax (DDT) on final dividend	0.13	0.20
	0.77	**1.17**

The amount of cumulative preference dividends not recognised as at reporting date was ₹ Nil (DDT ₹ Nil) [As at March 31, 2018 : ₹ Nil (DDT ₹ Nil)].

15. BORROWINGS

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Non Current Borrowings		
Secured		
(a) Term Loans		
From Banks	348.97	349.78
From Others	24.53	30.92
Unsecured		
(a) Liability Component of Foreign Currency Convertible Bonds	113.45	103.05
(b) Cumulative Non Convertible Reedemable Preference Shares	375.43	341.89
(A)	**862.38**	**825.64**
Current Maturity of Non Current Borrowings		
Secured		
(a) Term Loans		
From Banks	48.68	0.96
(B)	48.68	0.96
Total (A)-(B)	**813.70**	**824.68**
Current Borrowings		
Secured		
(a) Loans repayable on demand		
From Banks	31.49	21.73
From Other Parties	0.21	0.18
Total	**31.70**	**21.91**

₹ in Crores

Particulars	Coupon / Interest Rate	March 31, 2019	March 31, 2018
Non Current Borrowings			
Secured			
(a) Term Loans			
From Banks	10.00%	348.97	349.78
From Others	6.75% to 10%	24.53	30.92
Unsecured			
(a) Liability Component of Foreign Currency Convertible Bonds	2.50%	113.45	103.05
(b) Cumulative Non Convertible Reedemable Preference Shares	0.01% to 0.10%	375.43	341.89
Gross Non Current Borrowings		**862.38**	**825.64**
Less: Current maturity		(48.68)	(0.96)
Net Non Current Borrowings (as per Balance sheet)		**813.70**	**824.68**

Part A - Maturity Date, Terms of Repayment and coupon / interest rate for Rupee Term Loan from Lenders and Foreign Currency Convertible Bonds (FCCBs):

Particulars	LENDERS	FCCBs
Interest / coupon rate	10%	2.50%
Moratorium on Debt Principal	Upto March 31, 2018	Upto March 31, 2019
Servicing of Interest	Monthly from April 2016	Semi Annual from April 2016
Repayment of Debt Principal	Monthly over 6 years	Annual over 6 years
Repayment of Preference Shares	March 31, 2026	Not Applicable
Other Terms		Conversion of 25% FCCB to Equity @ ₹ 12.50; i.e. Premium of ₹ 2.50 (25%)

Convertible Bonds

For details of convertible bonds, repayable terms, coupon rate, conversion rate, etc refer to Note 15 Part A Summary of Amended terms and conditions of 'Existing FCCBs' and terms and conditions of New FCCBs

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Face value of bonds issued	131.44	131.44
Transaction Cost	(1.38)	(1.38)
Equity component of convertible bonds - value of conversion rights#	(30.79)	(30.79)
Interest charged till reporting date *	23.14	14.93
Interest paid till reporting date	(9.86)	(6.46)
Foreign Exchange Loss / (Gain) till reporting date	5.10	(2.08)
Conversion / Markdown	(4.20)	(2.61)
Non Current Borrowings	**113.45**	**103.05**

* Interest expense is calculated by applying the effective interest rate of 7.50% to the liability component.

\# The equity component of convertible bonds has been presented under other equity net of deferred tax of ₹ 18.89 crores (March 31, 2018: ₹ 19.32 crores).

Non Convertible Redeemable Preference Shares

The terms of Class A Preference Shares having face value of ₹ 5 each, had been amended in financial year 2015-2016 and these were made redeemable on March 15, 2026. Redemption Premium shall be an amount that would provide the holder of the said shares an internal rate of return (IRR) of 6% per annum excluding the Dividend Rate on the outstanding amount of the said shares, to be paid at the time of redemption of the said shares.

Class B Preference Shares of face value of ₹ 5 each are redeemable on March 15, 2026 and would carry a dividend of 0.10 % per annum.

Class C Preference Shares of face value of ₹ 1 each with a premium of ₹ 4 each and would carry a dividend of 0.10 % per annum.

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Value of preference shares issued (old)	65.00	65.00
Value of preference shares issued (under DRS)	660.15	660.15
Transaction Cost	(0.94)	(0.94)
Fair Valuation Gain	(440.55)	(440.54)
Interest expense till reporting date	93.70	59.50
Dividend paid till reporting date	(1.93)	(1.28)
Non Current Borrowings	**375.43**	**341.89**

Particulars	March 31, 2019	March 31, 2018
Current Borrowings		
Secured		
Loans repayable on demand		
From Banks	31.49	21.73
From Other Parties	0.21	0.18

Net debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2019:

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Non-current Borrowings	865.28	828.78
Current Borrowings	31.70	21.92
Net Debt	**896.98**	**850.70**

₹ in Crores

Particulars	Liabilities from financing activities		
	Non Current Borrowings	Current Borrowings	Total
Net Debt as at March 31, 2018	**828.78**	**21.92**	**850.70**
Reclassification of borrowings	(54.89)	9.78	(45.11)
Interest Paid	(44.23)	-	(44.23)
Preference Dividend Paid	(0.64)	-	(0.64)
Interest Expense	131.66	-	131.66
Foreign Exchange Reinstatement	7.17	-	7.17
Other non cash movements			
- Adjusted against Trade Receivables	(0.67)	-	(0.67)
- Shares issued towards conversion of FCCB	(1.57)	-	(1.57)
- Amortisation of Transaction Cost	0.12	-	0.12
- Revision in account balances on account of DRS	-	-	-
- TDS Deducted	(0.45)	-	(0.45)
Net Debt as at March 31, 2019	**865.28**	**31.70**	**896.98**

The carrying amounts of financial and non-financial assets pledged as security for current and non current borrowings are disclosed in Note 38.

There are no guarantees given by directors.

There are no defaults in repayment of borrowings during the year.

A. Summary of Amended terms and conditions of 'Existing FCCBs' and terms and conditions of New FCCBs:

Particulars	Fourth Issue Amended	Fifth Issue Amended	New Issue
Issue currency	USD	USD	USD
Issue size	2.435 million	125.356 million	42.44175 million
Issue date	July 26, 2007	April 25, 2012	December 09, 2016
Amendment date	April 25, 2012 and December 09, 2016	December 09, 2016	N.A.
Maturity date	March 31, 2025	March 31, 2025	March 31, 2025
Coupon rate	2.50%	2.50%	2.50%
Fixed exchange rate of conversion	₹ 40.81	₹ 50.7908	₹ 66.326
Conversion price–post bonus	₹ 165.935	₹ 16.50	₹ 12.5
Writeback – (USD)			
2018-19	Nil	Nil	Nil
2017-18	(0.025 million)	Nil	Nil
Conversions/Redemptions – (USD)			
2018-19	Nil	(0.06 million)	(0.21 million)
2017-18	(0.025 million)	(0.35 million)	(0.10 million)
Outstanding as at - (USD)			
March 31, 2019	0.43 million	2.67 million	16.01 million
March 31, 2018	0.43 million	2.73 million	16.22 million
Outstanding as at - (₹ Crores)			
March 31, 2019	3.01	18.51	111.02
March 31, 2018	2.81	17.70	105.16

B. Securities offered

The borrowing from the CDR lenders (excluding certain Specified lenders) together with all interest, default interest, additional interest, commitment fees, all and any other costs, charges, expenses, fees, financing charges/fees/ remuneration shall continue to be secured by the security created in terms of the original Master Restructuring Agreement including the Corporate Guarantee and pledge over the Subject Shares.

Certain Specified lenders referred above/ non CDR lenders shall have pari passu share in the cash flow of the Company.

Details of 'Security created', 'Corporate Guarantees from Material Subsidiaries' and 'Pledge of share's are as described under:

a) Security created

Sr. No.	Security	First Charge to	Second Charge to
1	A charge and mortgage on all the present and future immovable and movable tangible fixed assets (except leased assets) of the Company.	ICICI Bank and IDBI Bank	All CDR Facilities (other than ones of ICICI Bank and IDBI Bank in respect of which the First Charge is created).
2	A charge on all the Receivables and stocks of the Company.	IDBI Bank, Oriental Bank of Commerce ('OBC'), State Bank of Travancore ('SBT') and Standard Chartered Bank ('SCB'). First charge shall be pari passu with the existing first charge created in favour of a working capital facility (non fund based) provided by the Development Bank of Singapore (DBS).	All CDR Facilities other than the ones of IDBI Bank, OBC, SBT and SCB in respect of which the First charge is created.
3	A charge on all the present and future Current Assets (except Receivables) of the Company.	SBT First charge shall be pari passu with the existing first charge created in favour of (i) a working capital facility (non fund based) provided by DBS. Further, first ranking pari passu charge has been created over stock in trade consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise of the Company, to secure SCB Facility.	All CDR Facilities other than the one of SBT in respect of which the First charge is created.
4	A charge on all the present and future intellectual property rights (other than in respect of ORION and PREMIA) of the Company.	All CDR Facilities. Intellectual property rights in respect of ORION and PREMIA are charged in favour of SCB on exclusive basis.	Not Applicable

b) Corporate guarantees from material subsidiaries:

Corporate guarantees of each of the material subsidiaries guaranteeing the secured obligations ("Corporate Guarantees"), in favour of all the CDR lenders. Each Corporate Guarantee shall be secured/ credit enhanced by security interest over assets of the relevant material subsidiary providing the Corporate Guarantee, as permitted under applicable laws in the relevant jurisdictions, as detailed in the table below and shall have the ranking as mentioned against each security.

Sr. No.	Security	First Charge to	Second Charge to
Charge on assets of 3i Infotech Inc (including assets of 3i Infotech Financial Software Inc which has been merged with 3i Infotech Inc effective December 31, 2017)			
1	A charge on all the present and future movable fixed assets and current assets of 3i Infotech Inc (including current assets of 3i Infotech Financial Software Inc which has been merged with 3i Infotech Inc effective December 31, 2017).	ICICI Bank First charge shall be pari passu with the existing first charge created in favour of State Bank of India, California to secure line of credit of US$ 4.5 million.	All CDR Facilities other than the one of ICICI Bank in respect of which the First charge is created.
Charge on assets of 3i Infotech (Middle East) FZ LLC			
2	A charge on all the present and future movable fixed assets and current assets (except receivables and the collection account) of 3i Infotech (Middle East) FZ LLC.	All CDR Facilities. First ranking pari passu security interest has been created over collection account of 3i Infotech (Middle East) FZ LLC to secure USD 17 million STF facility and guarantee facility by SCB, Dubai.	Not Applicable
3	A charge on all the receivables of 3i Infotech (Middle East) FZ LLC.	Not Applicable	All CDR Facilities
Charge on assets of 3i Infotech Asia Pacific Pte Limited			
4	A charge on all the present and future movable fixed assets and current assets (other than receivables and stocks) of 3i Infotech Asia Pacific Pte Limited.	All CDR Facilities. First ranking pari passu charge has been created over stock in trade consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise of 3i Infotech Asia Pacific Pte Limited, to secure the cash credit facility of USD 2 million provided by SCB Singapore.	Not Applicable
5	A charge on all the receivables and stocks of 3i Infotech Asia Pacific Pte Limited.	Not Applicable First charge has been created to secure the cash credit facility of USD 2 million provided by Standard Chartered Bank, Singapore.	All CDR Facilities.

Charge on assets of 3i Infotech SDN BHD and 3i Infotech BPO Limited.			
6	A charge on all the present and future movable assets including current assets of 3i Infotech SDN BHD and 3i Infotech BPO Limited, except current assets of 3i Infotech BPO Limited.	All CDR Facilities	Not Applicable
7	A charge on all the current assets of 3i Infotech BPO Limited	First charge has been created to secure the cash credit facility of ₹3 crores provided by Development Credit Bank (‘DCB’).	All CDR Facilities

b) Pledge of shares:

Pledge of shares held by the Companies set out in Column I of the Table below in respect of their respective investments set out in Column II and with details of shares mentioned in column III:

Pledgor (I)	Company whose shares have been pledged (II)	Details of shares pledged (III)
3i Infotech Limited	3i Infotech(UK) Limited	3,226,308 equity shares of GBP 1 each
	3i Infotech Holdings Private Limited	6,258,371,598 ordinary shares of MUR 1 each
	3i Infotech Asia Pacific Pte Limited	5,346,202 ordinary shares of SGD 1 each
	3i Infotech BPO Limited	100,000 equity shares of ₹ 10 each
3i Infotech Asia Pacific Pte Limited.	3i Infotech SDN BHD	5,000,000 shares of RM 1 each
3i Infotech Holdings Private Limited	3i Infotech Inc	100,138,406 Class A common stock of US$ 0.30 each and 1,000,000 Class B common stock of US$ 0.01 each
		935,187 Class A common stock of US$ 0.30 each (issued by 3i Infotech Inc to 3i Infotech Holdings Private Limited consequent to merger of 3i Infotech Financial Software Inc with 3i Infotech Inc effective December 31, 2017).
	3i Infotech (Middle East) FZ LLC	46,174 shares of AED 1000 each
3i Infotech(UK) Limited	3i Infotech(Western Europe) Holdings Limited	1,500,000 A shares and 384,000 B shares of 10 p each respectively

16. OTHER FINANCIAL LIABILITIES

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Current		
Financial Liabilities at amortised cost		
Current maturities of long term debts	48.68	0.96
Lease obligations	0.01	-
Interest accrued and due on borrowings	2.90	3.15
Unclaimed dividends*	-	0.14
Dues to employees	20.11	23.00
Deposits Payable	1.01	1.01
Total	**72.71**	**28.26**

* There are no amounts which are due to be transferred to Investor Education and Protection Fund.

17. TRADE PAYABLES

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Current		
Trade Payables	104.49	112.60
Total	**104.49**	**112.60**

18. OTHER LIABILITIES

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Current		
Unearned Revenue	49.52	42.84
Advance received from Customers	2.56	5.93
Others		
Statutory Liabilities	29.19	23.45
Others	21.99	19.48
Total	**103.26**	**91.70**

19. PROVISIONS

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Non Current		
Provision for employee benefits (Refer Note 28)		
Gratuity	19.29	19.13
Leave encashment	0.99	1.26
Total	**20.28**	**20.39**
Current		
Provision for employee benefits (Refer Note 28)		
Gratuity	1.74	1.61
Leave encashment	1.09	1.01
Others Provision for Employee benefits	1.57	0.13
Total	**4.40**	**2.75**

20. REVENUE FROM OPERATIONS

₹ in Crores

Particulars	2018-19	2017-18
IT Solutions	1,067.10	939.30
Transaction services	54.65	51.89
Total	**1,121.75**	**991.19**

Timing of Revenue Recognition

₹ in Crores

Particulars	2018-19	2017-18
For Contractual obligations rendered at a point in time	53.00	62.15
For Contractual obligations rendered over a period of time	1,068.75	929.04
	1,121.75	**991.19**

Summary of Contract Balances

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Trade receivables	244.40	212.07
Contract assets*	169.12	154.37
Contract liabilities*	49.52	42.84

*Contract assets represents unbilled revenues. Contract Liabilities represents Billing in excess of revenue.

The aggregate value of performance obligations that are unsatisfied as at March 31,2019 other than those meeting the exclusion criteria mentioned in note 2(g) is ₹ 307.46 crores Out of this the company expects to recognise revenue of around 76% within the next one year and remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since based on current assessment, the occurance of the same is expected to be remote.

21. OTHER INCOME

₹ in Crores

Particulars	2018-19	2017-18
Interest income on		
Bank Fixed Deposits	10.35	4.17
Others	4.36	1.41
Other Non Operating Income (Net of expenses directly attibutable to such income)		
Net gain on disposal of property, plant and equipment	-	0.03
Foreign Exchange Fluctuation Gain	-	1.42
Others	-	
Provision reversal for doubtful advances	-	5.00
Miscellaneous Income	6.34	7.21
Total	**21.05**	**19.24**

22. COST OF THIRD PARTY PRODUCTS AND SERVICES

₹ in Crores

Particulars	2018-19	2017-18
Cost of third party products and services	236.06	198.54
Total	**236.06**	**198.54**

23. EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	2018-19	2017-18
Salaries, wages and bonus	577.61	503.60
Contribution to provident and other funds	13.56	13.98
Staff welfare expenses	5.77	4.98
Recruitment and training expenses	2.37	2.52
Employee Stock Option Expense	0.68	0.19
Gratuity Expenses	4.36	2.77
Total	**604.35**	**528.04**

24. FINANCE COST

₹ in Crores

Particulars	2018-19	2017-18
Interest expense on debts and borrowings*	81.66	84.03
Total Interest Expenses	**81.66**	**84.03**
Other borrowing costs		
Others	2.57	2.62
Total	**84.23**	**86.65**

* Includes unwinding of discount to the extent of ₹ 39.42 crores for the year ended March 31, 2019 (₹ 35.64 crores for the year ended March 31, 2018) on Preference Share Capital, FCCBs and Interest free debts as required by Ind AS 109.

25. DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crores

Particulars	2018-19	2017-18
Depreciation on tangible assets	7.54	8.07
Amortisation on intangible assets	0.82	0.86
Reversal of impaired intangible assets	(6.25)	-
Total	**2.11**	**8.93**

26. OTHER EXPENSES

₹ in Crores

Particulars	2018-19	2017-18
Electric power, fuel and water	7.32	6.82
Repairs and maintenance		
Building	1.10	1.32
Others	1.91	1.40
Insurance	5.99	6.17
Legal and professional fees	33.66	22.37
Rates and taxes	3.01	2.55
Rent	21.13	19.45
Hire Charges	3.68	3.52
Telephone and internet expenses	5.29	4.99
Travelling and conveyance expenses	33.06	31.96
Allowance for doubtful debts and advances	3.59	3.78
Office expenses	2.53	-
Miscellaneous expenses	9.20	4.10
Foreign exchange fluctuation loss	5.14	-
Directors sitting fees	0.32	0.35
Net loss on disposal of property, plant and equipment	0.01	-
Total	**136.94**	**108.78**

(a) Details of Payments to auditors

₹ in Crores

Particulars	2018-19	2017-18
As auditor		
Audit Fee	0.70	0.75
Tax audit fee	0.05	0.05
In other capacity		
Consulting Fees	-	-
Other services (certification fees)	0.22	0.14
Re-imbursement of expenses	0.03	0.01
Total	**1.00**	**0.95**

(b) Corporate Social Responsibility (CSR) expenditure

As per Section 135 of the Companies Act, 2013, the Company does not meets the applicability threshold. Hence no expenditure has been incurred during the current year towards CSR activities.

(c) Research And Development Costs

The Group during the year has incurred cost on research and development activities which are not eligible for capitalisation in terms of Ind AS 38 and therefore they are recognised in statement of profit and loss. Amount charged to profit or loss during the year ended March 31, 2019 ₹ 25.03 crores (March 31, 2018: ₹ 18.40 crores) details of which are as follows:

₹ in Crores

Particulars	2018-19	2017-18
i. On Revenue Account :		
Payments to and provision for employees		
- Salaries, Wages, Bonus, Allowances, contribution to provident and other funds etc.	18.25	13.23
Other Expenses		
- Legal and Professional charges	0.14	-
- Other Expenses	2.18	5.17
- Cost of third party products and services	4.46	-
Total	**25.03**	**18.40**
ii. On Capital Account	-	-
Total Research and Development Expenditure (i + ii)	**25.03**	**18.40**

27. EARNINGS PER SHARE

Particulars	2018-19	2017-18
(a) Basic earnings per share (Amount in ₹)	0.42	0.44
(b) Diluted earnings per share (Amount in ₹)	0.42	0.44
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share (₹ in Crores)	68.15	71.11
Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share (₹ in Crores)	68.15	71.11
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,615,918,779	1,614,055,845
Adjustments for calculation of diluted earnings per share:		
Options*	-	-
Convertible Bonds*	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	**1,615,918,779**	**1,614,055,845**

* Since the market price of the shares is lower than the exercise price/ conversion price of potentially dilutive instruments, these instruments have not been considered for calculation of diluted EPS.

28. EMPLOYEE BENEFIT OBLIGATIONS

₹ in Crores

Particulars	March 31, 2019			March 31, 2018		
	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	1.09	0.99	**2.08**	1.01	1.26	**2.27**
Gratuity	1.74	19.29	**21.04**	1.61	19.13	**20.74**
Total Employee Benefit Obligation	**2.83**	**20.28**	**23.12**	**2.62**	**20.39**	**23.01**

(i) Leave Obligations

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of ₹ 1.09 crores (March 31, 2018: ₹ 1.01 crores) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post Employement obligations

(a) Defined benefit plan - Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service upto 10 years and 26 days salary multiplied by number of years of service beyond 11 years.

The gratuity plan is a unfunded plan and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows:

₹ in Crores

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2017	**20.38**	**(0.12)**	**20.26**
Current service cost	3.09	(0.01)	3.08
Interest expense/(income)	1.21	-	1.21
Total amount recognised in profit or loss	**4.30**	**(0.01)**	**4.29**
Remeasurements			
Return of plan assets, excluding amount included in interest (income)	-	-	-
(Gain)/Loss from change in demographic assumptions	0.40	-	0.40
(Gain)/Loss from change in financial assumptions	(0.39)	-	(0.39)
Experience (gains)/losses	(1.12)	-	(1.12)
Total amount recognised in other comprehensive income	**(1.11)**	**-**	**(1.11)**
Employer contributions	-	-	-
Benefit payments	(3.26)	-	(3.26)
Translation Differences	(0.06)		(0.06)
As at March 31, 2018	**20.25**	**(0.13)**	**20.12**
Forex on Translation	0.11	-	0.11
Current service cost	3.87	(0.01)	3.86
Interest expense/(income)	1.38	-	1.38
Total amount recognised in profit or loss	**5.36**	**(0.01)**	**5.35**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Remeasurements			
Return of plan assets, excluding amount included in interest (income)	-	-	-
(Gain)/Loss from change in demographic assumptions	(2.06)	-	(2.06)
(Gain)/Loss from change in financial assumptions	0.05	-	0.05
Experience (gains)/losses	0.16	-	0.16
Total amount recognised in other comprehensive income	**(1.85)**	**-**	**(1.85)**
Employer contributions	-	-	-
Benefit payments	(2.20)	(0.02)	(2.22)
Translation Differences	(0.01)		(0.01)
As at March 31, 2019	**21.55**	**(0.16)**	**21.39**

The net liability disclosed above relates to funded and unfunded plans are as follows:

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Present value of funded obligations	21.55	20.25
Fair value of plan assets	(0.16)	(0.13)
Deficit of funded plan	**21.39**	**20.12**
Unfunded plans	-	-
Deficit of gratuity plan	**21.39**	**20.12**

The following table shows a breakdown of the defined benefit obligation and plan assets by Geography:

₹ in Crores

Particulars	March 31, 2019		March 31, 2018	
	Gratuity		Gratuity	
	India	Mearc	India	Mearc
Present value of obligations	18.63	2.92	16.73	3.52
Fair value of plan assets	(0.16)	-	(0.13)	-
	18.47	**2.92**	**16.60**	**3.52**
Asset Ceiling	-	-	-	-
Total Liability	**18.47**	**2.92**	**16.60**	**3.52**

The major categories of plan assets of the fair value of the total plan assets are as follows:

₹ in Crores

Particulars	March 31, 2019			March 31, 2018		
	%	Amount	Total	%	Amount	Total
Cash and cash equivalents	100%	0.16	0.16	100%	0.13	0.13

The significant actuarial assumptions were as follows:

Particulars	March 31, 2019	March 31, 2018
Discount rate	2.70% - 11.70%	2% - 12.40%
Expected return on plan assets		
Salary growth rate		
For first 3 years	3.00% - 5.00%	3.00% - 5.00%
After 3 years	2.00%	2.00%
Withdrawal rate		
Upto 4 years	3%-58.09%	12.18%-52.48%
5 years and above	3.00%-21.28%	5.00%-14.52%
Mortality rate	100.00%	100.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is shown below:

₹ in Crores

Assumptions	Discount rate		Salary growth rate		Attrition rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase	50% decrease
March 31, 2019						
Impact on defined benefit obligation	13.18	15.82	15.88	13.11	14.96	13.78
% Impact	-8.50%	9.80%	10.20%	-9.00%	3.80%	-4.30%
March 31, 2018						
Impact on defined benefit obligation	13.03	15.35	15.40	12.97	15.07	12.79
% Impact	-7.60%	8.70%	9.10%	-8.10%	6.80%	-9.40%

₹ in Crores

Assumptions	Mortality rate	
Sensitivity Level	10% increase	10% decrease
March 31, 2019		
Impact on defined benefit obligation	14.43	14.39
% Impact	0.10%	-0.10%
March 31, 2018		
Impact on defined benefit obligation	14.13	14.10
% Impact	0.10%	-0.10%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

The Company's best estimate of future cash flows during the next 12 months is ₹ 17.05 crores (as at March 31, 2018 : ₹ 17.05 crores).

The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (March 31, 2018: 8 years)

Expected cash flows over the next (valued on undiscounted basis)

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
1 year	1.67	1.57
2 to 5 years	6.37	7.07
6 to 10 years	8.02	8.03
More than 10 years	28.38	23.43

(b) Defined contribution plans

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any contructive obligation. The expense recognised during the year towards defined contribution plan is ₹ 10.94 crores (March 31, 2018: ₹ 10.02 crores)

29. SHARE BASED PAYMENTS

(a) Employee option plan

The Company's Employee Stock Option Schemes are applicable to "Eligible Employees" as defined in the scheme which includes directors and employees of the Company and its subsidiaries. Currently, the Company has 3 schemes, ESOS 2000, ESOS 2007 and ESOS 2018 (as amended). ESOS Scheme 2000 and 2007 provide for issue of equity options up to 25% of the paid-up equity capital to eligible employees and ESOS Scheme 2018 provide for issue of equity options up to 15% of the paid-up equity capital to eligible employees.

The options granted under the ESOS scheme 2000 and 2007 vest in a phased manner over three years with 20%, 30% and 50% of the grants vesting at the end of each year from the date of the grant and the same can be exercised within ten years from the date of the grant or five years from the date of vesting of options whichever is later by paying cash at a price determined on the date of the grant. The options granted under ESOS 2018 vest in a graded manner over a three year period, with 33%, 33% and 34% of the grants vesting in each year, commencing one year from the date of the grant and the same can be exercised within 5 years from the date of vesting. One Stock option if converted will be equivalent to one equity share.

During the year ended March 31, 2013, the Board of Directors of the Company approved ESOS Plan -2013 under the existing scheme ESOS 2007. The plan consist of variations in certain terms with regard to vesting and certain other related matters in ESOS 2007. The options granted are convertible and one option is equivalent to one equity share each. This plan is applicable to all the new options granted to eligible employees for the year ended March 31, 2014.

During the year ended March 31, 2015, the Board of Directors of the Company approved ESOS Plan-2014 under the existing scheme ESOS 2007. The plan consists of variations in certain terms with regard to vesting and certain other related matters in ESOS 2007. The options granted are convertible and one option is equivalent to one equity share each. This plan is applicable to all the new options granted to eligible employees for the year ended March 31, 2015.

During the current year ended March 31, 2016, the Board of Directors of the Company approved ESOS Plan-2015 under the existing scheme ESOS 2007. The plan consists of variations in certain terms with regard to vesting and certain other related matters in ESOS 2007. The options granted are convertible and one option is equivalent to one equity share each. This plan is applicable to all the new options granted to eligible employees for the year ended March 31, 2016.

The options granted under ESOS Plan -2013; under ESOS Plan -2014 and under ESOS Plan -2015 would vest in a phased manner over three years with 33%, 33% and 34% of the grants vesting at the end of each year from the date of the grant and the same can be exercised within ten years from the date of grant of options or five years from the date of vesting of options, whichever is later.

The existing options (other than those granted under ESOS plan-2013, ESOS plan-2014 & ESOS plan-2015) would continue to be governed by the existing terms.

During the year ended March 31, 2019, 8,84,30,000 Options were granted (Nil Options granted for the year ended March 31, 2018).

Movement during the year

The number and weighted average exercise prices (WAEP) of the options and movement during the period is as follows:

Particulars	**March 31, 2019**		**March 31, 2018**	
	Numer of options	**WAEP**	**Numer of options**	**WAEP**
Opening balance	18,959,900	10.00	24,873,500	35.14
Granted duing the period*	88,430,000	10.00	-	-
Exercised during the period	-	-	-	-
Forfeited during the period	810,000	10.00	5,913,600	92.43
Expired during the period	2,619,500	52.99	-	-
Closing balance**	**103,960,400**	**11.44**	**18,959,900**	**17.27**
Vested and exercisable	17,585,370	11.44	17,722,370	17.78

* During the year ended March 31, 2019, 7,500,000 options were granted to Managing Director and Global CEO (Nil options were granted to Managing Director and Global CEO for the year ended March 31, 2018).

** Includes 8,730,000 options granted to Managing Director/Executive Director and Non-Executive Directors (for the year ended March 31, 2018, 1,380,000 options).

The following tables summarize information about outstanding stock options:

As at March 31, 2019

Range of exercise price	**Number of shares arising out of options**	**Weighted average remaining life (in years)**	**Weighted average exercise price (₹)**
₹ 45 to ₹ 50	-	-	-
₹ 57 to ₹ 144	375,000	0	77
₹ 10	103,585,400	7	10

As at March 31, 2018

Range of exercise price	**Number of shares arising out of options**	**Weighted average remaining life (in years)**	**Weighted average exercise price (₹)**
₹ 45 to ₹ 50	-	-	-
₹ 57 to ₹ 144	1,437,500	0	106
₹ 10	17,522,400	7	10

(b) Expense arising from share based payment transactions

Total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

₹ in Crores

Particulars	2018-19	2017-18
Employee stock option expense	0.68	0.19
Total employee share-based payment expense	**0.68**	**0.19**

30. COMMITMENTS AND CONTINGENCIES

A. Commitments

i. Capital Commitments

Capital expenditure contracted for at the end of the reporting year but not recognised as liabilities is as follows:

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Property, plant and equipment	1.43	0.42

ii. Leases

Operating lease commitments - Company as lessee

The Company has acquired certain Land and Building under a lease arrangement for a period of sixty years at a premium of ₹ 0.50 crores starting from December 4, 2000 for Land, ₹ 15.62 crores starting from March 13, 2000 and ₹ 5.05 crores March 1, 2003 for building and the same are being amortized over the lease period. All other lease arrangements in respect of properties from are renewable/ cancellable at the Company's and/or lessors' option as mutually agreed. The future lease rental payment committed is as under :

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Commitments for minimum lease payments in relation to non cancellable operating leases are as follows:		
Within one year	10.30	16.32
Later than one year but not later than five years	7.34	10.99
later than five years	5.60	-
Total	**23.24**	**27.31**

Finance lease and hire purchase commitments - Company as lessee

Leasehold Improvements are acquired on finance lease in the course of sale and lease back transaction. The Company's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

₹ in Crores

Particulars	March 31, 2019		March 31, 2018	
	Minimum Lease payments	Present value of MLP	Minimum Lease payments	Present value of MLP
Within one year	-	-	0.22	0.21
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
Total minimum lease payments	-	-	0.22	0.21
Less: amount representing finance charge	-	-	(0.01)	-
Present value of minimum lease payments	-	-	**0.21**	**0.21**

The salient features of Material Finance Lease Agreements are:

a. The finance lease is for a period of 3 years at a fixed monthly rental of ₹ 2,40,000.

b. The Company has an option to purchase the asset at the end of the lease term upon payment of 1% of residual value of the asset.

c. The lessor has the right to terminate the agreement in case the Company fails to pay the rentals on the dates and as per the terms and conditions of the Agreement within 10 days of their becoming due.

d. Finance lease period for the said assets was completed 31-12-2018.

B. Contingent Liabilities

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
i. Claim against the company not acknowledged as debt		
- Disputed income tax matters	94.33	94.81
- Disputed service tax matters (excluding interest as applicable)	172.82	172.82
- Disputed sales tax matters	5.54	7.32
- Customer claims	50.84	50.63
- Others*	1.68	1.92
ii. Outstanding bank guarantees	48.38	38.65
iii. Other money for which the company is contingently liable		-
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1.43	0.42
- Uncalled capital pertaining to Joint Venture	-	-
iv. Arrears of Cummulative Preference Dividend (including dividend distribution tax thereon)	-	-

* Includes claim in respect of legal cases relating to Registrar and Transfer Services, which are reimbursable by the Principal to the extent of ₹ 1.18 crores (as at March 31, 2018: ₹ 1.19 crores).

The Company's pending litigation is in respect of proceedings pending with Tax Authorities and customer claims with various courts. 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.

31. INVESTMENT IN JOINT VENTURE

The Group has 47.50% interest in Process Central Limited, Joint Venture in Nigeria – Jointly Controlled Entity. The aggregate amounts of assets, liabilities, income and expenses related to the Group's share in Process Central Limited (Joint venture in Nigeria) are as under:

Assets & Liabilities in Joint venture **₹ in Crores**

Particulars	March 31, 2019	March 31, 2018
Assets	0.25	0.23
Liabilities	0.21	0.18

There are no Income & Expense of Joint venture during the year and there are no Contingent Liabilities/ Capital Commitments.

32. DISCLOSURES REQUIRED BY SCHEDULE III

₹ in Crores

Name of the Entity in the Group	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent	140%	402.41	373%	250.86	75%	1.40	365%	252.26
Subsidiaries								
Indian :								
Professional Access Software Development Pvt Limited, (India)	0%	1.16	-186%	(125.36)	0%	-	-181%	(125.36)
3i-Infotech BPO Limited , (India)	14%	41.47	1%	0.90	-4%	(0.08)	1%	0.83
3i Infotech Consultancy Services Limited, (India)	8%	22.48	1%	0.83	1%	0.02	1%	0.85
3i Infotech Outsourcing Services Limited (India)	0%	0.04	0%	-	0%	-	0%	-
Locuz Enterprise Solutions Limited, (India)	6%	19.93	6%	4.34	2%	0.03	6%	4.37
Foreign								
3i Infotech Inc., (USA)	-69%	(199.31)	-61%	(41.24)	0%	-	-60%	(41.24)
3i Infotech Holdings Private Limited, (Mauritius)	214%	615.49	3%	1.71	0%	-	2%	1.71

Name of the Entity in the Group	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
3i Infotech (Africa) Limited, (Kenya)	-13%	(38.52)	-18%	(12.00)	0%	-	-17%	(12.00)
3i Infotech (Cyprus) Limited	0%	(0.97)	0%	(0.18)	0%	-	0%	(0.18)
3i Infotech Asia Pacific Pte. Ltd., (Singapore) (Consolidated)	22%	64.42	12%	7.96	0%	-	12%	7.96
3i Infotech (Middle East) FZ LLC., (UAE)	-10%	(29.27)	-84%	(56.30)	12%	0.22	-81%	(56.07)
3i Infotech (UK) Limited, (UK) (Consolidated)	-1%	(2.79)	0%	(0.16)	0%	-	0%	(0.16)
3i Infotech Saudi Arabia LLC., (Saudi Arabia)	-19%	(53.49)	-2%	(1.33)	15%	0.27	-2%	(1.06)
Elegon Infotech Ltd., (China)	0%	-	0%	-	0%	-	0%	0.00
3i infotech South Africa (PTY) Ltd	0%	(0.38)	0%	(0.04)	0%	-	0%	(0.04)
3i Infotech Software Solutions LLC	0%	0.51	0%	(0.05)	0%	-	0%	(0.05)
Adjustments arising out of consolidation	-190%	(514.84)	57%	38.18	0%	-	55%	38.18
Non Controlling Interest in all subsidiaries/Associates (Investment as per the equity method)								
Indian								
Locuz Enterprise Solutions Limited, (India)	-2%	(5.18)	-1%	(0.90)	0%	-	-1%	(0.90)
Foreign								
Joint Ventures (as per proportionate consolidation/ investment as per the equity method)								
Indian								
Foreign								
Process Central Limited, (Nigeria)++	0%	0.05	0%	-	0%	-	0%	-
	100%	**323.21**	**100%**	**67.24**	**100%**	**1.87**	**100%**	**69.12**

33. GROUP INFORMATION AND RELATED PARTY TRANSACTIONS

Parent Company's Subsidiaries /Joint ventures are listed below :

Name of Subsidiaries	Percentage of holding	Country of Incorporation
3i Infotech Holdings Private Limited	100% held by Parent Company	Mauritius
3i Infotech (Africa) Limited	100% held by 3i Infotech (Middle East) FZ LLC	Kenya
3i Infotech (Middle East) FZ LLC	100% held by 3i Infotech Holdings Private Limited	UAE
3i Infotech (Thailand) Limited	100% held by 3i Infotech Asia Pacific Pte Limited	Thailand
3i Infotech (UK) Limited	100% held by Parent Company	UK
3i Infotech (Western Europe) Group Limited	100% held by 3i Infotech (Western Europe) Holdings Limited	UK
3i Infotech (Western Europe) Holdings Limited	100% held by 3i Infotech (UK) Limited	UK
Rhyme Systems Limited	100% held by 3i Infotech (Western Europe) Group Limited	UK
3i Infotech Asia Pacific Pte Limited	100% held by Parent Company	Singapore
3i Infotech Inc	100% held by 3i Infotech Holdings Private Limited	USA
3i Infotech Saudi Arabia LLC	100% held by Parent Company	Kingdom of Saudi Arabia
3i Infotech SDN BHD	100% held by 3i Infotech Asia Pacific Pte Limited	Malaysia
3i Infotech (Cyprus) Limited (formerly known as Black-Barret Holdings Limited)	100% held by 3i Infotech Holdings Private Limited	Cyprus
3i Infotech Services SDN BHD	100% held by 3i Infotech Asia Pacific Pte Limited	Malaysia
Elegon Infotech Limited	100% held by Parent Company	China
3i Infotech (South Africa) (Pty) Limited	100% held by 3i Infotech Holdings Private Limited	Republic of South Africa
Locuz Inc.	100% held by Locuz Enterprise Solutions Limited	USA
Professional Access Software Development Private Limited	100% held by 3i Infotech (Cyprus) Limited	India
3i Infotech BPO Limited	100% held by Parent Company	India
3i Infotech Consultancy Services Limited	100% held by Parent Company	India
Locuz Enterprise Solutions Limited	74% held by Parent Company	India
IFRS Cloud Solutions Limited	100% held by 3i Inc. (USA)	India
3i Infotech Software Solutions LLC	100% held by 3i Infotech Holdings Private Limited	UAE

The details of our investment in the joint venture is listed below:

Name of Joint Venture	Percentage of holding	Country of incorporation
Process Central Limited	47.50% held by 3i Infotech (Middle East) FZ LLC	Nigeria

As on March 31, 2019, the number of subsidiaries are 23 (twenty three).

Key Managerial Personnel (KMP) :

Name of Related Party	Designation / Details	Remarks
1. Mr. Padmanabhan Iyer	Managing Director, Global CEO and CFO	Appointed on November 11, 2014*
2. Mr. Rajeev Limaye	Company Secretary	Appointed on July 05, 2016
3. Mr. Ashok Shah	Chairman	Appointed on October 01, 2015
4. Dr. Shashank Desai	Director	Appointed on September 23, 2015
5. Mr. Gautam Dutta	Nominee Director- IDBI Bank Ltd	Appointed on January 12, 2018
6. Mr. Shantanu Prasad	Nominee Director- IDBI Bank Limited	Resigned on January 12, 2018
7. Mr. Shanti Lal Jain	Nominee Director- Allahabad Bank	Resigned on September 26, 2018
8. Ms. Sarojini Dikhale	Non - Executive Director	Vacated office as a Director on July 31, 2018
9. Ms. Anjoo Navalkar	Non - Executive Director	Appointed on November 16, 2018
10. Ms. Avaya Kumar Mohapatra	Nominee Director- Allahabad Bank	Appointed on November 30, 2018

* November 11, 2014 is the date of appointment of Mr. Padmanabhan Iyer as CFO of the Company. He has also been appointed as an Executive Director on the Board of the Company on May 18, 2016, as an acting CEO on June 7, 2016 and as Managing Director and Global CEO of the Company effective August 11, 2016.

Related Party Transactions

Key management personnel compensation **₹ in Crores**

Particulars	2018-19	2017-18
Short term employee benefits		
Salaries and other employee benefits to Whole-time directors and executive officers	2.42	2.20
Commission and other benefits to non-executive / independent directors	0.36	0.42
Post-employment benefits *	-	-
Long term employee benefits*	-	-
Employee share based payment*	-	-
	2.78	**2.62**

The Company had received approval from the Ministry of Corporate Affairs (MCA) for waiver of ₹ 61,54,452 against a total remuneration of ₹1,23,08,903 paid to the Managing Director of the Company for the period from 11/08/2016 to 31/03/2017 with a direction to the Company to recover remaining (excess) remuneration of ₹61,54,452.

The Company had obtained approval from lenders and also from Shareholders at the Annual General Meeting held on September 6, 2017 for the excess remuneration paid to the Managing Director. The Company has obtained a legal opinion from its counsels which states that, upon the enforcement of the amendment to Section 197(10) of the Companies Act 2013, the recovery of the balance remuneration from the Managing Director to the Company in itself, can be said to stand waived and consequently the Managing Director's obligation to refund this amount will also cease to exist. The Board of Directors, on the basis of the opinion and subject to the approval of the Shareholders, if required, have waived the recovery of the excess remuneration vide resolution passed at the Board Meeting held on January 18, 2019.

* The amounts of Post employement benefits, Long term employee benefits and Employee share based payments cannot be seperately identified from the composite amount advised by the actuary / valuer.

34. SEGMENT REPORTING

The Group's Chief Operating Decision Maker (CODM) is the Chief Executive Officer and Managing Director. CODM monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

A. For management purposes, the Company is organised into business units based on its products and services and has two reportable segments, as follows:

IT Solutions

Transaction Services

Year ended March 31, 2019 **₹ in Crores**

Particulars	**IT Solutions**	**Transaction Services**	**Total segments**	**Adjustments and eliminations**	**Consolidated**
Revenue					
External customers	1,067.26	54.49	1,121.75	-	1,121.75
Inter-segment	-	-	-	-	-
Total revenue	**1,067.26**	**54.49**	**1,121.75**	**-**	**1,121.75**
Income/(Expenses)					
Other material cost	790.27	38.98	829.25	-	829.25
Segment profit	**277.00**	**15.50**	**292.50**	**-**	**292.50**
Total assets					**1,491.66**
Total liabilities					**1,491.66**

Year ended March 31, 2018 **₹ in Crores**

Particulars	IT Solutions	Transaction Services	Total segments	Adjustments and eliminations	Consolidated
Revenue					
External customers	939.30	51.89	991.19	-	991.19
Inter-segment	-	-	-	-	-
Total revenue	**939.30**	**51.89**	**991.19**	**-**	**991.19**
Income/(Expenses)					
Other material cost	688.47	37.03	725.50	-	725.50
Segment profit	**250.83**	**14.86**	**265.69**	**-**	**265.69**
Total assets					**1,370.33**
Total liabilities					**1,370.33**

Inter-segment revenues are eliminated upon consolidated and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliaitons presented further below.

Considering the nature of the Group's Business, the assets and liabilities cannot be identified to any specific business segment.

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

B. Reconciliations to amounts reflected in financial statements

Reconciliation of profit **₹ in Crores**

Particulars	2018-19	2017-18
Segment profit	292.50	265.69
Finance cost	84.23	86.65
Depreciation and amortisation expense	2.11	8.94
Foreign Exchange Fluctuation loss/(gain)	5.13	(1.42)
Operating, Selling and Other expenses	142.97	109.86
Un-allocable income	21.05	17.82
Tax expense	10.96	8.37
Profit after tax	**68.15**	**71.11**

Considering the nature of the Group's Business, the assets and liabilities cannot be identified to any specific business segment.

Disclosure of details of secondary Segments, being geographies, are as under :

₹ in Crores

Segment Revenue	2018-19	2017-18
Emerging Markets	773.22	689.76
Developed Markets	348.53	301.43
	1,121.75	**991.19**

Emerging Markets : South Asia, Asia Pacific,Middle East and Africa Geography entities.

Developed Markets : U.S. and U.K. Geography entities

Information about major customers

No Single customer represents 10% or more of the group's total revenue for the year ended March 31, 2019 and March 31, 2018.

35. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

₹ in Crores

Particulars	Carrying Amount		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	244.40	212.07	244.40	212.07
Cash and Cash Equivalents	101.19	48.90	101.19	48.90
Other Bank Balances	3.53	2.77	3.53	2.77
Loan	0.09	0.22	0.09	0.22
Other Financial Assets	163.22	127.70	163.22	127.70
FVTPL				
Investment in Equity Instruments	0.16	0.16	0.16	0.16
Total	**512.59**	**391.82**	**512.59**	**391.82**
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	845.40	846.59	845.40	846.59
Trade Payables	104.49	112.60	104.49	112.60
Other financial liabilities	72.71	28.26	72.71	28.26
Total	**1,022.60**	**987.45**	**1,022.60**	**987.45**

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The fair value of unquoted equity instruments carried at fair value through profit or loss are not materially different from their carrying amount. Hence the impact of fair valuation is considered to be insignificant in the financial statements.

ii. Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Assets and liabilities measured at amortised cost and for which fair values are disclosed in the financial statements:

₹ in Crores

Particulars	March 31, 2019			Total
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets				
Deposits	-	-	16.62	**16.62**
Total Financial Assets	-	-	**16.62**	**16.62**
Financial Liabilities				
Borrowings	-	-	894.08	**894.08**
Total Financial Liabilities	-	-	**894.08**	**894.08**

₹ in Crores

Particulars	March 31, 2018			Total
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets				
Deposits	-	-	16.95	**16.95**
Total Financial Assets	-	-	**16.95**	**16.95**
Financial Liabilities				
Borrowings			847.55	**847.55**
Total Financial Liabilities	-	-	**847.55**	**847.55**

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Level 1 - Level 1 hierarchy includes Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares and preference shares included in level 3.

iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

iv. Valuation processes

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Managing Director (MD) and the audit committee (AC). Discussions of valuation processes and results are held between the MD, AC and the valuation team at least once every three months, in line with the company's quarterly reporting periods.

36. FINANCIAL RISK MANAGEMENT

The Group is exposed primarily to fluctuations in foreign currency exchange rates ,credit ,liquidity and interest rate risk ,which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which covers risks associated with the financial assets and liabilities . The risk management policy is approved by Board of Directors . The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Group.

i. Market Risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of the change in market prices . Such changes in the value of financial instruments may result from changes in the foreign currency exchange, interest rates, credit ,liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rate may have potential impact on the statement of profit and loss and the other comprehensive income and equity ,where any transaction reference more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Group.

Considering the countries and the economic environment in which the Group operates, its operations are subject to risk arising from fluctuations in exchange rates in those countries. The risks primarily relates to fluctuations in US Dollar and Great Britain Pound against the functional currency of the Group.

The Group , as per its current risk management policy ,does not use any derivatives instruments to hedge foreign exchange . Further ,any movement in the functional currency of the various operations of the Group against major foreign currencies may impact the Group's revenue in international business.

The Group evaluates the impact of the foreign exchange rate fluctuation by assessing its exposure to exchange rate risks. Apart from exposures of foreign currency payables and receivables, which partially are naturally hedged against each other, the Group does not use any hedging instruments to hedge its foreign currency exposures; in line with the current risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 10% against the functional currency of the Group.

The following analysis has been worked out based on the net exposures of the Group as on the date of Balance Sheet which could affect the statement of profit and loss and the other comprehensive income and equity .

The following table set forth information relating to foreign currency exposure as at March 31, 2019:

₹ in Crores

	USD	GBP	Total
Total financial assets	272.59	10.81	283.40
Total financial liabilities	999.39	2.06	1,001.45

1% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Group would result in decrease /increase in the Group 's profit before tax by approximately ₹ 495.93 crores for the year ended March 31, 2019.

The following table set forth information relating to foreign currency exposure as at March 31, 2018:

₹ in Crores

	USD	GBP	Total
Total financial assets	207.65	10.12	217.77
Total financial liabilities	416.58	2.42	419.00

1% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Group would result in decrease /increase in the Group 's profit before tax by approximately ₹ 128.45 crores for the year ended March 31, 2018.

(b) Interest rate risk

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market.

(ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables and unbilled revenues.

(1) Credit risk management

- Trade receivables and Unbilled revenues

  The credit risk has always been managed by the group through an assessment of the companies financials, market intelligence and customers credibility. The Company makes provisions for Debtors and Unbilled based on a critical assessment of the amount in relation to the ageing combined with the historical trend observed in the respective geography, the past history of the client and comparison with similar projects to determine the recoverability of the receivables.

- **Other Financials Assets**

  The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

  A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(2) Credit risk exposure

- Trade receivables and Unbilled revenues

  The carrying amount of trade receivables and unbilled revenues represents the maximum credit exposure from customers. The maximum exposure to credit risk from customers is ₹ 413.51 crores (March 31, 2018: ₹ 366.44 crores). The lifetime expected credit loss on customer balance for the year ended March 31, 2019 is ₹ 50.16 crores (March 31, 2018: ₹ 77.21 crores).

Reconciliation of loss allowance provision - Trade receivables and Unbilled revenue

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Balance at the beginning	77.21	141.09
Impairment loss recognised/reversed	1.21	1.56
Amount written off against Trade receivables	(30.51)	(66.87)
Translation differences	2.25	1.43
Balance at the end	**50.16**	**77.21**

- Other Financial Assets

  The carrying amount of cash and cash equivalents, investments carried at amortised cost, deposits with banks and financial institutions and other financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 124.86 crores (March 31, 2018: ₹ 72.60 crores). The 12 months expected credit loss and lifetime expected credit loss on these financial assets for the year ended March 31, 2019 is ₹ 1.38 crores (March 31, 2018: ₹ 3.15 crores).

Reconciliation of loss allowance provision - other financial assets

₹ in Crores

Particulars	March 31, 2019		March 31, 2018	
	12 month expected losses	life-time expected losses	12 month expected losses	life-time expected losses
Balance at the beginning	-	3.15	-	3.08
Add(Less): Changes in loss allowances due to changes in risk parameters	-	(1.77)	-	0.07
Balance at the end	**-**	**1.38**	**-**	**3.15**

(iii) Liquidity risks

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group consistently generated sufficient cash flow from operations to meet its financial obligation as and when they fall due .

The table below provides details regarding the contractual maturities of significant financial liabilities as at :

March 31, 2019 **₹ in Crores**

Particulars	Due in 1 year	Due in 1-2 year	Due in 2-5 year	Due after 5 years	Total
Non-derivative financial liabilities :					
Trade and other payables	104.49	-	-	-	104.49
Borrowings including Interest thereon	144.04	129.09	343.13	776.88	1,393.13
Other financial liabilities	72.71	-	-	-	72.71
Total	**321.24**	**129.09**	**343.13**	**776.88**	**1,570.33**

March 31, 2018 **₹ in Crores**

Particulars	Due in 1 year	Due in 1-2 year	Due in 2-5 year	Due after 5 years	Total
Non-derivative financial liabilities :					
Trade and other payables	112.60	-	-	-	112.60
Borrowings including Interest thereon	70.02	109.56	362.29	876.45	1,418.32
Other financial liabilities	28.26	-	-	-	28.26
Total	**210.88**	**109.56**	**362.29**	**876.45**	**1,559.18**

37. CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital, convertible instruments, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Borrowings	469.97	504.70
Trade payables	104.49	112.60
Other payables	175.98	119.96
Convertible preference shares	375.43	341.89
Less: Cash and Cash equivalents and Other Bank Balances	(97.66)	(46.86)
Net Debt	**1,028.21**	**1,032.30**
Equity Share Capital	1,616.64	1,615.36
Other Equity	(1,293.43)	(1,363.59)
Total Equity	**323.21**	**251.77**
Capital and net debt	**1,351.43**	**1,284.06**
Gearing ratio	**76.08**	**80.39**

38. ASSETS PLEDGED AS SECURITY

The carrying amount of assets pledged as security for current and non current borrowings are:

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
CURRENT ASSETS		
i. Financial Assets		
Trade Receivable	244.40	212.07
Cash and cash equivalents	101.19	48.90
Bank Balances Other than above	3.53	2.77
Other Financial Assets	154.40	120.72
ii. Non Financial Assets		
Inventories	0.60	0.99
Other Current Assets (excluding Prepaid Expenses)	11.72	9.03
Total current assets pledged as security	**515.84**	**394.47**
NON CURRENT ASSETS		
i. Property, Plant and Equipment		
Land - Leasehold	0.36	0.37
Building - Leasehold	128.03	131.14
Plants and equipments	0.29	0.33
Furniture and Fixtures	0.89	0.59
Vehicle	0.05	0.05
Office Equipments	1.85	1.62
Computer Hardware	7.18	5.41
ii. Intangible Assets	230.32	225.42
Total non current assets pledged as security	**368.97**	**364.93**

39. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table presents the recognised financial instruments that are offset and other agreements but not offset, as at March 31, 2019 and March 31, 2018. The column 'net amount' shows the impact on the company's balance sheet if all set-off rights were exercised.

₹ in Crores

Particulars	Effects of offsetting on the balance sheet				
	Gross amount	Gross amounts set off in the balance sheet	Net amount presented in the balance sheet	Financial instru-ments col-lateral	Net amount
March 31, 2019					
Financial assets					
Cash and cash equivalents	101.19	-	101.19	(101.19)	-
Bank Balances Other than above	3.53	-	3.53	(3.53)	-
Trade receivables	352.08	(107.67)	244.40	(244.40)	-
Other financial assets	217.86	(63.46)	154.40	(154.40)	-
Total	**674.66**	**(171.13)**	**503.52**	**(503.52)**	**-**
Financial liabilities					
Trade payables	227.64	(123.15)	104.49	-	104.49
Borrowings	890.96	(45.56)	845.40	(503.52)	341.88
Other Financial Liabilities	75.13	(2.42)	72.71	-	72.71
Total	**1,193.74**	**(171.13)**	**1,022.60**	**(503.52)**	**519.08**
March 31, 2018					
Financial assets					
Cash and cash equivalents	48.90	-	48.90	(48.90)	-
Bank Balances Other than above	2.77	-	2.77	(2.77)	-
Trade receivables	225.61	(13.54)	212.07	(212.07)	-
Other financial assets	121.92	(1.20)	120.72	(120.72)	-
Total	**399.19**	**(14.74)**	**384.46**	**(384.46)**	**-**
Financial liabilities					
Trade payables	126.92	(14.31)	112.60	-	112.60
Borrowings	847.02	(0.43)	846.59	(384.46)	462.14
Other Financial Liabilities	28.26	-	28.26	-	28.26
Total	**1,002.20**	**(14.74)**	**987.45**	**(384.46)**	**602.99**

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

41. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendment to standard issued up to the date of issuance of the Company's financial statements, but not yet effective as of the date of the Company's financial statements is disclosed below. The Company intends to adopt the amendment to standard when it becomes effective.

Amendment to Ind AS 12 : Income Taxes

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Ind AS 12 (Appendix C) : Uncertainty over Income Tax Treatments

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition :

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight, and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Amendment to Ind AS 19 : Employee Benefits

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity :

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

Ind AS 116 : Leases

Ind AS 116, Leases : On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation anddisclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assetsand liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently,operating lease expenses are charged to the Statement of Profitand Loss. The standard also contains enhanced disclosurerequirements for lessees. Ind AS 116 substantially carriesforward the lessor accounting requirements in Ind AS 17.The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition :

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application

  Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as :

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at the lessee’s incremental borrowing rate at the date of initial application, or

An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

42. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

For and on behalf of the board

Padmanabhan Iyer	**Shashank Desai**	**Rajeev Limaye**
CFO, Managing Director and Global CEO	**Director**	**Company Secretary**
(DIN: 05282942)	**(DIN: 00143638)**	**(M. No. A17168)**

Navi Mumbai
Date: May 07, 2019

3i INFOTECH LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

USD million

Particulars	March 31, 2019	March 31, 2018
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	20.33	21.99
(b) Goodwill	62.76	67.11
(c) Other Intangible Assets	33.22	34.77
(d) Financial Assets		
(i) Investments	0.02	0.02
(ii) Other Financial Assets	1.27	1.08
(e) Deferred Tax Asset (Net)	0.53	0.50
(f) Income Tax Asset	17.90	21.55
(g) Other Non-Current Assets	2.93	2.21
Total Non Current Assets	**138.96**	**149.24**
Current assets		
(a) Inventories	0.09	0.15
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade Receivables	35.26	32.71
(iii) Cash and Cash Equivalents	14.60	7.54
(iv) Bank Balances Other than (iii) above	0.51	0.43
(v) Loans	0.01	0.03
(vi) Other Financial Assets	22.27	18.63
(c) Other Current Assets	3.48	2.67
Total Current Assets	**76.22**	**62.16**
TOTAL	**215.18**	**211.40**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	233.21	249.20
(b) Other Equity	(186.59)	(210.36)
Equity attributable to equity holders of the parent	**46.62**	**38.84**
Non Controlling Interest	0.63	0.54
Total Equity	**47.25**	**39.38**
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	117.38	127.22
(b) Provisions	2.93	3.15
Total Non Current Liabilities	**120.31**	**130.37**
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	4.57	3.38
(ii) Trade Payables	15.07	17.37
(iii) Other Financial Liabilities	10.49	4.36
(b) Other Current Liabilities	14.91	14.15
(c) Provisions	0.63	0.42
(d) Current Tax Liabilities (Net)	1.95	1.97
Total Current Liabilities	**47.62**	**41.65**
TOTAL	**215.18**	**211.40**

Note

The above balance sheet is just the conversion of Consolidated Balance Sheet of 3i Infotech Ltd (prepared as per IND AS) ₹ in Crores. The conversion has been done at exchange rate of ₹ 69.32100 for the year ended March 31,2019 and ₹ 64.82300 for the year ended March 31, 2018.

3i INFOTECH LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

USD million

	Particulars	2018-19	2017-18
	REVENUE		
I	Revenue from operations (net)	160.80	153.93
II	Other income	3.02	2.99
III	**Total Revenue (I + II)**	**163.82**	**156.92**
IV	**EXPENSES**		
	Employee benefits expense	86.63	82.00
	Cost of third party products and services	33.84	30.83
	Finance costs	12.07	13.46
	Depreciation and amortization expense	0.30	1.39
	Other expenses	19.63	16.89
	Total Expenses	**152.47**	**144.57**
V	**Profit/(loss) before tax for the year (III- IV)**	**11.35**	**12.35**
VI	Tax expense		
	Current tax	1.53	1.15
	Adjustment of tax relating to earlier periods	0.10	0.08
	Deferred tax	(0.06)	0.07
VII	**Profit/(loss) for the year (V - VI)**	**9.78**	**11.05**
	OTHER COMPREHENSIVE INCOME		
	A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:		
	Remeasurement of gains (losses) on defined benefit plans	0.27	0.08
	Income tax effect	0.00	-
	B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:	-	-
	Other Comprehensive income for the year, net of tax	**0.27**	**0.08**
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**10.05**	**11.13**
	Total comprehensive income for the year, net of tax attributable to:		
	Profit for the year attributable to:		
	Equity holders of the parent	9.65	10.94
	Non-controlling interests	0.13	0.11
	Other comprehensive income for the year attributable to:		
	Equity holders of the parent	0.27	0.08
	Non-controlling interests	-	-
	Total comprehensive income for the year attributable to:		
	Equity holders of the parent	9.92	11.02
	Non-controlling interests	0.13	0.11

Note

The above statement of Profit and Loss is just the conversion of Consolidated Statement of Profit and Loss of 3i Infotech Ltd (prepared as per IND AS) ₹ in Crores. The conversion has been done at exchange rate of ₹ 69.75905 for the year ended March 31,2019 and ₹ 64.39278 for the year ended March 31, 2018.

STATEMENT PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT 2013 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO SUBSIDIARY COMPANIES / JOINT VENTURE

Sr. No.	Name of Entities	Financial year of Entities ended on	Extent of interest of 3i Infotech Limited in the capital of the Entity
1	3i Infotech Holdings Private Limited	March 31, 2019	100%
2	3i Infotech (Africa) Limited	March 31, 2019	@100%
3	3i Infotech (Middle East) FZ LLC	March 31, 2019	$100%
4	3i Infotech (Thailand) Limited	March 31, 2019	*100%
5	3i Infotech (UK) Limited	March 31, 2019	100%
6	3i Infotech (Western Europe) Group Limited	March 31, 2019	$$100%
7	3i Infotech (Western Europe) Holdings Limited	March 31, 2019	##100%
8	Rhyme Systems Limited	March 31, 2019	*$100%
9	3i Infotech Asia Pacific Pte Limited	March 31, 2019	100%
10	3i Infotech Inc	March 31, 2019	$100%
11	3i Infotech Saudi Arabia LLC	March 31, 2019	100%
12	3i Infotech SDN BHD	March 31, 2019	*100%
13	3i Infotech (Cyprus) Limited (formerly known as Black-Barret Holdings Limited)	March 31, 2019	$100%
14	3i Infotech Services SDN BHD	March 31, 2019	*100%
15	Elegon Infotech Limited	March 31, 2019	100%
16	3i Infotech (South Africa) (Pty) Limited	March 31, 2019	$100%
17	Locuz Inc.	March 31, 2019	*@74%
18	Professional Access Software Development Private Limited	March 31, 2019	#100%
19	3i Infotech BPO Limited	March 31, 2019	100%
20	3i Infotech Consultancy Services Limited	March 31, 2019	100%
21	Locuz Enterprise Solutions Limited	March 31, 2019	74%
22	IFRS Cloud Solutions Limited	March 31, 2019	@@100%
23	3i Infotech Software Solutions LLC	March 31, 2019	$100%
24	Process Central Limited++(Nigeria)	March 31, 2019	@47.50%

$ Held by 3i Infotech Holdings Private Limited (Mauritius)
* Held by 3i Infotech Asia Pacific Pte Ltd (Singapore)
# Held by Black-Barret Holdings Limited (Cyprus)
Held by 3i Infotech (UK) Limited (UK)
$$ Held by 3i Infotech (Western Europe) Holdings Limited (UK)
*$ Held by 3i Infotech (Western Europe) Group Limited (UK)
@ Held by 3i Infotech (Middle East) FZLLC (UAE)
@@ Held by 3i Infotech Inc (USA) pursuant to merger of 3i Infotech Financial Software Inc (USA) with 3i Infotech Inc (USA) effective December 31, 2017.
*@ 100% held by Locuz Enterprise Solutions Limited (India)
++ Joint Venture of 3i Infotech (Middle East) FZ LLC with Soft Solutions Ltd, Skye Bank PLC and Unity Bank PLC

STATEMENT PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES , 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO SUBSIDIARY COMPANIES / JOINT VENTURE

₹ in Crores

Sr No.	Entity	Country of Incorporation	Reporting Currency	Exchange Rate	% of Shareholdings	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/(Loss) afterTaxation	Proposed Dividend
1	3i Infotech Inc (USA)$	USA	USD	69.3210	100%	210.26	(422.90)	1,033.85	1,033.85	335.10	335.10	(28.06)	0.58	(28.64)	-
2	3i Infotech Holdings Private Limited (Mauritius)$	Mauritius	USD	69.3210	100%	1,515.04	(580.75)	1,625.79	1,625.79	1,467.56	-	9.00	-	9.00	-
3	3i Infotech (Africa) Limited (Kenya)&	Kenya	KES	0.6831	100%	0.01	(38.52)	5.29	5.29	-	6.99	(9.98)	-	(9.98)	-
4	3i Infotech(Cyprus) Limited$	Cyprus	USD	69.3210	100%	0.02	(1.00)	0.02	0.02	0.00	-	(0.15)	-	(0.15)	-
5	Professional Access Software Development Pvt Limited (India)	India	INR	1.0000	100%	0.86	0.30	2.73	2.73	-	-	(125.36)	-	(125.36)	-
6	3i Infotech Asia Pacific Pte. Ltd. (Singapore)S$	Singapore	SGD	51.1286	100%	27.33	(5.89)	53.05	53.05	3.96	44.43	4.85	-	4.85	-
7	3i Infotech SDN BHD (Malaysia)*	Malaysia	MYR	16.9714	100%	8.49	39.96	139.79	139.79	-	29.06	(0.65)	(0.92)	0.27	-
8	3i Infotech (Thailand) Limited (Thailand)**	Thailand	THB	2.1740	100%	2.17	(3.67)	23.45	23.45	-	19.77	2.99	0.91	2.07	-
9	3i Infotech Services SDN BHD (Malaysia)*	Malaysia	MYR	16.9714	100%	0.94	(0.95)	-	-	-	-	-	-	-	-
10	3i Infotech (Middle East) FZ LLC (UAE)$$	UAE	AED	18.8699	100%	87.13	(73.04)	1,542.15	1,542.15	0.01	180.47	15.61	-	15.61	-
11	3i Infotech (UK) Limited (UK)£	UK	GBP	90.2798	100%	29.13	(31.92)	12.37	12.37	-	11.15	(0.17)	-	(0.17)	-
12	3i Infotech (Western Europe) Holdings Limited (UK)£	UK	GBP	90.2798	100%	17.63	(11.73)	66.08	66.08	17.51	-	-	-	-	-
13	3i Infotech (Western Europe) Group Limited (UK)£	UK	GBP	90.2798	100%	17.51	(143.75)	0.04	0.04	-	-	-	-	-	-
14	Rhyme Systems Limited (UK)£	UK	GBP	90.2798	100%	1.81	0.32	2.13	2.13	-	-	-	-	-	-
15	3i Infotech BPO Limited (India)	India	INR	1.0000	100%	0.10	41.37	48.26	48.26	-	45.45	2.04	1.14	0.90	-
16	3i Infotech Saudi Arabia LLC (Kingdom of Saudi Arabia)#	Kingdom of Saudi Arabia	SAR	18.4602	100%	0.92	(54.36)	163.39	163.39	-	72.31	10.34	8.20	2.13	-
17	3i Infotech Consultancy Services Limited (India)	India	INR	1.0000	100%	4.81	17.67	31.30	31.30	-	49.50	0.88	0.05	0.83	-
18	Locuz Enterprise Solutions Limited (India)	India	INR	1.0000	74%	1.00	18.93	74.23	74.23	-	164.82	6.03	0.94	5.09	-
19	Elegon Infotech Ltd. (China)¤	China	CNY	10.3269	100%	17.52	(17.52)	-	-	-	-	-	-	-	-
20	IFRS Cloud Solutions Limited (India)	India	INR	1.0000	100%	0.05	(0.01)	0.05	0.05	-	-	-	-	-	-
21	3i Infotech South Africa (PTY) Ltd. +++	Republic of South Africa	ZAR	4.7782	100%	-	0.29	0.03	0.03	-	-	0.08	-	0.08	-
22	Locuz Inc	USA	USD	69.3210	100%	0.01	(1.56)	1.40	1.40	-	-	0.69	-	0.69	-
23	Process Central Limited (Nigeria)++	Nigeria	NGN	0.1916	47.5%	0.82	0.77	0.25	0.25	-	-	-	-	-	-
24	3i Infotech Software Solutions LLC	UAE	AED	18.8699	100%	0.57	(0.06)	2.53	2.53	-	-	(0.06)	-	(0.06)	-

$ Converted to Indian Rupees at the Exchange rate, 1 USD = 69.3210
S$ Converted to Indian Rupees at the Exchange rate, 1 SGD = 51.1286
£ Converted to Indian Rupees at the Exchange rate, 1 GBP = 90.2798
* Converted to Indian Rupees at the Exchange rate, 1 MYR = 16.9714
** Converted to Indian Rupees at the Exchange rate, 1 THB = 2.1740
# Converted to Indian Rupees at the Exchange rate, 1 SAR = 18.4602
$$ Converted to Indian Rupees at the Exchange rate, 1 AED = 18..8699
& Converted to Indian Rupees at the Exchange rate, 1 KES = 0.6831
¤ Converted to Indian Rupees at the Exchange rate, 1 CNY = 10.3269
++ Converted to Indian Rupees at the Exchange rate, 1 NGN = 0.1916
+++ Converted to Indian Rupees at the Exchange rate, 1 ZAR = 4.7782

Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF 3i INFOTECH LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **3i INFOTECH LIMITED** ("*the* Company") which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to financial statements, including a summary of significant accounting policies and other explanatory statements (hereinafter referred to as the "the Standalone Ind AS financial statements").

In our opinion a nd to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr. No.	Key Audit Matter	How was the matter addressed in our audit
1	**Ind As 115 "Revenue from Contract from customers"** The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Refer Note 2(d) and Note 19 to the Standalone Financial Statements	**Principal Audit Procedures:** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted of testing as follows: • Selected a sample of continuing and new contracts and performed the following procedures: – Read, analysed and identified the distinct performance obligations in these contracts. – Compared these performance obligations with that identified and recorded by the Company. – Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. – Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. – In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems. – Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. – Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. – We reviewed the collation of information used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

2	**Revenue recognition – Fixed price development contracts** The Company inter alia engages in Fixed-price development contracts, where, revenue is recognized using the percentage of completion computed as per the input method based on management's estimate of contract costs (Refer Note 2(d) and Note 19 to the standalone financial statements) We identified revenue recognition of fixed price development contracts as a KAM considering – • There is an inherent risk around the accuracy of revenues given the customised and complex nature of these contracts and significant involvement of IT systems; • Application of revenue recognition accounting standard is complex and involves a number of key judgments and estimates including estimating the future cost-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation; • These contracts may involve onerous obligations on the Company that require critical estimates to be made by management; and • At year-end a significant amount of work in progress (Contract assets and liabilities) related to these contracts is recognised on the balance sheet.	Our audit procedures on revenue recognized from fixed price development contracts included: – Obtaining an understanding of the systems, processes and controls implemented by management for recording and calculating revenue and the associated contract assets, unearned and deferred revenue balances. – On selected samples of contracts, we tested that the revenue recognized is in accordance with the accounting standard by– – Evaluating the identification of performance obligation; – Testing management's calculation of the estimation of contract cost and onerous obligation, if any. We: – Observed that the estimates of cost to complete were reviewed and approved by appropriate levels of management; – Performed a retrospective review of costs incurred with estimated costs to identify significant variations and verify whether those variations have been considered in estimating the remaining costs to complete the contract; – Assessed the appropriateness of work in progress (contract assets) on balance sheet by evaluating the underlying documentation to identify possible delays in achieving milestones which may require change in estimated costs to complete the remaining performance obligations; and – Performed test of details including analytics to determine reasonableness of contract costs.
3	**Evaluation of uncertain tax position and contingent liability** The Company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including transfer pricing and direct and indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone Ind AS financial statements. Refer Notes 2(k) and 33 to the standalone financial statements.	Our audit procedures include the following substantive procedures: • Obtained understanding of key uncertain tax positions; and • We along with our internal tax experts- - Read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions; - Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and - Assessed management's estimate of the possible outcome of the disputed cases;

4	**Assessment of impairment on investment in subsidiaries, Joint Ventures and Intangible Assets** As described in note 5 to the standalone financial statements, the carrying amount of investments in subsidiaries and joint ventures recorded in the separate financial statements is ₹ 1,167.21 crores (net of impairment) as of March 31, 2019. The Company recognized impairment loss on investments in subsidiaries and joint ventures amounted to ₹ 1,146.85 crores in previous years. As described in note 4 to the standalone financial statements, intangible assets balance of ₹ 224.66 crores as of 31 March 2019, which relates system development, software, other license costs and other intangible assets and arose mainly from past acquisitions. For the purpose of performing impairment assessments, all intangible assets have been allocated to company's cash generating units ("CGUs"). The Company identifies whether an impairment indication occurs every year and performs impairment test over investments in subsidiaries, joint venture and CGU of Intangible Assets that have an indefinite useful life and compares the carrying amount with the greater of the calculated value-in-use and fair value used to determine whether it is impaired. In estimating the value-in-use, management's judgment is involved in determining the key assumptions such as sales growth rate, gross profit margin, net profit margin, cash flows, discount rate and terminal growth rate that have a significant impact on the estimated value-in-use. Considering significant degree of judgment in estimating value-in-use and likelihood of management bias, we identified assessment of impairment on investments in subsidiaries, joint ventures and Intangible Assets as a key audit matter.	**Principal Audit Procedures:** We understood, evaluated and validated management's key controls over the impairment assessment process. • We compared the methodology used (value-in-use calculations based on future discounted cash flows) by the Company to market practice. • We obtained management's future cash flow forecasts, tested the mathematical accuracy of the underlying value-in-use calculations and compared the same to the approved budget and future forecasts. We also compared historical actual results to those budgeted to assess the quality of management's forecasts. • We also assessed the reasonableness of key assumptions used in the calculations, comprising sales growth rates, gross profit margin, net profit margin, perpetual growth rate and discount rates. When assessing these key assumptions, we discussed them with management to understand and evaluate management's basis for determining the assumptions, and compared them to external industry outlook reports and economic growth forecasts from a number of sources. • We also obtained from management valuation report from external valuation expert. • We obtained and tested management's sensitivity analysis around the key assumptions, to ascertain that selected adverse changes to key assumptions, both individually and in aggregate, would not cause the carrying amount of investment to exceed the recoverable amount. • We evaluated management's assessment on whether any events or change in circumstances indicate there may be a change in the expected useful lives of intangible assets. We found the Company's estimates and judgments used in the impairment assessment and useful life to be supported by the available evidence.

Other information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholders information, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The above stated reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above stated reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the standalone Ind AS and other accounting principles generally accepted in India. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. 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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 of the aforesaid standalone Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone Ind AS financial statements 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”

g) In our opinion and to the best of our information and according to the explanations given to us, we report as under 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 as referred to Note 30 to the Ind AS financial statement.

(ii) The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable laws if any, on long term contracts.

(iii) There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For **GMJ & Co**
Chartered Accountants
FRN: 103429W

CA Sanjeev Maheshwari
Partner
M. No.: 038755

Place : Mumbai
Date : May 7, 2019

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of "The Company" of even date)

i. a. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

b. During the year, the Company in accordance to a phased programme has physically verified Furniture & Fixtures, Office equipment, Plant & Machinery and Computers, which in our opinion is reasonable, considering the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.

c. Based on the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company, except in respect of immovable properties of Land & Building that have been taken on lease and disclosed as fixed assets in Note No.3 to the standalone and Ind AS financial statements, title deeds of the same are in erstwhile name of the company.

ii As the Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories during the year. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

iii. The Company has granted loans in the previous years (taking over of lenders liability of wholly owned subsidiary in terms of DRS Scheme) to 2 body corporates covered in the register maintained under section 189 of the companies act 2013 which are outstanding as on the date of financial statements.

a. During the year, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act,2013. Accordingly, paragraph 3(iii)(a) of the order is not applicable.

b. In respect of existing loans outstanding, the schedule of repayment of principal and interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and also regular in payment of interest. One loan has been fully adjusted against the payable balance of the same party.

c. In respect of existing loans outstanding as on March 31, 2019, there is no amount which was overdue during the year.

iv. 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 and investments made, guarantees given and security provided.

v. The Company has not accepted deposits from public 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.

vi. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act 2013, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

vii. a) According to the information and explanations given to us and on the basis of examination of records, the Company has generally been regular in depositing amounts deducted/ accrued in respect of undisputed statutory dues including provident fund, Employees' State insurance, income tax, goods and service tax , duty of customs, cess and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us and on the basis of examination of records of the Company, no undisputed amounts payable in respect of provident fund, Employees' State insurance, income tax, goods and service , duty of customs, , cess and other material statutory dues were in arrears as at March 31, 2019 for a period more than six months from the date they became payable.

b) According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, as at March 31,2019, the following are the particulars of the dues that have not been deposited on the account of dispute.

₹ in Crores

Name of Statute	Nature of Demand	Period to which amount Relates	Amount of Dispute	Amount Paid/ Adjusted	Amount Unpaid	Forum where dispute is pending
MVAT Act,2002	Sales Tax	Financial Year 2005-06, 2006-07	0.28	-	0.28	Sales Tax Officer
Karnataka Sales Tax Act, 1957	Sales Tax	Financial Year 2009-10	3.89	2.04	1.85	Appellate Deputy Commissioner
AP VAT Act,2005	Sales Tax	Financial Year 2009-10 and 2010-11	0.68	-	0.68	Appellate deputy Commissioner
Income Tax Act 1961	Income Tax	Assessment Year 2004-05	1.00	-	1.00	Commissioner of Income Tax(Appeals)
		Assessment year 2007-08	25.25	25.25	-	Income Tax Appellate Tribunal
		Assessment year 2007-08	5.64	5.64	-	Income Tax Appellate Tribunal
		Assessment year 2007-08	2.83	-	2.83	Income Tax Appellate Tribunal
		Assessment year 2006-07	0.18	-	0.18	
Finance Act, 1994	Service Tax	Financial year 2004-05 to 2006-07, 2006-07, 2012-13	2.81	0.21	2.6	Commissioner (Appeal)
		Financial Year 2004-05 to 2008-09,2009-10, 2010-11, 2011-12	168.81	-	168.81	CESTAT
		Financial year 2014-15 and 2015-16	1.04	-	1.04	Additional Commissioner of GST & C. Ex
		Financial Year 2004-05 & 2005-06	0.15	0.03	0.12	Commissioner of Service Tax

viii. As per clause 3.4 of the Supplement Restructuring Agreement in terms of DRS to the Master Restructuring Agreement dated 30th March, 2012 with the lenders and as per the revised terms of the Foreign Currency Convertible Bonds (FCCB), there is no default in repayment of dues to the banks, financial institutions and debenture holders.

ix. 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.

x. 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.

xi. According to the information and explanations given to us and based on our examination of the records, during the year the Company has paid managerial remuneration as per the limits prescribed under Section 197 of the Act.

xii. 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.

xiii. According to information and explanations given us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and details of such transactions have been disclosed in the standalone financial statements as required by Ind AS 24, Related Party Disclosures specified under section 133 of the Act read with the relevant rules issued thereunder. Refer Note 31 to the standalone financial statements.

xiv. 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.

xv. According to information and explanations given to us and based on our examination of records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly paragraph 3 (xv) of the Order is not applicable;

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly paragraph 3 (xvi) of the Order is not applicable.

For **GMJ & Co**
Chartered Accountants
FRN: 103429W

CA Sanjeev Maheshwari
Partner
M. No.: 038755

Place : Mumbai
Date : May 7, 2019

Annexure – 'B' to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of 3i Infotech Limited of even date)

We have audited the internal financial controls over financial reporting of "**3i infotech Limited**" ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS 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 Companies Act, 2013.

Auditor's 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 judgment, 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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 standalone 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, to the best of our information and according to the explanations given to us, 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 31,2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **GMJ & Co**
Chartered Accountants
FRN: 103429W

CA Sanjeev Maheshwari
Partner
M. No.: 038755

Place : Mumbai
Date : May 7, 2019

3i INFOTECH LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

₹ in Crores

Particulars	Notes	March 31, 2019	March 31, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	138.64	140.95
(b) Other Intangible Assets	4	224.66	225.30
(c) Financial Assets			
(i) Investments	5	1,167.21	1,127.59
(ii) Loans	5	40.83	57.51
(iii) Other Financial Assets	5	5.14	5.32
(d) Deferred Tax Asset (Net)	10	-	-
(e) Income Tax Asset (Net)		98.17	119.83
(f) Other Non-Current Assets	9	8.01	4.42
		1,682.66	**1,680.92**
Current assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Trade Receivables	6	629.00	580.71
(ii) Cash and Cash Equivalents	7	79.47	32.22
(iii) Bank Balances Other than (iii) above	8	-	0.73
(iv) Loans	5	0.01	0.14
(v) Other Financial Assets	5	58.89	43.94
(c) Other Current Assets	9	8.03	5.82
		775.40	**663.56**
TOTAL		**2,458.06**	**2,344.48**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	1,616.64	1,615.36
(b) Other Equity	12	(1,214.24)	(1,467.46)
		402.40	**147.90**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	812.15	954.93
(b) Provisions	18	15.39	15.02
		827.54	**969.95**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	12.13	11.34
(ii) Trade Payables	16		
Micro and Small Enterprises		0.02	-
Others		66.94	93.96
(iii) Other Financial Liabilities	15	1,138.73	1,106.82
(b) Other Current Liabilities	17	8.35	12.61
(c) Provisions	18	1.95	1.90
		1,228.12	**1,226.63**
TOTAL		**2,458.06**	**2,344.48**

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements 1 to 42

As per our report of even date attached
For GMJ & CO
Chartered Accountants
F. R. No. 103429W

S. Maheshwari
Partner
M.No. 038755

Navi Mumbai
Date: May 07, 2019

For and on behalf of the board

Padmanabhan Iyer
CFO, Managing Director and Global CEO
(DIN: 05282942)

Shashank Desai
Director
(DIN: 00143638)

Rajeev Limaye
Company Secretary
(M. No. A17168)

Navi Mumbai
Date: May 07, 2019

3i INFOTECH LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Crores

Particulars	Notes	2018-19	2017-18
REVENUE			
Revenue from operations (net)	19	283.93	237.51
Other income	20	221.55	57.21
Total Revenue (I)		**505.48**	**294.72**
EXPENSES			
Employee benefits expense	22	88.63	77.95
Cost of third party products and services	21	29.01	21.51
Finance costs	23	80.56	82.80
Depreciation and amortization expense	24	6.82	7.16
Other expenses	25	49.61	192.01
Total Expenses (II)		**254.63**	**381.43**
Profit/(loss) before exceptional items and tax (I-II)		**250.85**	**(86.71)**
Exceptional Items		-	-
Profit/(loss) before tax		**250.85**	**(86.71)**
Tax expense:			
Current tax		-	-
Adjustment of tax relating to earlier periods		-	-
Deferred tax		-	-
Profit/(loss) for the period		**250.85**	**(86.71)**
OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans		1.40	(0.82)
Income tax effect		-	-
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:		-	-
Other Comprehensive income for the year, net of tax		**1.40**	**(0.82)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**252.25**	**(87.53)**
Earnings per share for profit attributable to equity shareholders	28		
Basic EPS		1.55	(0.54)
Diluted EPS		1.55	(0.54)

Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 42

As per our report of even date attached
For GMJ & CO
Chartered Accountants
F. R. No. 103429W

S. Maheshwari
Partner
M.No. 038755

Navi Mumbai
Date: May 07, 2019

For and on behalf of the board

Padmanabhan Iyer
CFO, Managing Director and Global CEO
(DIN: 05282942)

Shashank Desai
Director
(DIN: 00143638)

Rajeev Limaye
Company Secretary
(M. No. A17168)

Navi Mumbai
Date: May 07, 2019

3i INFOTECH LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

₹ in Crores

Particulars	2018-19	2017-18
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before income tax	**250.85**	**(86.71)**
Adjustments for:		
Depreciation and amortisation expense	6.82	7.16
Employee share-based payment expense	0.68	0.20
Allowance for doubtful debts	(1.64)	2.34
Net loss on disposal of property, plant and equipment	0.02	(0.02)
Guarantee Commission Income	(0.96)	(0.96)
Interest Income on Financial Assets at Amortised Cost	(19.16)	(23.21)
Miscellaneous Income	(129.98)	-
Provision Reversal on Non Current Investment	-	(5.00)
Impairment loss on non current investments	-	152.29
Remeasurement of Employee benefit obligation	1.40	(0.82)
Interest income classified as investing cash flows	(18.12)	(12.05)
Finance costs	80.56	82.80
Net foreign exchange differences	(51.67)	(8.12)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	(31.73)	(31.82)
Increase/(decrease) in trade payables	(5.28)	2.92
(Increase) in other financial assets	(11.71)	(0.50)
(Increase)/decrease in other non-current assets	(3.60)	0.11
(Increase)/decrease in other current assets	(1.48)	2.03
Increase/(decrease) in provisions	0.42	1.79
Increase in other current liabilities	(5.66)	2.88
Cash generated from operations	**59.77**	**85.31**
Less: Income taxes paid/refund	(26.75)	(3.11)
Net cash inflow from operating activities	**86.52**	**82.20**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(3.82)	(4.88)
Payments for software development costs	(0.08)	(0.23)
Loans to employees	-	(0.20)
Proceeds from sale of investments	-	5.00
Proceeds from sale of property, plant and equipment	0.01	0.02
Repayment of loans by employees	0.13	0.14
Interest received	6.39	1.44
Net cash outflow from investing activities	**2.64**	**1.29**

3i INFOTECH LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31,2019

₹ in Crores

Particulars	2018-19	2017-18
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(2.51)	(100.17)
Repayment of borrowings - Related Parties	(2.93)	(0.17)
Interest paid	(35.51)	(44.76)
Dividends paid	(0.64)	(0.97)
Dividend distribution tax paid	(0.32)	(0.01)
Net cash inflow (outflow) from financing activities	**(41.91)**	**(146.08)**
Net increase (decrease) in cash and cash equivalents	47.25	**(62.59)**
Cash and Cash Equivalents at the beginning of the financial year	32.22	94.81
Effects of exchange rate changes on Cash and Cash Equivalents		
Cash and Cash Equivalents at end of the year	**79.47**	**32.22**
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents		
Balances with banks:		
- On current accounts	5.19	9.55
- On deposit accounts	74.28	22.67
Cash on hand	0.00	-
Balances per statement of cash flows	**79.47**	**32.22**

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 on "Statement of Cash Flows" notified by the Companies Act, 2013.
2. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 42

As per our report of even date attached
For GMJ & CO
Chartered Accountants
F. R. No. 103429W

S. Maheshwari
Partner
M.No. 038755

Navi Mumbai
Date: May 07, 2019

For and on behalf of the board

Padmanabhan Iyer
CFO, Managing Director and Global CEO
(DIN: 05282942)

Shashank Desai
Director
(DIN: 00143638)

Rajeev Limaye
Company Secretary
(M. No. A17168)

Navi Mumbai
Date: May 07, 2019

3i INFOTECH LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31,2019

A Equity Share Capital

₹ in Crores

Particulars	Balance at the Beginning of the year	Changes in Equity share capital during the year	Balance at the end of the year
March 31, 2018			
Numbers	**1,223,672,604**	**391,685,574**	**1,615,358,178**
Amount	**1,223.67**	**391.69**	**1,615.36**
March 31, 2019			
Numbers	**1,615,358,178**	**1,286,684**	**1,616,644,862**
Amount	**1,615.36**	**1.28**	**1,616.64**

B Other Equity

₹ in Crores

Particulars	Equity Component of Compound financial instruments	Reserves and Surplus: Capital Reserve	Reserves and Surplus: Securities Premium	Reserves and Surplus: Share Based Payment Reserve	Reserves and Surplus: Retained Earnings	Foreign Currency Monetary Item Translation Difference Account	Property, Plant and Equipment Reserve	Share Suspense account - Equity Shares	Shares held in abeyance	Total
As at April 1, 2017	**20.13**	**0.07**	**894.85**	**1.91**	**(2,442.93)**	**(10.95)**	**119.07**	**414.49**	**40.02**	**(963.34)**
Profit for the year					(86.71)					**(86.71)**
Other comprehensive income					(0.82)					**(0.82)**
Total comprehensive income for the year	**20.13**	**0.07**	**894.85**	**1.91**	**(87.53)**	**(10.95)**	**119.07**	**414.49**	**40.02**	**(87.53)**
Issue of equity shares								(390.07)	(40.02)	**(430.09)**
Changes in Share Suspense account								1.52		**1.52**
FCCB conversions	(0.81)		0.93		0.73					**0.85**
Share based payment expense				0.19						**0.20**
Transfer from PPE Reserve					2.76		(2.76)			**-**
Foreign Exchange Fluctuation on long term monetary items						8.95				**8.95**
Amortisation of Foreign Exchange Fluctuation on long term monetary items during the year						2.00				**2.00**
Fractions write back								(0.00)		**(0.00)**
Dividend on Preference Shares					(0.02)					**(0.02)**
As at March 31, 2018	**19.32**	**0.07**	**895.78**	**2.11**	**(2,526.99)**	**-**	**116.31**	**25.94**	**-**	**(1,467.46)**
Profit for the year					250.85					**250.85**
Other comprehensive income					1.40					**1.40**
Total comprehensive income for the year	**19.32**	**0.07**	**895.78**	**2.11**	**252.25**	**-**	**116.31**	**25.94**	**-**	**252.25**
FCCB conversions during the year	(0.43)		0.40		0.32					**0.29**
Share based payment expense				0.68						**0.68**
Amortisation of Revaluation Reserve					2.76		(2.76)			**-**
Dividend on Preference Shares					0.00					**0.00**
Transfer to Retained Earnings										**-**
As at March 31, 2019	**18.89**	**0.07**	**896.18**	**2.79**	**(2,271.66)**	**-**	**113.55**	**25.94**	**-**	**(1,214.24)**

Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 42

As per our report of even date attached
For GMJ & CO
Chartered Accountants
F. R. No. 103429W

S. Maheshwari
Partner
M.No. 038755

Navi Mumbai
Date: May 07, 2019

For and on behalf of the board

Padmanabhan Iyer
CFO, Managing Director and Global CEO
(DIN: 05282942)

Shashank Desai
Director
(DIN: 00143638)

Rajeev Limaye
Company Secretary
(M. No. A17168)

Navi Mumbai
Date: May 07, 2019

3i Infotech Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1 Corporate Information

3i Infotech Limited (referred to as "the Company") is a Global Information Technology Company committed to Empowering Business Transformation. A comprehensive set of IP based software solutions, coupled with a wide range of IT services, uniquely positions the Company to address the dynamic requirements of a variety of industry verticals of Banking and Financial Services Industry (BFSI), predominantly Banking, Insurance, Capital Markets, Asset & Wealth Management. The Company also provides solutions for other verticals such as Government, Manufacturing, Retail, Distribution, Telecom and Healthcare.

The Company is a public limited Company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The address of its registered office is International Infotech Park, Tower No.5, 3rd to 6th floors, Vashi, Navi Mumbai-400 703.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 07, 2019.

2 Significant Accounting Policies

a) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

b) Basis of preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Use of estimates and judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

(i) Impairment of investments

The Company reviews its carrying value of investments carried at cost / amortised cost annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(ii) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(iii) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note (i) below.

(iv) Provisions and Contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value unless the effect of time value of money is material and are determined based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements.

d) Revenue Recognition

The Company earns primarily from providing services of Information Technology (IT) solutions and Transaction services.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 : Revenue and Ind AS 11 : Construction Contracts. The impact of adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Revenue from software development and related services have been recognised basis guidelines of Ind AS 115 – “Revenue from contract with customers”, by applying the revenue recognition criteria for each distinct performance obligation based on the contractual arrangement in conjunction with the Company’s accounting policies.

Revenue from Licenses where customer obtains a ‘ right to use ‘ the license is recognised at the time when the license is made available to the customer.

When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling price.

Revenue from the sale of and Cost of, distinct third party hardware is recognised upon performance of the contractual obligation.

The Company recognises revenue in terms of the contracts with its customers, combined with its accounting policies. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue recognition for fixed priced development contracts is based on percentage completion method. Invoicing to the client is based on milestones as stipulated in the contract.

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

Revenue from sharing of infrastructure facilities is recognised based on usage of facilities.

Unbilled Revenue pertains to revenue which would be billed as per the stipulations of the contract.

Invoicing in excess of earnings are classified as unearned revenue.

Performance Obligation and remaining performance obligation

The remaining performance obligations disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation-related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

e) Interest / Dividend Income

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

f) Leases

(i) Finance lease

Assets taken on lease by the Company in its capacity as a lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at the lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

(ii) Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

g) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised in employee benefit expenses, cost of third party products and services, finance costs, depreciation and amortisation and other expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Cost of third party products and services mainly include purchase of software licenses and products, fees to external consultants, cost of running its facilities, cost of equipment and other operating expenses. Finance cost includes interest and other borrowing cost. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, printing and stationery, legal and professional charges, communication, repairs and maintenance etc.

h) Foreign currency

The functional currency of the Company is Indian rupee (₹).

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined

i) Income taxes

Current income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Advance taxes and provisions for current income taxes are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable statement of profit and loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future economic tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Company recognises interest levied and penalties related to income tax assessments in finance costs.

j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- **Debt instruments at amortised cost**

  A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

- Debt instrument at fair value through other comprehensive income (FVTOCI)

  A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

  (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

  (b) The asset's contractual cash flows represent SPPI.

  Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

- Debt instrument at fair value through profit and loss (FVTPL)

  FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

  In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

  Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

- **Equity investments**

  All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Interest in subsidiaries, associates and joint ventures are accounted at cost.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(iii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial Liabilities at fair value through profit and loss**

  Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

  Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

  Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. These gains / loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at FVTPL.

- **Loans and borrowings**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

  Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(iv) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

k) Compound financial instruments

Compound financial instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the compound financial instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the compound financial instruments based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

l) Investments in subsidiaries

Investments in subsidiaries are measured at cost less impairment.

m) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statment of profit and loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives adopted by Company

Category of Assets	Useful lives adopted by Company	Useful Lives prescribed under Schedule II of the Act
Computers	5 years	3-6 years
Plant and Machinery, Electrical Installation	5 years	15 years
Office Equipment	5 years	5 years
Furniture and Fixtures	5 years	10 years
Vehicles	5 years	10 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are different than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit and loss within other gains/(losses).

n) Intangible assets

(i) Software Products - Meant for Sale

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and are tested for impairment from the point at which the asset is available for use.

(ii) 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.

(iii) Patents, copyrights , Business commercial rights and other rights

Separately acquired patents and copyrights are shown at historical cost. Patents, copyrights and non-compete acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(iv) Research and development

Research expenditure and development expenditure that do not meet the criteria specified above are recognised as an expense as incurred in the statement of profit and loss. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortisation methods and periods

Category of Assets	Useful lives adopted by Company
Business Commercial rights	10 years
Software others	5 years or as per license period

Intangible Assets with indefinite useful lives

Based on the analysis of product life cycle studies, market and competitive trends, it is assessed that 'Software Products - meant for sale' would generate net cash flows for an indefinite period.

o) Impairment

(i) Financial assets (other than at fair value)

The Company assesses at each date of Balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk or the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets within finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. These liabilities are presented as current liabilities in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund.

(c) superannuation contribution plans.

- **Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit and loss as past service cost.

- **Defined contribution plans**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

- **Superannuation contribution plan**

Certain employees of the Company are also participants in a defined superannuation contribution plan. The Company contributes to the scheme with Life Insurance Corporation of India on a monthly basis. The Company has no further obligations to the scheme beyond its monthly contributions.

(iv) Employee Benefits in Foreign Branch

In respect of employees in foreign branch, necessary provisions are made based on the applicable local laws. Gratuity and leave encashment / entitlement as applicable for employees in foreign branch are provided on the basis of actuarial valuation and based on estimates.

(v) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Option Plan.

Employee option Plan

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

r) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred and are recognised in the statement of profit and loss.

s) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

t) Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

u) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

w) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

x) Current/non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

y) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing the inventory to its present location and condition are included in the cost of inventories.

Hardware and Supplies

Carried at lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

z) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

za) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated.

3. PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Particulars	Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computer Hardwares	Assets under Finance Lease	Leasehold Improvements	Total
GROSS CARRYING VALUE										
As at April 1, 2017	**0.40**	**140.47**	**0.84**	**0.26**	**0.16**	**2.95**	**8.56**	**96.21**	**4.48**	**254.33**
Additions	-	-	-	0.26	-	0.15	4.47	-	-	**4.88**
Disposals	-	-	(0.14)	-	(0.06)	(0.11)	(3.42)	-	-	**(3.73)**
As at March 31, 2018	**0.40**	**140.47**	**0.70**	**0.52**	**0.10**	**2.99**	**9.61**	**96.21**	**4.48**	**255.48**
Additions	-	-	0.15	0.53	-	1.07	2.07	-	-	**3.82**
Disposals	-	-	(0.06)	(0.19)	(0.05)	(0.10)	(2.30)	-	-	**(2.70)**
As at March 31, 2019	**0.40**	**140.47**	**0.80**	**0.86**	**0.05**	**3.96**	**9.38**	**96.21**	**4.48**	**256.60**
ACCUMULATED DEPRECIATION/IMPAIRMENT										
As at April 1, 2017	0.03	6.21	0.37	0.14	0.14	1.25	6.23	96.21	1.27	111.85
Depreciation for the year	0.01	3.11	0.14	0.08	0.02	0.60	1.89	-	0.57	6.42
Deductions\Adjustments during the period	(0.01)	0.01	(0.14)	-	(0.06)	(0.11)	(3.42)	-	(0.01)	(3.74)
As at March 31, 2018	**0.03**	**9.33**	**0.37**	**0.22**	**0.10**	**1.74**	**4.70**	**96.21**	**1.83**	**114.53**
Depreciation for the year	0.01	3.11	0.16	0.13	-	0.67	1.52	-	0.51	6.10
Deductions\Adjustments during the period	-	-	(0.04)	(0.19)	(0.05)	(0.10)	(2.30)	-	-	(2.67)
As at March 31, 2019	**0.04**	**12.44**	**0.49**	**0.16**	**0.05**	**2.32**	**3.92**	**96.21**	**2.34**	**117.96**
Net Carrying value as at March 31, 2019	**0.36**	**128.04**	**0.30**	**0.70**	**-**	**1.65**	**5.46**	**-**	**2.14**	**138.64**
Net Carrying value as at March 31, 2018	**0.37**	**131.14**	**0.33**	**0.30**	**-**	**1.25**	**4.91**	**-**	**2.65**	**140.95**

Notes:

i. Leased Assets

Property, Plant and Equipment includes the following amounts where the company is a lessee under finance lease :

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Land		
Cost	0.40	0.40
Accumulated Depreciation	(0.04)	(0.03)
Net carrying amount	**0.36**	**0.37**
Building		
Cost	140.47	140.47
Accumulated Depreciation	(12.44)	(9.33)
Net carrying amount	**128.04**	**131.14**

The Company has acquired certain Land and Building under a lease arrangement for a period of sixty years at a premium of ₹ 0.50 crores starting from December 4, 2000 for Land, ₹ 15.62 crores starting from March 13, 2000 and ₹ 5.05 crores March 1, 2003 for building and the same are being amortized over the lease period.

ii. Property, Plant and Equipment pledged as security against borrowings by the Company

Refer to Note 35 for information on property, plant and equipment pledged as security by the Company.

iii. Contractual Obligations

Refer to Note 30 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4. INTANGIBLE ASSETS

₹ in Crores

Particulars	Software Product Others	Software Products - Meant for sale	Total
GROSS CARRYING VALUE			
As at April 1, 2017	**4.13**	**1,154.54**	**1,158.67**
Additions	**0.23**	-	**0.23**
Deletions	**-**	-	**-**
Other Adjustments	0.01	0.01	**0.02**
As at March 31, 2018	**4.37**	**1,154.55**	**1,158.92**
Additions	**0.08**	**-**	**0.08**
Deletions	**-**	**-**	**-**
Other Adjustments	-	-	**-**
As at March 31, 2019	**4.45**	**1,154.55**	**1,159.00**
ACCUMULATED AMORTISATION AND IMPAIRMENT			
As at April 1, 2017	1.99	930.87	932.86
Amortisation for the year	0.74	-	0.74
Impairment	-	-	-
Deductions\Adjustments during the period	0.01	0.01	0.02
As at March 31, 2018	**2.74**	**930.88**	**933.62**
Amortisation for the year	0.72	-	0.72
As at March 31, 2019	**3.46**	**930.88**	**934.34**
Net Carrying value as at March 31, 2019	**0.99**	**223.67**	**224.66**
Net Carrying value as at March 31, 2018	**1.63**	**223.67**	**225.30**

i. Significant Estimate : Useful life of Intangible Assets

Refer to sub note (n) of Note 2 'Significant Accounting Policies' .

ii. Intangible Assets with indefinite useful lives

The Entity provides IT based software solutions to variety of industry verticals which includes softwares meant for Banking industry, Insurance industry, Enterprise Resource Panning (ERP) softwares and softwares meant for financial service industry. These softwares have been capitalised as 'Software Products - meant for sale' category under intangible assets. The Company based on the analysis of product life cycle studies, market and competitive trends assesses that the 'Software Products - meant for sale' products will generate net cash flows for an indefinite period.

iii. Impairment testing of intangible assets with indefinite lives

Software Products - meant for sale

Software Products - meant for sale with indefinite lives have been allocated to the CGUs below forming part of IT Solution segment which is Company's operating and reportable segment, for impairment testing :

- Banking
- Insurance
- ERP
- Financial Services

Carrying amount of intangible assets with indefinite lives allocated to each of the CGUs:

₹ in Crores

Intangible Assets	March 31, 2019	March 31, 2018
Software meant for sale		
- Banking	104.58	104.58
- Insurance	56.82	56.82
- ERP	47.80	47.80
- Financial Services	14.47	14.47
	223.67	**223.67**

The Entity tests whether softwares have suffered any impairment periodically. The recoverable amount of a cash generating unit (CGU) is determined based on value in use of the underlying asset. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

The recoverable amount of CGUs (business units) based on value in use as at December 31, 2018 ₹ 1,654 crore (December 31, 2017: ₹ 1,123 crores). The recoverable amounts represents the fair value of the business of the software products over the periord of budgeted five years.

Based on estimates of the management, though the fair valuation of the product businesses are much higher than the carrying amount of the software products, these intangibles are carried at amounts which the management estimates to be the residual value of the development costs.

5. FINANCIAL ASSETS

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
(A) INVESTMENTS		
Non Current		
(1) Investments carried at fair value through Profit and Loss		
Unquoted		
(a) Investments in Equity Instruments		
200,000 Equity shares of Sri Lankan ₹ 10 each fully paid up of First Capital Asset Management Co. Limited, Sri Lanka	0.10	0.10

Particulars	March 31, 2019	March 31, 2018
(as at March 31, 2018 - 200,000 Shares)		
55,000 equity shares of ₹ 10 each fully paid up of Vashi Railway Station Commercial Complex Limited	0.06	0.06
(as at March 31, 2018 - 55,000 Shares)		
	0.16	**0.16**
(2) Investments carried at Amortised Cost		
Unquoted		
Investments in Preference Shares of a Subsidiary		
Investments in Redeemable Convertible Preference Shares of 3i Infotech Holdings Private Limited, Mauritius		
(i) 891,631,605 Series A - Zero Coupon Redeemable Convertible Preference Shares of MUR 1 each fully paid up	122.97	121.45
(as at March 31, 2018 - 891,631,605 Shares)		
(ii) 1,780,361,142 Series C - Zero Coupon Redeemable Convertible Preference Shares of MUR 1 each fully paid up	363.79	327.10
(as at March 31, 2018 - 1,780,361,142 Shares)		
(iii) 21,878,720 Series D - Zero Coupon Redeemable Convertible Preference Shares of MUR 1 each fully paid up	4.39	3.94
(as at March 31, 2018 - 21,878,720 Shares)		
	491.15	**452.49**
(3) Investments carried at Cost		
Unquoted		
Investments in Equity Instruments		
Wholly Owned Subsidiaries		
(i) 5,346,202 Equity shares of no par value of 3i Infotech Asia Pacific Pte Limited., Singapore	21.79	21.65
(as at March 31, 2018 - 5,346,202 Shares)		
(ii) 3,226,308 Equity shares of GBP 1 each fully paid up of 3i Infotech (UK) Limited	355.73	355.73
(as at March 31, 2018 - 3,226,308 Shares)		
Less: Impairment Loss Allowance	(355.73)	(355.73)
(iii) 6,258,371,598 Ordinary Shares of MUR 1 each fully paid up of 3i Infotech Holdings Private Limited, Mauritius	1,302.06	1,302.06
(as at March 31, 2018 - 6,258,371,598 Shares)		
Less: Impairment Loss Allowance*	(779.32)	(779.32)

Particulars		March 31, 2019	March 31, 2018
(iv)	500 Shares of SAR 1,000 each fully paid up of 3i Infotech Saudi Arabia LLC	2.48	2.17
	(as at March 31, 2018 - 500 Shares)		
(vi)	100,000 Equity shares of ₹ 10 each fully paid of 3i Infotech BPO Limited	66.71	66.71
	(as at March 31, 2018 - 100,000 Shares)		
(vii)	4,805,211 Equity shares of ₹ 10 each fully paid of 3i Infotech Consultancy Services Limited	37.34	37.34
	(as at March 31, 2018 - 4,805,211 Shares)		
(viii)	Elegon Infotech Limited, China	11.81	11.81
	Less: Impairment Loss Allowance	(11.81)	(11.81)
Other Subsidiaries			
740,000 Equity shares of ₹ 10 each fully paid of Locuz Enterprise Solutions Limited		24.84	24.33
(as at March 31, 2018 - 740,000 Shares)			
		675.90	**674.94**
Total		**1,167.21**	**1,127.59**
Aggregate amount of unquoted investments		1,167.21	1,127.59
Aggregate amount of impairment in the value of investments		(1,146.85)	(1,146.85)
Investments carried at amortised cost		**491.15**	**452.49**
Investments carried at fair value through profit and loss		**0.16**	**0.16**
Investments carried at cost		**675.90**	**674.94**
(B)	**LOANS**		
	Non Current		
	Unsecured, considered good unless otherwise stated		
	Loans to Related Parties	40.83	57.51
	Total	**40.83**	**57.51**
	Current		
	Unsecured, considered good unless otherwise stated		
	Loans to Employees	0.01	0.14
	Total	**0.01**	**0.14**
(C)	**OTHER FINANCIAL ASSETS**		
	Non Current		
	Financial assets carried at amortised cost		
	Security Deposits	5.62	5.80
	Less: Loss Allowances	(0.48)	(0.48)
	Total	**5.14**	**5.32**

Particulars	March 31, 2019	March 31, 2018
Current		
Financial assets carried at amortised cost		
Security Deposits	7.15	10.38
Unbilled Revenue**	44.43	48.18
Interest Accrued but not due	2.06	0.63
Interest Accrued and due from Related Parties	12.25	13.07
Less: Loss Allowances	(7.00)	(28.32)
Total	**58.89**	**43.94**

"* The Company had held Series A, C and D Zero Coupon Redeemable Convertible Preference Shares in 3i Infotech Holdings Private Limited (together the 'Preference Shares'), which got matured during the year on June 30, 2017. The said Preference Shares have then been renewed with same terms and are now having maturity date as March 24, 2025. Consequent to said renewal, Loss amounting to ₹ 152.29 crores arising on Fair Valuation of these Preference Shares (Debt Instrument) was accounted as an addition to the Cost of Equity Investment held in 3i Infotech Holdings Private Limited, the same has been accounted as Impairment Loss Allowance during the FY 17-18 (Refer to Note 25 Other Expenses)."

** Includes Unbilled Revenue from Related Parties as at March 31, 2019 of ₹ 2.17 crores (as at March 31, 2018 of ₹ 2.17 crores).

Includes Interest Receivable from Related Parties as at March 31, 2019 of ₹ 12.25 crores (as at March 31, 2018 of ₹ 13.07 crores).

6. TRADE RECEIVABLES

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Current		
Trade Receivables from customers	43.03	44.97
Receivables from other related parties	585.97	535.74
	629.00	**580.71**
Breakup of Security details		
Unsecured, considered good	629.00	580.71
Doubtful	12.02	18.27
	641.02	**598.98**
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Loss Allowance	12.02	18.27
	12.02	**18.27**
	629.00	**580.71**

Trade or Other Receivable due from directors or other officers of the company either severally or jointly with any other person amounted to ₹ Nil (Previous year ₹ Nil).

Trade or Other Receivable due from firms or private companies respectively in which any director is a partner, a director or a member amounted to ₹ Nil (Previous year ₹ Nil).

7. CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Balances with banks:		
- On current accounts	5.19	9.55
- On deposit accounts	74.28	22.67
Cash on hand	-	-
	79.47	**32.22**

8. OTHER BANK BALANCES

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Other Balances with banks		
- in Dividend accounts	-	0.14
- in Escrow accounts	-	0.59
	-	**0.73**

9. OTHER ASSETS

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Non Current		
Capital Advances	1.31	0.15
- Prepaid expenses	2.93	0.49
- Balances with Statutory, Government Authorities	3.77	3.78
Total	**8.01**	**4.42**
Current		
Advances other than Capital advances		
- Advances to creditors	1.45	1.66
- Other Advances	0.06	(0.00)
Less: Loss Allowances	-	-
Others		
- Prepaid expenses	5.11	2.55
- Balances with Statutory, Government Authorities	1.13	1.33
- Other current assets	0.28	0.28
Total	**8.03**	**5.82**

10. INCOME TAX

₹ in Crores

Deferred Tax

Particulars	March 31, 2019	March 31, 2018
Deferred tax relates to the following:		
Depreciation for tax purposes	(106.63)	(105.39)
Temporary difference due of foreign exchange fluctuation accounted in FCMITDA	-	-
Gratuity	5.60	5.49
Leave Encashment	0.46	0.35
Losses available for offsetting against future taxable income	223.16	235.42
Loss Allowance on Financial Assets	6.39	6.39
Other Ind AS adjustments	(128.98)	(142.26)
Net Deferred Tax Assets / (Liabilities)	**-**	**-**

Movement in deferred tax liabilities/assets

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Opening balance as of April 1	**-**	**-**
Tax income/(expense) during the period recognised in profit or loss	-	-
Tax income/(expense) during the period recognised in OCI	-	-
Tax income/(expense) during the period recognised in Equity		
Closing balance as at March 31	**-**	**-**

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Unrecognised deferred tax assets		
Deductible temporary differences	326.99	331.42
Unrecognised tax losses	525.39	616.07

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Business losses which arose in India of ₹ 628.23(Previous year ₹ 918.45) that are available for offsetting for eight years against future taxable profits of the company. Majority of these losses will expire in March 2021.

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of tax losses carried forward by the Company.

Major Components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are as follows:

i. Income tax recognised in profit or loss

₹ in Crores

Particulars	**2018-19**	**2017-18**
Current income tax charge	-	-
Adjustment in respect of current income tax of previous year	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	-	-
Income tax expense recognised in profit or loss	**-**	**-**

ii. Income tax recognised in OCI

₹ in Crores

Particulars	**2018-19**	**2017-18**
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Income tax expense recognised in OCI	**-**	**-**

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2019 and March 31, 2018

₹ in Crores

Particulars	**2018-19**	**2017-18**
Accounting profit before income tax	**252.25**	**(87.53)**
Enacted tax rate in India	34.94%	34.61%
Income tax on accounting profits	**88.15**	**(30.29)**
Effect of		
Tax Losses for which no deferred income tax was recognised		
Utilisation of previously unrecognised tax losses	(90.03)	(27.88)
Depreciation	(2.14)	(3.78)
Accounting Income not assessable for tax purpose	(11.34)	(8.03)
Adjustments for current tax of prior period	-	-
Other non taxable income	-	(0.34)
Non-deductible expenses for tax purposes:		
Share based payment expenses not deductible for tax purposes	0.24	0.07
Accounting expenses not deductible for tax purpose	14.86	14.91
Other non deductible expenses	0.11	54.66

Particulars	2018-19	2017-18
Allowable expenses for tax purposes:		
Expenditure allowable on payment basis	0.15	0.68
Tax at effective income tax rate	-	-

11. SHARE CAPITAL

i. Authorised Share Capital

₹ in Crores

Particulars	Equity Share (₹ 10 Each)		Non Convertible Cumulative Reedemable Preference Share (Class A) (₹ 5 Each)	
	Number	Amount	Number	Amount
At April 1, 2017	**2,200,000,000**	**2,200**	**200,000,000**	**100**
Increase/(decrease) during the year	-	-	-	-
At March 31, 2018	**2,200,000,000**	**2,200**	**200,000,000**	**100**
Increase/(decrease) during the year	-	-	-	-
At March 31, 2019	**2,200,000,000**	**2,200**	**200,000,000**	**100**

₹ in Crores

Particulars	Non Convertible Cumulative Redeemable Preference Share (Class B) (₹ 5 Each)		Non Convertible Cumulative Redeemable Preference Share (Class C) (₹ 1 Each)	
	Number	Amount	Number	Amount
At April 1, 2017	**1,500,000,000**	**750**	**1,050,000,000**	**105**
Increase/(decrease) during the year	-	-	-	-
At March 31, 2018	**1,500,000,000**	**750**	**1,050,000,000**	**105**
Increase/(decrease) during the year	-	-	-	-
At March 31, 2019	**1,500,000,000**	**750**	**1,050,000,000**	**105**

Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 each. 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 of preferential amounts in proportion to their shareholding.

Terms / rights attached to preference shares

The terms of Class A Preference Shares having face value of ₹ 5 each, had been amended in financial year 2015-2016 where by their dividend was reduced to 0.01%and these were made redeemable on March 15, 2026. Redemption Premium shall be an amount that would provide the holder of the said shares an internal rate of return (IRR) of 6% per annum excluding the Dividend Rate on the outstanding amount of the said shares, to be paid at the time of redemption of the said shares.

Contingent liability in respect of arrears of dividend on these preference shares as at March 31, 2019 would be ₹ Nil crores (₹ NIL crores as at March 31, 2018).

Class B Preference Shares of face value of ₹ 5 each are redeemable on March 15, 2026 and would carry a dividend of 0.10 % per annum.

Class C Preference Shares of face value of ₹ 1 each with a premium of ₹ 4 each and would carry a dividend of 0.10 % per annum.

ii. **Issued Capital**

Equity Shares

₹ in Crores

Particulars	Number	Amount
Equity shares of ₹ 10 each issued		
At April 1, 2017	1,223,672,604	1,223.67
Issued during the year		
Shares issued towards conversion of FCCB	1,611,058	1.62
Shares issued under CDR / DRS	390,074,516	390.07
At March 31, 2018	**1,615,358,178**	**1,615.36**
Issued during the year		
Shares issued towards conversion of FCCB	1,286,684	1.28
At March 31, 2019	**1,616,644,862**	**1,616.64**

Issued, Subscribed and paid up Equity Share Capital as at March 31, 2017 was ₹ 1,183.65 crores; ₹ 40.02 crores (40,021,201 equity shares were issued and held in abeyance) and shown under 'Other Equity'. Shares held in abeyance were subsequently allotted in FY 2017-18.

Preference Shares

₹ in Crores

Particulars	Non Convertible Cumulative Redeemable Preference Share (Class A) of ₹ 5 each issued and fully paid		Non Convertible Cumulative Redeemable Preference Share (Class B) of ₹ 5 each issued and fully paid	
	Number	Amount	Number	Amount
At April 1, 2017	**130,000,000**	-	**693,270,487**	-
Issued during the year	-	-	582,251,109	-
At March 31, 2018	**130,000,000**	-	**1,275,521,596**	-
Issued during the year	-	-	-	-
At March 31, 2019	**130,000,000**	-	**1,275,521,596**	-

This note covers the number of preference shares issued by the Company. Since the preference shares are non convertible redeemable shares, it is reflected in financial liabilities.

iii. Paid up Capital

₹ in Crores

Particulars	Number	Amount
Equity shares of ₹ 10 each		
At April 1, 2017	**1,183,651,403**	**1,183.65**
Allotted during the year*	431,706,775	431.71
At March 31, 2018	1,615,358,178	1,615.36
Allotted during the year	1,286,684	1.28
At March 31, 2019	**1,616,644,862**	**1,616.64**

* Includes shares allotted of ₹ 40.02 Crores which were issued and held in abeyance as at March 31, 2017

iv. Shares held by holding/ ultimate holding company and / or their subsidiaries / associates

The Company does not have a holding company or ultimate holding company.

v. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Number	% holding	Number	% holding
Equity shares of ₹ 10/- each fully paid				
SREI Multiple Asset Investment Trust (SMAIT)	263,909,361	16.32	263,909,361	16.34
Standard Chartered Bank	148,302,327	9.17	148,302,327	9.18
IDBI Bank Limited	123,637,521	7.65	126,088,948	7.81
Non Convertible Cumulative Redeemable Preference Share (Class A) of ₹ 5 each issued and fully paid				
IDBI Trusteeship Services Limited (ICICI Strategic Investments Fund)	130,000,000	100.00	130,000,000	100.00
Non Convertible Cumulative Redeemable Preference Share (Class B) of ₹ 5 each issued and fully paid				
SREI Multiple Asset Investment Trust (SMAIT)	444,982,211	34.89	444,982,211	34.89
Standard Chartered Bank	189,505,860	14.86	189,505,860	14.86
IDBI Bank Limited	180,743,103	14.17	180,743,103	14.17

vi. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date are Nil.

vii. Shares reserved for issue under options

For details of shares reserved for issue under the Share based payment plan of the Company, please refer note 29

For details of shares reserved for issue on conversion of Foreign Currency Convertible Bonds , please refer note 14 related to terms of conversion/ redemption of Foreign Currency Convertible Bonds.

viii. Shares issued / to be issued under DRS

Appendix D 'Extinguishing Financial Liabilities with Equity Instruments' of Ind AS 109 on Financial Instruments requires an entity to measure equity shares issued on extinguishment of liabilities at fair value on the date of extinguishment. Accordingly, fair value of equity shares issued under DRS scheme is the consideration paid against settlement of liabilities and the difference between the fair value of consideration and liability settled is to be charged to statement of profit and loss.

On the date of extinguishment of liability, which is the date of implementation of DRS scheme, the fair value of equity shares is below face value. Therefore as per Ind AS 109, the difference between the liability settled and fair value of equity shares issued is required to be charged to statement of profit and loss.

However, as per Section 53 of the Companies Act, 2013, a company shall not issue shares at a discount. Therefore, for the purpose of compliance of Companies Act, 2013, the Company has considered face value of shares issued as consideration paid towards extinguishment of liabilities and no impact is given in the statement of profit and loss.

12. OTHER EQUITY

i. Reserves and Surplus

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Capital Reserve	0.07	0.07
Securities Premium	896.18	895.78
Share Based Payment Reserve	2.79	2.11
Retained Earnings	(2,271.66)	(2,526.99)
Property,Plant and Equipment Reserve	113.55	116.31
	(1,259.07)	**(1,512.72)**

(a) Capital Reserve

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Opening balance	0.07	0.07
Closing balance	**0.07**	**0.07**

Capital Reserve was created in accordance with provision of the Companies Act, 2013.

(b) Securities Premium Reserve

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Opening balance	895.78	894.85
Add/(Less):		
Allotment of equity shares under FCCB conversion	0.40	0.93
Allotment of equity shares under DRS		
Closing balance	**896.18**	**895.78**

The amount received in excess of face value of the equity shares is recognised in Share Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

(c) Share Based Payment Reserve

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Opening balance	2.11	1.91
Add/(Less):		
Employee Stock Option Expense recognised	0.68	0.20
Closing balance	**2.79**	**2.11**

The Company has three share option schemes under which options to subscribe for the company's shares have been granted to certain executives and senior employees.

The Share based payment reserve is used to recognise the value of equity settled share based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 29 for further details of these plans.

(d) Retained Earnings

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Opening balance	(2,526.99)	(2,442.93)
Net Profit/(Loss) for the year	250.85	(86.71)
Add/(Less):		
FCCBs converted during the year	0.32	0.73
Transfer from PPE Reserve	2.76	2.76
Dividend on Preference Shares	0.00	(0.02)
Items of Other Comprehensive Income directly recognised in Retained Earnings		
Remeasurement of post employment benefit obligation, net of tax	1.40	(0.82)
Closing balance	**(2,271.66)**	**(2,526.99)**

(e) Foreign Currency Monetary Item Translation Difference Account

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Opening balance	-	(10.95)
Add/(Less):		
Foreign Exchange Fluctuation on long term monetary items during the year	-	8.95
Amortisation of Foreign Exchange Fluctuation on long term monetary items during the year	-	2.00
Closing balance	**-**	**-**

For details of accounting treatment of foreign currency monetory item translation difference account, please refer note 38

(f) Property, Plant and Equipment Reserve

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Opening balance	116.31	119.07
Add/(Less):		
Transfer to Retained Earnings	(2.76)	(2.76)
Closing balance	**113.55**	**116.31**

Property, Plant and Equipment Reserve represents reserve created on revaluation of Leasehold Building and it is a non distributable reserve.

iii. Other Components of Equity

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Share Application money pending allotment	25.94	25.94
Equity Component of Compound financial instruments	18.89	19.32
Total	**44.83**	**45.26**

13. DISTRIBUTION MADE AND PROPOSED

Cash dividends

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Share Application money pending allotment	0.64	0.97
Equity Component of Compound financial instruments	0.13	0.20
	0.77	**1.17**

14. BORROWINGS

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Non Current Borrowings		
Secured		
(a) Term Loans		
From Banks	329.80	331.02
From Others	24.52	30.92
Unsecured		
(a) Liability Component of Foreign Currency Convertible Bonds	113.45	103.05
(b) Loans from Related Parties	17.31	148.72
(c) Cumulative Non Convertible Redeemable Preference Shares	375.43	341.89
(A)	**860.51**	**955.60**

Particulars	March 31, 2019	March 31, 2018
Current Maturity of Non Current Borrowings		
Secured		
From Banks	44.94	-
From Others	3.42	-
Unsecured		
(a) Loans from Related Parties	-	0.67
(B)	**48.36**	**0.67**
Total (A)-(B)	**812.15**	**954.93**
Current Borrowings		
Unsecured		
Loans from Related Parties	12.13	11.34
Total	**12.13**	**11.34**

₹ in Crores

Particulars	Coupon / Interest Rate	March 31, 2019	March 31, 2018
Non Current Borrowings			
Secured			
(a) Term Loans			
From Banks			
Rupee Loan	10%	329.80	331.02
From Others			
Rupee Loan	10%	24.52	30.92
Unsecured			
(a) Foreign Currency Convertible Bonds	2.5%	113.45	103.05
(b) Loans from Related Parties	10.00% to 14.75%	17.31	148.72
(c) Cumulative Non Convertible Redeemable Preference Shares	0.01% to 0.10%	375.43	341.89
Gross Non Current Borrowings		**860.51**	**955.60**
Less: Current maturity		(48.36)	(0.67)
Net Non Current Borrowings (as per Balance sheet)		**812.15**	**954.93**

Maturity Date, Terms of Repayment and coupon / interest rate for Rupee Term Loan from Lenders and Foreign Currency Convertible Bonds (FCCBs):

Particulars	LENDERS	FCCBs
Interest / coupon rate	10%	2.50%
Moratorium on Debt Principal	Upto March 31, 2018	Upto March 31, 2019
Servicing of Interest	Monthly from April 2016	Semi Annual from April 2016
Repayment of Debt Principal	Monthly over 6 years	Annual over 6 years
Repayment of Preference Shares	March 31, 2026	Not Applicable
Other Terms		Conversion of 25% FCCB to Equity @ ₹ 12.50; i.e. Premium of ₹ 2.50 (25%)

Loan from Related Parties as reflected under Non Current Borrowings are due for repayment in FY 2020-21 and carries a rate of interest @ 10% p.a.

Convertible Bonds

For details of convertible bonds, repayable terms, coupon rate, conversion rate, etc refer to Note 14 Part A Summary of Amended terms and conditions of 'Existing FCCBs' and terms and conditions of New FCCBs

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Face value of bonds issued	131.44	131.44
Transaction Cost	(1.38)	(1.38)
Equity component of convertible bonds - value of conversion rights#	(30.79)	(30.79)
Interest charged till reporting date *	23.14	14.93
Interest paid till reporting date	(9.86)	(6.46)
Foreign Exchange Loss / (Gain) till reporting date	5.10	(2.08)
Conversion / Markdown	(4.20)	(2.61)
Non Current Borrowings	**113.45**	**103.05**

* Interest expense is calculated by applying the effective interest rate of 7.50% to the liability component

\# The equity component of convertible bonds has been presented under other equity net of deferred tax of ₹ 18.89 crores (March 31, 2018: ₹ 19.32 crores).

Non Convertible Redeemable Preference Shares

The terms of Class A Preference Shares having face value of ₹ 5 each, had been amended in financial year 2015-2016 and these were made redeemable on March 15, 2026. Redemption Premium shall be an amount that would provide the holder of the said shares an internal rate of return (IRR) of 6% per annum excluding the Dividend Rate on the outstanding amount of the said shares, to be paid at the time of redemption of the said shares.

Class B Preference Shares of face value of ₹ 5 each are redeemable on March 15, 2026 and would carry a dividend of 0.10 % per annum.

Class C Preference Shares of face value of ₹ 1 each with a premium of ₹ 4 each and would carry a dividend of 0.10 % per annum.

₹ in Crores

	March 31, 2019	March 31, 2018
Value of preference shares issued (old)	65.00	65.00
Value of preference shares issued (under DRS)	660.15	660.15
Transaction Cost	(0.94)	(0.94)
Fair Valuation Gain	(440.55)	(440.54)
Interest expense till reporting date	93.70	59.50
Dividend paid till reporting date	(1.93)	(1.28)
Non Current Borrowings	**375.43**	**341.89**

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Current Borrowings		
Unsecured		
Loans from Related Parties	12.13	11.34

Net debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2019:

₹ in Crores

	March 31, 2019	March 31, 2018
Non-current Borrowings	863.58	972.82
Current Borrowings	**12.13**	**12.01**
Net Debt	**875.71**	**984.83**

₹ in Crores

	Liabilities from financing activities		
	Non Current Borrowings	Current Borrowings	Total
Net Debt as at March 31, 2017	1,049.50	12.00	1,061.50
Repayment of borrowings	(100.17)	-	(100.17)
Repayment of borrowings - Related Parties	(0.17)	-	(0.17)
Interest Paid	(44.39)	-	(44.39)
Preference Dividend Paid	(0.94)	-	(0.94)
Interest Expense	82.63	-	82.63
Foreign Exchange Reinstatement	0.19	0.01	0.20
Other non cash movements			
- Adjusted against Trade Receivables	(3.53)	-	(3.53)
- Shares issued towards conversion of FCCB	(2.49)	-	(2.49)
- Amortisation of Transaction Cost	0.13	-	0.13
- Revision in account balances on account of DRS	(7.47)	-	(7.47)
- TDS Deducted	(0.47)	-	(0.47)
Net Debt as at March 31, 2018	**972.82**	**12.01**	**984.83**
Repayment of borrowings	(2.51)	-	(2.51)
Repayment of borrowings - Related Parties	(2.93)	-	(2.93)
Interest Paid	(35.15)	-	(35.15)
Preference Dividend Paid	(0.64)	-	(0.64)
Interest Expense	77.02	-	77.02
Foreign Exchange Reinstatement	7.84	0.12	7.96

	Liabilities from financing activities		
	Non Current Borrowings	Current Borrowings	Total
Other non cash movements			
- Adjusted against Trade Receivables	(21.58)	-	(21.58)
- Shares issued towards conversion of FCCB	(1.57)	-	(1.57)
- Amortisation of Transaction Cost	0.12	-	0.12
- Revision in account balances on account of DRS	-	-	-
- TDS Deducted	(0.45)	-	(0.45)
- Loan no longer payable write back to Other Income	(3.87)	-	(3.87)
- RPT Loan Payable write back to Other Income	(125.52)	-	(125.52)
Net Debt as at March 31, 2019	**863.58**	**12.13**	**875.71**

The carrying amounts of financial and non-financial assets pledged as security for current and non current borrowings are disclosed in Note 35

There are no guarantees given by directors

There are no defaults in repayment of borrowings during the year.

A. Summary of Amended terms and conditions of 'Existing FCCBs' and terms and conditions of New FCCBs:

Particulars	Fourth Issue Amended	Fifth Issue Amended	New Issue
Issue currency	USD	USD	USD
Issue size	2.435 million	125.356 million	42.44175 million
Issue date	July 26, 2007	April 25, 2012	December 09, 2016
Amendment Date	April 25, 2012 and December 09, 2016	December 09, 2016	N.A.
Maturity date	March 31, 2025	March 31, 2025	March 31, 2025
Coupon rate	2.50%	2.50%	2.50%
Fixed exchange rate of conversion	₹ 40.81	₹ 50.7908	₹ 66.326
Conversion price–post bonus	₹ 165.935	₹ 16.50	₹ 12.5
Markdown – (USD)			
2018-19	**Nil**	**Nil**	**Nil**
2017-18	(0.025 million)	Nil	Nil
Conversions/Redemptions – (USD)			

2018-19	**Nil**	**(0.06 million)**	**(0.21 million)**
2017-18	(0.025 million)	(0.35 million)	(0.10 million)
Outstanding as at - (USD)			
March 31, 2019	**0.43 million**	**2.67 million**	**16.01 million**
March 31, 2018	0.43 million	2.73 million	16.22 million
Outstanding as at - (₹ Crores)			
March 31, 2019	**3.01**	**18.51**	**111.02**
March 31, 2018	2.81	17.70	105.16

B. Securities offered

The borrowing from the CDR lenders (excluding certain Specified lenders) together with all interest, default interest, additional interest, commitment fees, all and any other costs, charges, expenses, fees, financing charges/fees/ remuneration shall continue to be secured by the security created in terms of the original Master Restructuring Agreement including the Corporate Guarantee and pledge over the Subject Shares.

Certain Specified lenders referred above/ non CDR lenders shall have pari passu share in the cash flow of the Company.

Details of 'Security created', 'Corporate Guarantees from Material Subsidiaries' and 'Pledge of share's are as described under:

a) Security created

Sr No.	Security	First Charge to	Second Charge to
1	A charge and mortgage on all the present and future immovable and movable tangible fixed assets (except leased assets) of the Company.	ICICI Bank and IDBI Bank	All CDR Facilities (other than ones of ICICI Bank and IDBI Bank in respect of which the First Charge is created).
2	A charge on all the Trade receivables and stocks of the Company.	IDBI Bank, Oriental Bank of Commerce ('OBC'), State Bank of Travancore ('SBT') and Standard Chartered Bank ('SCB'). First charge shall be pari passu with the existing first charge created in favour of a working capital facility (non fund based) provided by the Development Bank of Singapore (DBS).	All CDR Facilities other than the ones of IDBI Bank, OBC, SBT and SCB in respect of which the First charge is created.
3	A charge on all the present and future current assets (except receivables) of the Company.	SBT First charge shall be pari passu with the existing first charge created in favour of (i) a working capital facility (non fund based) provided by DBS. Further, first ranking pari passu charge has been created over stock in trade consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise of the Company, to secure SCB Facility.	All CDR Facilities other than the one of SBT in respect of which the First charge is created.

Sr No.	Security	First Charge to	Second Charge to
4	A charge on all the present and future intellectual property rights (other than in respect of ORION and PREMIA) of the Company.	All CDR Facilities. Intellectual property rights in respect of ORION and PREMIA are charged in favour of SCB on exclusive basis.	Not Applicable

b) Corporate guarantees from material subsidiaries:

Corporate guarantees of each of the material subsidiaries guaranteeing the secured obligations ("Corporate Guarantees"), in favour of all the CDR lenders. Each Corporate Guarantee shall be secured/ credit enhanced by security interest over assets of the relevant material subsidiary providing the Corporate Guarantee, as permitted under applicable laws in the relevant jurisdictions, as detailed in the table below and shall have the ranking as mentioned against each security.

Sr No.	Security	First Charge to	Second Charge to
Charge on assets of 3i Infotech Inc (including assets of 3i Infotech Financial Software Inc which has been merged with 3i Infotech Inc effective December 31, 2017)			
1	A charge on all the present and future movable fixed assets and current assets of 3i Infotech Inc (including current assets of 3i Infotech Financial Software Inc which has been merged with 3i Infotech Inc effective December 31, 2017).	ICICI Bank First charge shall be pari passu with the existing first charge created in favour of State Bank of India, California to secure line of credit of US$ 4.5 million.	All CDR Facilities other than the one of ICICI Bank in respect of which the First charge is created.
Charge on assets of 3i Infotech (Middle East) FZ LLC			
2	A charge on all the present and future movable fixed assets and current assets (except receivables and the collection account) of 3i Infotech (Middle East) FZ LLC.	All CDR Facilities. First ranking pari passu security interest has been created over collection account of 3i Infotech (Middle East) FZ LLC to secure USD 17 million STF facility and guarantee facility by SCB, Dubai.	Not Applicable
3	A charge on all the receivables of 3i Infotech (Middle East) FZ LLC.	Not Applicable	All CDR Facilities
Charge on assets of 3i Infotech Asia Pacific Pte Limited			
4	A charge on all the present and future movable fixed assets and current assets (other than receivables and stocks) of 3i Infotech Asia Pacific Pte Limited.	All CDR Facilities. First ranking pari passu charge has been created over stock in trade consisting of raw materials, finished goods, goods in process of manufacturing and other merchandise of 3i Infotech Asia Pacific Pte Limited, to secure the cash credit facility of USD 2 million provided by SCB Singapore.	Not Applicable

Sr No.	Security	First Charge to	Second Charge to
5	A charge on all the receivables and stocks of 3i Infotech Asia Pacific Pte Limited.	Not Applicable First charge has been created to secure the cash credit facility of USD 2 million provided by Standard Chartered Bank, Singapore.	All CDR Facilities.
Charge on assets of 3i Infotech SDN BHD and 3i Infotech BPO Limited.			
6	A charge on all the present and future movable assets including current assets of 3i Infotech SDN BHD and 3i Infotech BPO Limited, except current assets of 3i Infotech BPO Limited.	All CDR Facilities	Not Applicable
7	A charge on all the current assets of 3i Infotech BPO Limited	First charge has been created to secure the cash credit facility of ₹3 crores provided by Development Credit Bank ('DCB')	All CDR Facilities

b) **Pledge of shares:**

Pledge of shares held by the Companies set out in Column I of the Table below in respect of their respective investments set out in Column II and with details of shares mentioned in column III:

Pledgor (I)	Company whose shares have been pledged (II)	Details of shares pledged (III)
3i Infotech Limited	3i Infotech(UK) Limited	3,226,308 equity shares of GBP 1 each
	3i Infotech Holdings Private Limited	6,258,371,598 ordinary shares of MUR 1 each
	3i Infotech Asia Pacific Pte Limited	5,346,202 ordinary shares of SGD 1 each
	3i Infotech BPO Limited	100,000 equity shares of ₹ 10 each
3i Infotech Asia Pacific Pte Limited.	3i Infotech SDN BHD	5,000,000 shares of RM 1 each
3i Infotech Holdings Private Limited	3i Infotech Inc	100,138,406 Class A common stock of US$ 0.30 each and 1,000,000 Class B common stock of US$ 0.01 each
		935,187 Class A common stock of US$ 0.30 each (issued by 3i Infotech Inc to 3i Infotech Holdings Private Limited consequent to merger of 3i Infotech Financial Software Inc with 3i Infotech Inc effective December 31, 2017).
	3i Infotech (Middle East) FZ LLC	46,174 shares of AED 1000 each
3i Infotech(UK) Limited	3i Infotech(Western Europe) Holdings Limited	1,500,000 A shares and 384,000 B shares of 10 p each respectively

15. OTHER FINANCIAL LIABILITIES

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Current		
Financial Liabilities at amortised cost		
Current maturities of long term debts	48.35	-
Current maturities of loan from related parties	-	0.67
Interest accrued and due on borrowings	3.07	17.89
Unclaimed dividends	-	0.14
Dues to employees	14.96	15.77
Payable to step down subsidiary towards IPR purchase	1,066.39	1,066.39
Deposits Payable		
Related Parties	5.00	5.00
Others	0.96	**0.96**
	1,138.73	1,106.82
Total	**1,138.73**	**1,106.82**

16. TRADE PAYABLES

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Current		
Trade Payables to Micro, Small and Medium Enterprises	0.02	-
Trade Payables to Related Parties	46.78	61.10
Trade Payables to Others	20.16	32.86
Total	**66.96**	**93.96**

Terms and conditions of the above financial liabilities:

1. Trade payables are non-interest bearing and are normally settled on 60-day terms
2. For terms and conditions with related parties, refer note 31

17. OTHER LIABILITIES

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Current		
Unearned Revenue	3.41	5.64
Advance received from Customers	-	0.04
Others		
Statutory Liabilities	4.90	6.88
Others	0.04	0.05
Total	**8.35**	**12.61**

18. PROVISIONS

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Non Current		
Provision for employee benefits		
Gratuity	14.86	14.55
Leave encashment	0.53	0.47
Total	**15.39**	**15.02**
Current		
Provision for employee benefits		
Gratuity	1.17	1.18
Leave encashment	0.78	0.72
Total	**1.95**	**1.90**

19. REVENUE FROM OPERATIONS

₹ in Crores

Particulars	2018-19	2017-18
Sale of products		
IT Solutions	23.44	30.60
Sale of services		
IT Solutions	228.25	176.01
Transaction service	16.57	18.00
Other Operating Revenues		
Corporate charges	15.67	12.90
	283.93	**237.51**

Timing of Revenue Recognition

₹ in Crores

Particulars	2018-19	2017-18
For Contractual obligations rendered at a point in time	6.81	3.96
For Contractual obligations rendered over a period of time	277.12	233.56
	283.93	**237.51**

Summary of Contract Balances

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Trade receivables	629.00	580.71
Contract assets*	44.43	48.18
Contract liabilities*	3.41	5.64

*Contract assets represents unbilled revenues. Contract Liabilities represents Billing in excess of revenue.

The aggregate value of performance obligations that are unsatisfied as at March 31, 2019 other than those meeting the exclusion criteria mentioned in note 2(d) is ₹ 72.26 crores. Out of this the company expects to recognise revenue of around 65% within the next one year and remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since based on current assessment, the occurance of the same is expected to be remote.

20. OTHER INCOME

₹ in Crores

Particulars	2018-19	2017-18
Interest income on		
Bank fixed deposits	3.87	3.70
Loans to related parties	4.08	7.42
Financial assets at amortised cost*	19.16	23.21
Others	10.17	0.93
Other Non Operating Income (Net of expenses directly attributable to such income)		
Net gain on disposal of property, plant and equipment	-	0.02
Financial Guarantee Income	0.96	0.96
Foreign Exchange Fluctuation Gain	51.67	8.12
Others		
Rent received	1.66	1.68
Miscellaneous Income	129.98	6.17
Provision Reversal for doubtful advances **	-	5.00
	221.55	**57.21**

* Represents unwinding of discount under Ind AS 109 on Fair Valuation of Investment in Preference Shares.

** Reversal of Provision for doubtful advances of ₹5 crores, being no longer required on realization thereof.

21. COST OF THIRD PARTY PRODUCTS AND SERVICES

₹ in Crores

Particulars	2018-19	2017-18
Cost of third party products / outsourced services		
For service delivery to clients	69.74	51.72
Less : Re-imbursement of costs by subsidiary companies	(40.73)	(30.21)
	29.01	**21.51**

22. EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	2018-19	2017-18
Salaries, wages and bonus	197.77	173.28
Contribution to provident and other funds	6.84	6.44
Staff welfare expenses	3.80	3.73
Recruitment and training expenses	0.61	0.87
Employee Stock Option Expense	0.68	0.20
Gratuity Expense	3.38	2.88
Less : Re-imbursement of costs by subsidiary companies	(124.45)	(109.45)
	88.63	**77.95**

23. FINANCE COST

₹ in Crores

Particulars	2018-19	2017-18
Interest expense on debts and borrowings*	80.26	82.06
Total Interest Expense	**80.26**	**82.06**
Other borrowing costs		
Others	0.30	0.74
	80.56	**82.80**

* Includes unwinding of discount under Ind AS 109 on Fair Valuation of Preference Share Capital, FCCBs and Interest free debts of ₹ 38.39 crores for the year ended March 31, 2019 (₹ 34.76 crores for the year ended March 31, 2018).

24. DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crores

Particulars	2018-19	2017-18
Depreciation on tangible assets	6.10	6.42
Amortisation on intangible assets	0.72	0.74
Total	**6.82**	**7.16**

25. OTHER EXPENSES

₹ in Crores

Particulars	2018-19	2017-18
Electricity power, fuel and water	6.37	5.95
Repairs and maintenance		
Building	0.62	0.66
Others	1.68	0.69
Directors sitting fees	0.32	0.34
Insurance	3.10	2.51
Legal and professional fees	7.60	6.41
Net loss on disposal of property, plant and equipment	0.02	-
Rates and taxes	0.61	0.69
Lease Rental Charges	13.23	11.80
Hire Charges	2.79	1.71
Telephone and internet expenses	2.27	1.90
Travelling & conveyance expenses	5.39	4.40
Allowance for doubtful debts	(1.64)	2.34
Foreign exchange fluctuation loss	-	-
Impairment loss on non current investments*	-	152.29
Miscellaneous expenses	7.25	0.32
	49.61	**192.01**

* Impairment of Equity Investment during the year ended March 31, 2019 ₹ NIL (March 31, 2018: ₹ 152.29 crores) on Fair Valuation of Redeemable Convertible Preference Investment (Debt Instrument) of 3i Infotech Holdings Private Limited, Mauritius.

Notes:

(a) Details of Payments to auditors

₹ in Crores

Particulars	2018-19	2017-18
As auditor		
Audit Fee	0.62	0.62
Tax audit fee	0.03	0.03
In other capacity		
Other services (certification fees)	0.22	0.14
Re-imbursement of expenses	0.03	0.01
	0.90	**0.80**

(b) Corporate Social Responsibility (CSR) expenditure

As per Section 135 of the Companies Act, 2013, the Company does not meet the applicability threshold. Hence the provisions of the said section are not applicable during the current financial year.

(c) Expenditure in foreign currency (excluding Expenditure in UAE Branch)

₹ in Crores

Particulars	2018-19	2017-18
Professional charges	0.25	0.47
Cost of outsourced services and bought out items	0.61	0.67
Travelling and other expenses	0.53	1.81
Interest	3.33	3.18
Total	**4.73**	**6.13**

(d) Earnings in foreign currency (excluding Earnings from UAE Branch)

₹ in Crores

Particulars	2018-19	2017-18
Income from Operations	87.84	68.46
Guarantee commission	0.96	0.96
	88.80	**69.42**

26. RESEARCH AND DEVELOPMENT COSTS

The Company during the year has incurred cost on research and development activities which are not eligible for capitalisation in terms of Ind AS 38 and therefore they are recognised in statement of profit and loss. Amount charged to profit or loss during the year ended March 31, 2019 ₹ 25.03 crores (March 31, 2018: ₹ 18.38 crores) details of which are as follows:

₹ in Crores

Particulars	2018-19	2017-18
i. On Revenue Account :		
Payments to and provision for employees		
- Salaries, Wages, Bonus, Allowances, contribution to provident and other funds etc.	18.25	13.23
Other Expenses		
- Legal & Professional charges	0.14	-
- Other Expenses	2.18	5.15
- Cost of third party products and services	4.46	
Total	**25.03**	**18.38**
ii. On Capital Account	**-**	**-**
Total Research and Development Expenditure (i + ii)	**25.03**	**18.38**

27. EARNINGS PER SHARE

Particulars	March 31, 2019	March 31, 2018
(a) Basic earnings per share (Amount in ₹)	1.55	(0.54)
(b) Diluted earnings per share (Amount in ₹)	1.55	(0.54)
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share (₹ in Crores)	250.85	(86.71)
Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share (₹ in Crores)	250.85	(86.71)
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,615,918,779	1,614,055,845
Adjustments for calculation of diluted earnings per share:		
Options *		
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	**1,615,918,779**	**1,614,055,845**

* Since the market price of the shares are lower than the exercise price / conversion price of potentially dilutive instruments, these instruments have not been considered for calculation of diluted Earnings Per Share (EPS).

28. EMPLOYEE BENEFIT OBLIGATIONS

₹ in Crores

Particulars	March 31, 2019			March 31, 2018		
	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	0.78	0.53	**1.30**	0.72	0.47	**1.19**
Gratuity	1.17	14.86	**16.04**	1.18	14.55	**15.73**
Total Employee Benefit Obligation	**1.95**	**15.39**	**17.34**	**1.90**	**15.02**	**16.92**

(i) Leave Obligations

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of ₹ 0.78 crores (March 31, 2018: ₹ 0.72 crores) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post Employement obligations

(a) Defined benefit plan - Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service upto 10 years and 26 days salary multiplied by number of years of service beyond 11 years.

The gratuity plan is a unfunded plan and the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows:

₹ in Crores

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2017	**13.68**	**(0.01)**	**13.67**
Current service cost	1.92		1.92
Interest expense/(income)	0.97	(0.00)	0.97
Total amount recognised in profit or loss	**2.89**	**(0.00)**	**2.88**
Remeasurements			
Return of plan assets, excluding amount included in interest (income)	-	0.00	0.01
(Gain)/Loss from change in demographic assumptions	0.20	-	0.20
(Gain)/Loss from change in financial assumptions	(0.27)	-	(0.27)
Experience (gains)/losses	0.89	-	0.89
Total amount recognised in other comprehensive income	**0.82**	**0.00**	**0.83**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Employer contributions	-	-	-
Benefit payments	(1.65)	-	(1.65)
As at March 31, 2018	**15.74**	**(0.01)**	**15.73**
Current service cost	2.34	-	2.34
Interest expense/(income)	1.12	(0.00)	1.12
Total amount recognised in profit or loss	**3.46**	**(0.00)**	**3.45**
Remeasurements			
Return of plan assets, excluding amount included in interest (income)	-	-	-
(Gain)/Loss from change in demographic assumptions	(1.85)	-	(1.85)
(Gain)/Loss from change in financial assumptions	0.22	-	0.22
Experience (gains)/losses	0.23	-	0.23
Total amount recognised in other comprehensive income	**(1.40)**	**-**	**(1.40)**
Employer contributions			-
Benefit payments	(1.77)	-	(1.77)
As at March 31, 2019	**16.03**	**(0.01)**	**16.02**

The major categories of plan assets of the fair value of the total plan assets are as follows:

₹ in Crores

Particulars	March 31, 2019			March 31, 2018		
	%	Amount	Total	%	Amount	Total
Cash and cash equivalents	100%	0.01	0.01	100%	0.01	0.01

The significant actuarial assumptions were as follows:

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.50%	7.70%
Expected return on plan assets		
Salary growth rate		
For first 3 years	3.00%	3.00%
After 3 years	2.00%	2.00%
Withdrawal rate		
Upto 4 years	54.00%	12.18%
5 years and above	3.00%	5.12%
Mortality rate	100.00%	100.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is shown below:

₹ in Crores

Assumptions	Discount rate		Salary growth rate		Attrition rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	50% increase	50% decrease
March 31, 2019						
Impact on defined benefit obligation	13.18	15.82	15.88	13.11	14.96	13.78
% Impact	-8.50%	9.80%	10.20%	-9.00%	3.80%	-4.30%
March 31, 2018						
Impact on defined benefit obligation	13.03	15.35	15.40	12.97	15.07	12.79
% Impact	-7.60%	8.70%	9.10%	-8.10%	6.80%	-9.40%

Assumptions	Mortality rate	
Sensitivity Level	10% increase	10% decrease
March 31, 2019		
Impact on defined benefit obligation	14.43	14.39
% Impact	0.10%	-0.10%
March 31, 2018		
Impact on defined benefit obligation	14.13	14.10
% Impact	0.10%	-0.10%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The Company's best estimate of future cash flows during the next 12 months is ₹ 15.87 crore (as at March 31, 2018 : ₹ 16.01 crore).

The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (March 31, 2018: 8 years)

Expected cash flows over the next (valued on undiscounted basis)

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
1 year	1.05	1.14
2 to 5 years	4.74	5.73
6 to 10 years	6.51	6.52
More than 10 years	20.78	17.22

(iii) Defined contribution plans

The Company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any contructive obligation. The expense recognised during the year towards defined contribution plan is ₹ 6.58 crores (March 31, 2018: ₹ 5.77 crores)

29. SHARE BASED PAYMENTS

(a) Employee option plan

The Company's Employee Stock Option Schemes are applicable to "Eligible Employees" as defined in the scheme which includes directors and employees of the Company and its subsidiaries. Currently, the Company has 3 schemes, ESOS 2000, ESOS 2007 and ESOS 2018 (as amended). ESOS Scheme 2000 and 2007 provide for issue of equity options up to 25% of the paid-up equity capital to eligible employees and ESOS Scheme 2018 provide for issue of equity options up to 15% of the paid-up equity capital to eligible employees.

The options granted under the ESOS scheme 2000 and 2007 vest in a phased manner over three years with 20%, 30% and 50% of the grants vesting at the end of each year from the date of the grant and the same can be exercised within ten years from the date of the grant or five years from the date of vesting of options whichever is later by paying cash at a price determined on the date of the grant. The options granted under ESOS 2018 vest in a graded manner over a three year period, with 33%, 33% and 34% of the grants vesting in each year, commencing one year from the date of the grant and the same can be exercised within 5 years from the date of vesting. One Stock option if converted will be equivalent to one equity share.

During the year ended March 31, 2013, the Board of Directors of the Company approved ESOS Plan -2013 under the existing scheme ESOS 2007. The plan consist of variations in certain terms with regard to vesting and certain other related matters in ESOS 2007. The options granted are convertible and one option is equivalent to one equity share each. This plan is applicable to all the new options granted to eligible employees for the year ended March 31, 2014.

During the year ended March 31, 2015, the Board of Directors of the Company approved ESOS Plan-2014 under the existing scheme ESOS 2007. The plan consists of variations in certain terms with regard to vesting and certain other related matters in ESOS 2007. The options granted are convertible and one option is equivalent to one equity share each. This plan is applicable to all the new options granted to eligible employees for the year ended March 31, 2015.

During the current year ended March 31, 2016, the Board of Directors of the Company approved ESOS Plan-2015 under the existing scheme ESOS 2007. The plan consists of variations in certain terms with regard to vesting and certain other related matters in ESOS 2007. The options granted are convertible and one option is equivalent to one equity share each. This plan is applicable to all the new options granted to eligible employees for the year ended March 31, 2016.

The options granted under ESOS Plan -2013; under ESOS Plan -2014 and under ESOS Plan -2015 would vest in a phased manner over three years with 33%, 33% and 34% of the grants vesting at the end of each year from the date of the grant and the same can be exercised within ten years from the date of grant of options or five years from the date of vesting of options, whichever is later.

The existing options (other than those granted under ESOS plan-2013, ESOS plan-2014 & ESOS plan-2015) would continue to be governed by the existing terms.

During the year ended March 31, 2019, 8,84,30,000 Options were granted (Nil Options granted for the year ended March 31, 2018).

Movement during the year

The number and weighted average exercise prices (WAEP) of the options and movement during the period is as follows

Particulars	March 31, 2019		March 31, 2018	
	Numer of options	WAEP	Numer of options	WAEP
Opening balance	18,959,900	17.27	24,873,500	35.14
Granted during the period*	88,430,000	10.00	-	-
Exercised during the period	-	-	-	-
Declined during the year	810,000	10.00	-	-
Forfeited during the period	2,619,500	52.99	5,913,600	92.43
Closing balance**	**103,960,400**	**10.24**	**18,959,900**	**17.27**
Vested and exercisable	17,585,370	11.44	17,722,370	17.78

* During the year ended March 31, 2019, 7,500,000 options were granted to Managing Director and Global CEO (Nil options were granted to Managing Director and Global CEO for the year ended March 31, 2018).

** Includes 8,730,000 options granted to Managing Director/Executive Director and Non-Executive Directors (for the year ended March 31, 2018, 1,380,000 options).

The following tables summarize information about outstanding stock options:

As at March 31, 2019

Range of exercise price	Number of shares arising out of options	Weighted average remaining life (in years)	Weighted average exercise price (₹)
₹ 45 to ₹ 50	-	-	-
₹ 57 to ₹ 144	375,000	0	77
₹ 10	103,585,400	7	10

As at March 31, 2018

Range of exercise price	Number of shares arising out of options	Weighted average remaining life (in years)	Weighted average exercise price (₹)
₹ 45 to ₹ 50	-	-	-
₹ 57 to ₹ 144	1,437,500	0	106
₹ 10	17,522,400	7	10

(b) Expense arising from share based payment transactions

Total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

₹ in Crores

Particulars	2018-19	2017-18
Employee stock option expense	0.68	0.20
Total employee share-based payment expense	**0.68**	**0.20**

30. COMMITMENTS AND CONTINGENCIES

A. Commitments

i. Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Property, plant and equipment	1.43	0.42

ii. Leases

Operating lease commitments - Company as lessee

The lease arrangements in respect of properties from are renewable/ cancellable at the Company's and/or lessors' option as mutually agreed. The future lease rental payment committed is as under :

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Commitments for minimum lease payments in relation to non cancellable operating leases are as follows		
Within one year	6.83	12.69
Later than one year but not later than five years	7.01	11.86
later than five years	5.60	28.56
	19.44	**53.11**

B. Contingent Liabilities

₹ in Crores

	March 31, 2019	March 31, 2018
i. **Claim against the company not acknowledged as debt**		
- Disputed income tax matters	83.90	83.90
- Disputed service tax matters (excluding interest as applicable)	172.82	172.82
- Disputed sales tax matters	4.85	6.63
- Customer claims	46.76	46.81
- Others *	1.18	1.45
ii. Outstanding bank guarantees	22.56	14.75
iii. Arrears of cumulative preference dividend (including dividend distribution tax thereon)	-	-

* Includes claim in respect of legal cases relating to Registrar and Transfer Services, which are reimbursable by the Principal to the extent of ₹ 1.18 crores (as at March 31, 2018: ₹ 1.19 crores).

The Company's pending litigation is in respect of proceedings pending with Tax Authorities and customer claims with various courts. 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.

C. Financial Guarantees

₹ in Crores

	March 31, 2019	March 31, 2018
Corporate Guarantees to Lenders of Subsidiaries	66.43	64.32

31. RELATED PARTY TRANSACTIONS

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party	Name of Holding Company	Percentage of Holding	Country of Incorporation	Nature of Relationship
Foreign Subsidiaries/Step Down Subsidiaries:				
3i Infotech Inc.	3i Infotech Holdings Private Limited	100%	USA	Step Down Subsidiary
3i Infotech Asia Pacific Pte Limited	3i Infotech Limited	100%	Singapore	Subsidiary
3i Infotech SDN BHD	3i Infotech Asia Pacific Pte Limited	100%	Malaysia	Step Down Subsidiary
3i Infotech (UK) Limited	3i Infotech Limited	100%	UK	Subsidiary
3i Infotech (Thailand) Limited	3i Infotech Asia Pacific Pte Limited	100%	Thailand	Step Down Subsidiary
3i Infotech Holdings Private Limited	3i Infotech Limited	100%	Mauritius	Subsidiary
3i Infotech Saudi Arabia LLC	3i Infotech Limited	100%	Saudi Arabia	Subsidiary
3i Infotech (Africa) Limited	3i Infotech (Middle East) FZ LLC	100%	Kenya	Step Down Subsidiary
3i Infotech (Middle East) FZ LLC	3i Infotech Holdings Private Limited	100%	UAE	Step Down Subsidiary
Elegon Infotech Limited	3i Infotech Limited	100%	China	Subsidiary
3i Infotech (South Africa) (Pty) Limited	3i Infotech Holdings Private Limited	100%	Republic of South Africa	Step Down Subsidiary
Rhyme Systems Limited	3i Infotech (Western Europe) Group Limited	100%	UK	Step Down Subsidiary
3i Infotech (Western Europe) Holdings Limited	3i Infotech (UK) Limited	100%	UK	Step Down Subsidiary
3i Infotech (Western Europe) Group Limited	3i Infotech (Western Europe) Holdings Limited	100%	UK	Step Down Subsidiary
3i Infotech (Cyprus) Limited (formerly known as Black-Barret Holdings Limited)	3i Infotech Holdings Private Limited	100%	Cyprus	Step Down Subsidiary
3i Infotech Software Solutions LLC	3i Infotech Holdings Private Limited	100%	Dubai	Step Down Subsidiary
3i Infotech Services SDN BHD	3i Infotech Asia Pacific Pte Limited	100%	Malaysia	Step Down Subsidiary
Locuz Inc	Locuz Enterprise Solutions Limited	100%	USA	Step Down Subsidiary

Name of Related Party	Name of Holding Company	Percentage of Holding	Country of Incorporation	Nature of Relationship
Indian Subsidiaries / Step Down Subsidiaries:				
Locuz Enterprise Solutions Limited	3i Infotech Limited	74%	India	Subsidiary
3i Infotech BPO Limited	3i Infotech Limited	100%	India	Subsidiary
3i Infotech Consultancy Services Limited	3i Infotech Limited	100%	India	Subsidiary
Professional Access Software Development Private Limited	3i Infotech (Cyprus) Limited	100%	India	Step Down Subsidiary
IFRS Cloud Solutions Limited	3i Infotech Inc.	100%	India	Step Down Subsidiary

During FY 17-18, 3i Infotech Financial Software Inc., a US based step-down subsidiary was merged with 3i Infotech Inc., another US based step-down subsidiary of the Company effective December 31, 2017. As on March 31, 2019, the number of subsidiaries are 23 (twenty three).

Key Managerial Personnal (KMP) :

Name of Related Party	Designation / Details	Remarks
1. Mr. Padmanabhan Iyer	Managing Director, Global CEO and CFO	Appointed on November 11, 2014*
2. Mr. Rajeev Limaye	Company Secretary	Appointed on July 05, 2016
3. Mr. Ashok Shah	Chairman	Appointed on October 01, 2015
4. Dr. Shashank Desai	Director	Appointed on September 23, 2015
5. Mr. Shantanu Prasad	Nominee Director- IDBI Bank Limited	Resigned on January 12, 2018
6. Mr. Shanti Lal Jain	Nominee Director- Allahabad Bank	Resigned on September 26, 2018
7. Ms. Sarojini Dikhale	Non - Executive Director	Vacated office as a Director on July 31, 2018
8. Mr. Gautam Dutta	Nominee Director- IDBI Bank Ltd	Appointed on January 12, 2018
9. Ms. Anjoo Navalkar	Non - Executive Director	Appointed on November 16, 2018
10. Ms. Avaya Kumar Mohapatra	Nominee Director- Allahabad Bank	Appointed on November 30, 2018

* November 11, 2014 was the date of appointment of Mr. Padmanabhan Iyer as CFO of the Company. He has also been appointed as an Executive Director on the Board of the Company on May 18, 2016, as an acting CEO on June 7, 2016 and as Managing Director and Global CEO of the Company effective August 11, 2016.

(ii) Transactions with related parties

The following transactions occurred with related parties

₹ in Crores

Name	Nature of Transaction	2018-19	2017-18
3i Infotech Inc.	Income	2.35	2.84
	Corporate Charges (Royalty Income)	6.63	5.76
3i Infotech (UK) Limited and its subsidiaries	Income	1.22	1.37
	Corporate Charges (Royalty Income)	0.22	-
	Income from Product Charge out	0.55	-
3i Infotech (Middle East) FZ LLC	Income	31.49	20.73
	Income from product charge out	7.38	9.21
	Corporate Charges (Royalty Income)	3.54	3.40
	Financial Guarantee Commission income	0.31	0.31
	Interest Income	4.08	4.08
3i Infotech Saudi Arabia LLC	Income	5.87	5.49
	Income from product charge out	2.88	4.05
	Corporate Charges (Royalty Income)	1.42	1.23
3i Infotech Asia Pacific Pte Ltd	Income	1.84	1.90
	Corporate Charges (Royalty Income)	1.09	0.68
	Financial Guarantee Commission income	0.15	0.15
	Income from Product Charge out	0.35	-
3i Infotech Consultancy Services Limited	Purchase of Services	48.99	34.24
	Corporate Charges (Royalty Income)	1.24	0.87
	Income	0.31	-
3i Infotech BPO Limited	Income	7.53	8.05
	Rent Income	1.56	1.56
	Purchase of Services	0.95	0.83
	Interest Expense	2.33	1.78
Professional Access Software Development Private Limited	Interest Expense	7.70	15.41
Locuz Enterprise Solutions Limited	Rent Income	0.10	0.12
	Purchase of Services	7.94	-
	Financial Guarantee Commission income	0.51	0.51
3i Infotech Financial Software Inc	Income	-	0.14
3i Infotech SDN BHD	Income	3.07	0.92
	Corporate Charges (Royalty Income)	0.73	0.61
3i Infotech (Thailand) Limited	Income	4.03	1.26
	Corporate Charges (Royalty Income)	0.80	0.35
3i Infotech Software Solution LLC	Income	0.55	-

(iii) Outstanding balances arising from sales/purchases of goods and services

₹ in Crores

Name	March 31, 2019	March 31, 2018
Trade Receivables		
3i Infotech Inc	380.33	360.43
3i Infotech (UK) Limited and its subsidiaries	10.28	9.02
3i Infotech (Middle East) FZ LLC		-
3i Infotech Saudi Arabia LLC	123.29	115.08
3i Infotech Asia Pacific Pte Ltd	2.46	1.03
3i Infotech BPO Limited	-	9.43
3i Infotech Financial Software Inc	-	-
Professional Access Software Development Private Limited	-	2.51
3i Infotech SDN BHD	19.99	9.55
3i Infotech (Thailand) Limited	15.90	7.03
3i Infotech (Africa) Limited	38.29	26.85
3i Infotech (South Africa) (Pty) Limited	0.01	0.01
Locuz Enterprise Solutions Limited	0.02	0.01
3i Infotech Software Solution LLC	0.57	-
3i Infotech Consultancy Services Limited	0.30	0.30
Trade Payables		
3i Infotech (Middle East) FZ LLC	26.86	21.85
3i Infotech Consultancy Services Limited	19.91	39.25
Unbilled Revenue		
Locuz Enterprise Solutions Limited	-	-
3i Infotech Consultancy Services Limited	2.17	2.17
3i Infotech BPO Limited	-	-
IPR Payables		
3i Infotech (Middle East) FZ LLC	1,066.39	1,066.39
Provision for bad & doubtful debts		
3i Infotech (UK) Limited and its subsidiaries	5.18	5.21
Earnest Money Deposit		
3i Infotech Consultancy Services Limited	5.00	5.00

(iv) Loans to and Interest Receivable from related parties :

₹ in Crores

Name	Nature of Relationship	Particulars	March 31, 2019	March 31, 2018
Loans to related parties:				
3i Infotech (Middle East) FZ LLC	Subsidiary	**Beginning of the year**	40.83	40.83
		End of the year	40.83	40.83
3i Infotech Consultancy Services Limited	Subsidiary	**Beginning of the year**	16.68	16.68
		Adjusted Agnst Payable	(16.68)	-
		End of the year	-	16.68

Name	Nature of Relationship	Particulars	March 31, 2019	March 31, 2018
Interest Receivable from related parties:				
3i Infotech (Middle East) FZ LLC	Subsidiary	**Beginning of the year**	8.17	4.08
		Interest income recognised	4.08	4.08
		End of the year	12.25	8.17
3i Infotech Consultancy Services Limited	Subsidiary	**Beginning of the year**	4.90	1.90
		Interest income recognised	-	3.33
		Adjusted Agnst Payable	(4.90)	-
		TDS Deducted	-	(0.33)
		End of the year	0.00	4.90

(v) Loans from and Interest Payable from related parties :

₹ in Crores

Name	Nature of Relationship	Particulars	March 31, 2019	March 31, 2018
Loans from related parties :				
3i Infotech Holdings Private Limited, Mauritius	Subsidiary	**Beginning of the year**	11.34	11.33
		Reinstatement of FC Loan	0.79	0.01
		End of the year	12.13	11.34
3i Infotech BPO Limited	Subsidiary	**Beginning of the year**	20.21	18.15
		Adjusted Agnst Loan Receivable	(2.95)	-
		Loans received	-	2.06
		End of the year	17.26	20.21
Professional Access Software Development Private Limited	Subsidiary	**Beginning of the year**	128.46	128.67
		Loan repayments made	(128.46)	(0.22)
		End of the year	-	128.46

₹ in Crores

Name	Nature of Relationship	Particulars	March 31, 2018	March 31, 2018
IFRS Cloud Solutions Limited	Subsidiary	**Beginning of the year**	0.05	-
		Loan received	-	0.05
		End of the year	0.05	0.05

Name	Nature of Relationship	Particulars	March 31, 2018	March 31, 2018
Interest Payable to related parties:				
3i Infotech BPO Limited	Subsidiary	**Beginning of the year**	11.84	10.23
		Interest charged	2.33	1.78
		Adjusted Agnst Receivable	(13.77)	-
		TDS Deducted	(0.23)	(0.18)
		End of the year	0.17	11.84
Professional Access Software Development Private Limited	Subsidiary	**Beginning of the year**	2.26	2.26
		Interest charged	7.70	15.41
		Interest Payable written back	(9.96)	(15.41)
		End of the year	-	2.26
3i Infotech Consultancy Services Limited	Subsidiary	**Beginning of the year**	0.78	0.78
		Adjusted Agnst Receivable	(0.78)	-
		End of the year	-	0.78

(vi) Key management personnel compensation

₹ in Crores

	2018-19	2017-18
Short term employee benefits		
Salaries and other employee benefits to Whole-time directors and executive officers	2.42	2.20
Commission and other benefits to non-executive / independent directors	0.36	0.42
Post-employment benefits *	-	-
Long term employee benefits *	-	-
Employee share based payment *	-	-
Total	**2.78**	**2.62**

The Company had received approval from the Ministry of Corporate Affairs (MCA) for waiver of ₹ 61,54,452 against a total remuneration of ₹1,23,08,903 paid to the Managing Director of the Company for the period from 11/08/2016 to 31/03/2017 with a direction to the Company to recover remaining (excess) remuneration of ₹61,54,452.

The Company had obtained approval from lenders and also from Shareholders at the Annual General Meeting held on September 6, 2017 for the excess remuneration paid to the Managing Director. The Company has obtained a legal opinion from its counsels which states that, upon the enforcement of the amendment to Section 197(10) of the Companies Act 2013, the recovery of the balance remuneration from the Managing Director to the Company in itself, can be said to stand waived and consequently the Managing Director's obligation to refund this amount will also cease to exist. The Board of Directors, on the basis of the opinion and subject to the approval of the Shareholders, if required, have waived the recovery of the excess remuneration vide resolution passed at the Board Meeting held on January 18, 2019.

* The amounts of Post employement benefits, Long term employee benefits and employee share based payments cannot be seperately identified from the composite amount advised by the actuary / valuer.

(vii) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest bearing and settlement occurs in cash. The Provision for Bad and Doubtful debts on amount owed by related parties is ₹ 5.18 crore (March 31, 2018 : ₹ 5.21 crore). The assessment for loss allowance is undertaken at each financial year through examining the financial position of the related party and market in which the related party operates.

(viii) There are no Commitments with Related parties

32. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

₹ in Crores

Particulars	Carrying Amount		Fair Value	
	March 31, 2019	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**
FINANCIAL ASSETS				
Amortised cost				
Investments in Preference Shares	491.15	452.49	491.15	452.49
Trade Receivables	629.00	580.71	629.00	580.71
Loans	40.84	57.65	40.84	57.65
Cash and Cash Equivalents	79.47	32.22	79.47	32.22
Other Bank Balances	0.00	0.73	0.00	0.73
Other Financial Assets	64.03	49.26	64.03	49.26
FVTPL				
Investment in Equity Instruments	0.16	0.16	0.16	0.16
Total	**1,304.65**	**1,173.22**	**1,304.65**	**1,173.22**
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	824.28	966.27	824.28	966.27
Trade Payables	66.96	93.96	66.96	93.96
Other financial liabilities	1,138.73	1,106.82	1,138.73	1,106.82
Total	**2,029.97**	**2,167.05**	**2,029.97**	**2,167.05**

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans, security deposits and investments in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The fair value of unquoted equity instruments carried at fair value through profit or loss are not materially different from their carrying amount. Hence the impact of fair valuation is considered to be insignificant in the financial statements.

ii. **Fair Value Hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Assets and liabilities measured at amortised cost and for which fair values are disclosed in the financial statements:

₹ in Crores

Particulars	March 31, 2019			Total	March 31, 2018			Total
	Fair value measurement using				Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets								
Investment in Preference Shares	-	-	491.15	**491.15**	-	-	452.49	**452.49**
Loans	-	-	**40.83**	**40.83**	-	-	**57.51**	**57.51**
Deposits	-	-	5.14	5.14	-	-	5.32	5.32
Total Financial Assets	-	-	**537.12**	**537.12**	-	-	**515.32**	**515.32**
Financial Liabilities								
Borrowings	-	-	812.15	812.15	-	-	954.93	954.93
Total Financial Assets	-	-	**812.15**	**812.15**	-	-	**954.93**	**954.93**

There have been no transfers among Level 1, Level 2 and Level 3 during the period

Level 1 - Level 1 hierarchy includes Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares included in level 3.

iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

iv. Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Managing Director (MD) and the audit committee (AC). Discussions of valuation processes and results are held between the MD, AC and the valuation team at least once every three months, in line with the Company's quarterly reporting periods.

33. FINANCIAL RISK MANAGEMENT

The Company is exposed primarily to fluctuations in foreign currency exchange rates ,credit ,liquidity and interest rate risk ,which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities . The risk management policy is approved by Board of Directors . The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

i. Market Risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of the change in market prices . Such changes in the value of financial instruments may result from changes in the foreign currency exchange, interest rates ,credit ,liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rate may have potential impact on the statement of profit and loss and the other comprehensive income and equity ,where any transaction reference more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and the economic environment in which the Company operates, its operations are subject to risk arising from fluctuations in exchange rates in those countries. The risks primarily relates to fluctuations in US Dollar, Great Britain Pound and Euro against the functional currency of the Company.

The Company , as per its current risk management policy ,does not use any derivatives instruments to hedge foreign exchange . Further ,any movement in the functional currency of the various operations of the Company against major foreign currencies may impact the Company's revenue in international business.

The Company evaluates the impact of the foreign exchange rate fluctuation by assessing its exposure to exchange rate risks. Apart from exposures of foreign currency payables and receivables, which partially are naturally hedged against each other, the Company does not use any hedging instruments to hedge its foreign currency exposures; in line with the current risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rate shift of all the currencies by 1% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of Balance Sheet which could affect the statement of profit and loss and the other comprehensive income and equity .

The following table set forth information relating to foreign currency exposure as at March 31,2019:

₹ in Crores

Particulars	USD	GBP	EUR	Total
Total financial assets	1,047.64	10.28	155.52	1,213.44
Total financial liabilities	174.52	-	-	174.52

1% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease /increase in the Company ‘s profit before tax by approximately ₹ 10.39 crores for the year ended March 31,2019..

The following table set forth information relating to foreign currency exposure as at March 31,2018:

₹ in Crores

Particulars	USD	GBP	EUR	Total
Total financial assets	956.83	9.14	159.73	1,125.70
Total financial liabilities	161.75	-	-	161.75

1% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease /increase in the Company ‘s profit before tax by approximately ₹ 9.64 crores for the year ended March 31,2018.

(b) Interest rate risk

The Company’s fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market.

(ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables and unbilled revenues..

(1) Credit risk management

- **Trade receivables and Unbilled revenues**

  The credit risk has always been managed by the group through an assessment of the companies financials, market intelligence and customers credibility. The Company makes provisions for Debtors and Unbilled based on a critical assessment of the amount in relation to the ageing combined with the historical trend observed in the respective geography, the past history of the client and comparison with similar projects to determine the recoverability of the receivables.

- **Other Financails Assets**

  The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(2) Credit risk exposure

- **Trade receivables and Unbilled revenues**

The carrying amount of trade receivables and unbilled revenues represents the maximum credit exposure from customers. The maximum exposure to credit risk from customers is ₹ 685.45 crores (March 31, 2018: ₹ 647.16 crores). The lifetime expected credit loss on customer balance for the year ended March 31, 2019 is ₹ 18.40 crores (March 31, 2018: ₹ 44.19 crores).

Reconciliation of loss allowance provision - Trade receivables and Unbilled revenue

₹ in Crores

Particulars	March 31, 2019	31-Mar-18
Balance at the beginning	44.19	49.18
Impairment loss recognised/reversed	(1.67)	2.64
Amount written off	(24.12)	(7.63)
Balance at the end	**18.40**	**44.19**

- **Other Financial Assets**

The carrying amount of cash and cash equivalents, investments carried at amortised cost, deposits with banks and financial institutions and other financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 638.53 crores (March 31, 2018: ₹ 572.97 crores). The 12 months expected credit loss and lifetime expected credit loss on these financial assets for the year ended March 31, 2019 is ₹ 1.10 crores (March 31, 2018: ₹ 2.88 crores).

Reconciliation of loss allowance provision - other financial assets

₹ in Crores

Particulars	March 31, 2019		March 31, 2018	
	12 month expected losses	life-time expected losses	12 month expected losses	life-time expected losses
Balance at the beginning		2.88		2.79
Add(Less): Changes in loss allowances due to				
Changes in risk parameters		(1.78)		0.09
Balance at the end		**1.10**		**2.88**

(iii) Liquidity risks

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements..

The Company consistently generated sufficient cash flow from operations to meet its financial obligation as and when they fall due.

The table below provides details regarding the contractual maturities of significant financial liabilities as at :

March 31,2019

₹ in Crores

Particulars	Due in 1 year	Due in 1-2 year	Due in 2-5 year	Due after 5 years	Total
Non-derivative financial liabilities :					
Trade and other payables	66.96	-	-	-	66.96
Borrowings including Interest thereon	122.95	128.13	336.36	766.44	1,353.88
Other financial liabilities	1,138.73	-	-	-	1,138.73
Total	**1,328.64**	**128.13**	**336.36**	**766.44**	**2,559.57**

March 31,2019

₹ in Crores

Particulars	Due in 1 year	Due in 1-2 year	Due in 2-5 year	Due after 5 years	Total
Non-derivative financial liabilities :					
Trade and other payables	93.96	-	-	-	93.96
Borrowings including Interest thereon	51.40	108.76	357.87	1,007.20	1,525.23
Other financial liabilities	1,106.82	-	-	-	1,106.82
Total	**1,252.19**	**108.76**	**357.87**	**1,007.20**	2,726.02

34. CAPITAL MANAGEMENT

For the purpose of the company’s capital management, capital includes issued equity capital, convertible instruments, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company’s capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Borrowings	448.85	624.38
Trade payables	66.97	93.96
Other payables	1,147.07	1,119.43
Cumulative Non Convertible Redeemable Preference Shares	375.43	341.89
Less: cash and cash equivalents	(79.47)	(32.22)
Net Debt	**1,958.84**	**2,147.44**
Equity Share Capital	1,616.64	1,615.36
Other Equity	(1,214.24)	(1,467.46)
Total Equity	**402.40**	**147.90**
Capital and net debt	**2,361.24**	**2,295.34**
Gearing ratio	**82.96**	**93.56**

35. ASSETS PLEDGED AS SECURITY

The carrying amount of assets pledged as security for current and non current borrowings are:

₹ in Crores

	March 31, 2019	March 31, 2018
CURRENT ASSETS		
i. Financial Assets		
Trade Receivable	43.03	44.97
Cash and cash equivalents	79.47	32.22
Bank Balances Other than above	0.00	0.73
Other Financial Assets	44.47	28.70
ii. Non Financial Assets		
Other Current Assets (excluding Prepaid Expenses)	2.92	3.28
Total current assets pledged as security	**169.90**	**109.90**
NON CURRENT ASSETS		
Property, Plant and Equipment		
Land - Leasehold	0.36	0.37
Building - Leasehold	128.04	131.14
Plants and equipments	0.30	0.33
Furniture and Fixtures	0.70	0.30
Vehicle	-	-
Office	1.65	1.25
Computer Hardware	5.46	4.91
Intangible Assets	224.66	225.30
Non Current Investments	611.25	611.10
Total non current assets pledge as security	**972.41**	**974.69**

36. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table presents the recognised financial instruments that are offset and other agreements but not offset, as at March 31, 2019 and March 31, 2018. The column 'net amount' shows the impact on the company's balance sheet if all set-off rights were exercised.

₹ in Crores

	Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amount	**Gross amounts set off in the balance sheet**	**Net amount presented in the balance sheet**	**Financial instruments collateral**	**Net amount**
March 31, 2019					
Financial assets					
Non Current					
Investments	1,167.21	-	**1,167.21**	(611.25)	**555.96**
Current					
Cash and cash equivalents	79.47	-	**79.47**	(79.47)	-
Bank Balances Other than above	0.00	-	**0.00**	(0.00)	-
Trade receivables	732.24	(103.24)	**629.00**	(43.03)	**585.97**
Other financial assets	129.40	(24.54)	**104.86**	(44.47)	**60.40**
Total	**2,108.32**	**(127.78)**	**1,980.55**	**(778.21)**	**1,202.33**
Financial liabilities					
Trade payables	(15.25)	82.22	**66.97**	-	**66.97**
Borrowings	1,963.01	45.56	**2,008.57**	(778.21)	**1,230.36**
Total	**1,947.76**	**127.78**	**2,075.54**	**(778.21)**	**1,297.33**
March 31, 2018					
Financial assets					
Non Current					
Investments	1,127.59	-	**1,127.59**	(611.10)	**516.49**
Current					
Cash and cash equivalents	32.22	-	**32.22**	(32.22)	-
Bank Balances Other than above	0.73	-	**0.73**	(0.73)	-
Trade receivables	593.94	(13.23)	**580.71**	(44.97)	**535.74**
Other financial assets	108.03	(1.12)	**106.91**	(28.70)	**78.21**
Total	**1,862.51**	**(14.35)**	**1,848.16**	**(717.72)**	**1,130.44**
Financial liabilities					
Trade payables	107.89	(13.93)	**93.96**	-	**93.96**
Borrowings	2,073.52	(0.42)	**2,073.10**	(717.72)	**1,355.38**
Total	**2,181.41**	**(14.35)**	**2,167.06**	**(717.72)**	**1,449.34**

37. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Principal amount due to suppliers under MSMED Act, 2006*	0.02	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act, (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act, (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-

* Amount includes due and unpaid of ₹ 0.02 (March 31, 2018: ₹ Nil)

The information has been given in respect of such vendors to the extent they could be identified as “Mico and Small” enterprises on the basis of information available with the Company.

38. DEFERRAL/CAPITALISATION OF EXCHANGE DIFFERENCES

The Ministry of Corporate Affairs (MCA) has issued the amendment dated December 29, 2011 to AS 11 “The Effects of Changes in Foreign Exchange Rates”, to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/earlier amendment to AS 11, the Company has capitalised exchange loss, ‘arising on long-term foreign currency loan to the cost of plant and equipments. The Company also has other long-term foreign currency monetary item, where the gain/(loss) due to fluctuation in foreign currency is accounted for as FCMITDA and disclosed under reserve and surplus.

Accordingly foreign exchange gain/(loss) adjusted against:

₹ in Crores

Particulars	March 31, 2019	March 31, 2018
Cost of the assets		
FCMITDA	-	(8.95)
Amortised in the current year	-	(2.00)

39. DISCLOSURES REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

₹ in Crores

Name of the Party	Nature	Rate of interest	March 31, 2019	March 31, 2018
3i Infotech (Middle East) FZ LLC	Loan given consequent to DRS	10%	40.83	40.83

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

41. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendment to standard issued up to the date of issuance of the Company's financial statements, but not yet effective as of the date of the Company's financial statements is disclosed below. The Company intends to adopt the amendment to standard when it becomes effective.

Amendment to Ind AS 12 : Income Taxes

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Ind AS 12 (Appendix C) : Uncertainty over Income Tax Treatments

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition :

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight, and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Amendment to Ind AS 19 : Employee Benefits

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee

Benefits, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity :

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

Ind AS 116 : Leases

Ind AS 116, Leases : On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS116 will replace the existing leases standard, Ind AS 17,Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation anddisclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assetsand liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently,operating lease expenses are charged to the Statement of Profitand Loss. The standard also contains enhanced disclosurerequirements for lessees. Ind AS 116 substantially carriesforward the lessor accounting requirements in Ind AS 17. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition :

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application

  Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as :

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at the lessee's incremental borrowing rate at the date of initial application, or

An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

42. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

For and on behalf of the board

Padmanabhan Iyer	**Shashank Desai**	**Rajeev Limaye**
CFO, Managing Director and Global CEO	**Director**	**Company Secretary**
(DIN: 05282942)	**(DIN: 00143638)**	**(M. No. A17168)**

Navi Mumbai
Date: May 07, 2019

3i INFOTECH LIMITED

Corporate Identification Number (CIN): L67120MH1993PLC074411
Registered Office: Tower # 5, 3rd to 6th Floors, International Infotech Park,
Vashi, Navi Mumbai - 400 703
Tel: 022-7123 8000 **E-mail:** investors@3i-infotech.com **Website:** www.3i-infotech.com

NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting ("AGM") of the Members of 3i Infotech Limited (the "Company") will be held on Thursday, December 12, 2019 at 4:00 p.m. at Arya Samaj Hall, Plot No. 6, Sector 9A, Vashi, Navi Mumbai - 400 703 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors (the "Board") and the Auditors thereon.
2. To appoint a Director in place of Ms. Anjoo Navalkar (DIN- 00270356), who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. **Approval for payment of remuneration to Mr. Padmanabhan Iyer (DIN- 05282942) as the Managing Director and Global CEO for the period from August 11, 2019 to August 10, 2021**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

   "**RESOLVED THAT** in furtherance of the resolution passed by the Members of the Company at their Annual General Meeting held on December 7, 2016 and subject to the Articles of Association of the Company, the limits prescribed under Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**") and the rules framed thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) **("SEBI LODR")** and subject to such other requisite approvals as may be necessary, the consent of the Members be and is hereby accorded for payment of remuneration to Mr. Padmanabhan Iyer (DIN-05282942) as the Managing Director and Global CEO of the Company w.e.f. August 11, 2019 till August 10, 2021 on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company:

   Annual Remuneration:

   The annual remuneration exclusive of perquisites and other allowances would be in the range of ₹18,000,000 to ₹30,000,000. Such annual remuneration will, however, include base salary and PF contribution.

   Additionally, he will be eligible for Target Bonus, perquisites and other benefits, details of which are given below.

   Target bonus shall be:

   An amount not exceeding 100% of his total fixed pay or any such amount, as may be determined by the Board of Directors or any Committee thereof, based on achievement of such performance parameters as may be laid down from time to time.

Perquisites:

Mr. Padmanabhan Iyer will be entitled to receive various perquisites like car, running and maintenance cost of the car on actuals, driver's salary, group life insurance as per Company's policy, personal accident insurance, mediclaim, club membership or reimbursement of annual fees of club membership at actuals, soft furnishing allowance and Company provided telephone at residence, provided that the total value of all the perquisites as defined under Income Tax Act, 1961 received in a year shall not exceed 100% of the Annual Remuneration payable to Mr. Padmanabhan Iyer for that year.

Stock Options:

Mr. Padmanabhan Iyer shall be eligible to participate in the Company`s Employees Stock Option Schemes (ESOS) 2000, 2007 and 2018 ("ESOS Schemes") and shall be entitled to exercise 87,30,000 stock options in accordance with the terms of the ESOS Schemes and further be entitled to receive and exercise any such stock options as approved by the Nomination and Remuneration Committee from time to time along with any other benefits after exercise of such stock options provided under ESOS Schemes of the Company.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Padmanabhan Iyer shall be governed by Section II of Part II of Schedule V of the Act, including any modification(s) thereto.

RESOLVED FURTHER THAT all other terms and conditions of appointment including Notice Period, compensation for loss of office shall be as per the terms of contract executed between the Company and Mr. Padmanabhan Iyer and the Board of Directors be and is hereby authorized to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Section 197 read with Schedule V to the Act and the Regulation 17 of SEBI LODR and as may be recommended by the Nomination and Remuneration Committee and agreed to by the Board of Directors and Mr. Padmanabhan Iyer.

RESOLVED FURTHER THAT the Members hereby ratify the resolution passed at the Annual General Meeting held on September 6, 2017 for waiver of remuneration paid to Mr. Padmanabhan Iyer (DIN-05282942) as the Managing Director and Global CEO in excess of limits prescribed under the Act, 2013 for the period from August 11, 2016 to March 31, 2017.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to decide at its absolute discretion from time to time, all the terms and conditions of the remuneration (salary, perquisites and bonus) payable to Mr. Padmanabhan Iyer, within the terms mentioned above, and obtain such approvals, as may be necessary for the purpose of payment of such remuneration during the tenure of his appointment from time to time."

4. **Renewal of the resolution passed by the Members on March 18, 2016 (renewed on May 21, 2017 and July 31, 2018) in relation to issue of Equity Shares against conversion of a portion of the outstanding amounts due to the DRS Lenders and ratifications of the actions taken pursuant thereto.**

To consider and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Section 42, Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended (the "**Companies Act**"), the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act), applicable rules notified by the Central Government under the Companies Act, the Foreign Exchange Management Act, 2000, as amended (the "**FEMA**"), including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the "**GOI**"), Reserve Bank of India (the "**RBI**"), and Securities and Exchange Board of India (the "**SEBI**") and/or any other competent authorities, whether in India or abroad, and including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI Regulations**"), the

Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the uniform listing agreement between the Company and the stock exchanges on which the Company's shares are listed, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and subject to necessary approvals, permissions, consents and sanctions of RBI and concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall include any Committee(s) and/or any of the Director(s) or person(s) authorized by the Board to exercise powers conferred by this Resolution to the extent permitted by law), Rule 13(2)(e) and (f) of Companies (Share Capital and Debentures) Rules, 2014 and the resolution passed by the Members of the Company on May 21, 2017 (the "**May Resolution**") which was originally passed on March 18, 2016 (the "**Original Resolution**"), the consent, authority and approval of the Company be and is hereby accorded to renew the Original Resolution for the purposes of issue and allotment to all the lenders of the Company including the lenders of the Company's subsidiaries and lenders of facilities guaranteed by the Company and lessors of the Company (hereinafter referred to as the "**DRS Lenders**"), as mentioned in the explanatory statement attached with the said Original Resolution, on a preferential basis to implement the terms of Debt Realignment Scheme, including any deviations thereto approved by relevant authorities, upto 100 Crore equity shares (the "**Equity Shares**") at a price of ₹10/- per equity share as determined by the Board in accordance with the pricing guidelines prescribed under Chapter V of the SEBI Regulations read with the Companies Act, at such time or times, in one or more tranches and on such terms and conditions and in such manner as the Board may think fit in its absolute discretion (the "**Preferential Issue**") and on such other terms as set out in the Original Resolution.

RESOLVED FURTHER THAT the Company hereby ratifies and confirms any issue and allotment of Equity Shares pursuant to the Original Resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, issuing clarifications on the offer, issue and allotment of the Equity Shares, to execute the necessary documents and enter into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Preferential Issue), resolving all questions of doubt that may arise in regard to the offer, issue and allotment of the Equity Shares and to authorize all such persons as may be necessary in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Shareholders of the Company and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT in connection with any of the foregoing resolutions, the members of the Board and such other persons as may be authorized by the Board, on behalf of the Company, be and are hereby severally authorized to execute and deliver any and all other documents, papers and to do or cause to be done any and all acts or things as may be necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the Preferential Issue and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be."

Registered Office:
Tower # 5, 3rd to 6th Floors,
International Infotech Park, Vashi,
Navi Mumbai - 400 703

By Order of the Board

Sd/-
Rajeev Limaye
Company Secretary

Navi Mumbai
October 17, 2019

NOTES:

a) The explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”) containing reasons for proposing the resolutions as stated in the Notice is annexed hereto.

b) **A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company.** The instrument appointing a proxy/ies must be deposited with the Company at its Registered Office not less than FORTY-EIGHT HOURS before the time for holding the meeting. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions/ authorisations as applicable. A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. If a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company, then such proxy shall not act as a proxy for any other person or shareholder.

c) Members/proxies should bring the attendance slip sent herewith, duly filled in, for attending the Meeting.

d) The Members are informed that in case of joint holders attending the Meeting, only such joint holder whose name is higher in the order of names, will be entitled to vote.

e) The Members holding shares in physical form are requested to immediately notify any change in their address, name, bank particulars, ECS mandates, nominations, power of attorney under the signature of the Sole/First joint holder to the Company at its Registered Office, quoting their Folio Number(s)/Client ID and DP ID in all correspondence and consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names. Members holding shares in electronic form shall directly update such details with their respective Depository Participant(s) and not with the Company and/or to its Registrar and Transfer Agent. Information captured by the Depository Participants will automatically be updated in the Company’s record.

f) The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, December 5, 2019 to Thursday, December 12, 2019 (both days inclusive).

g) Under the Act, dividend which is unclaimed for a period of seven years is required to be transferred to the Investors’ Education and Protection Fund (IEPF) administered by the Central Government. An amount of ₹1,322,733 being unclaimed dividend of the Company for the financial year ended March 31, 2011 was transferred to IEPF on October 15, 2018 and no claim lies against the Company in respect thereof.

h) Members are requested to note that trading in equity shares of the Company on the Stock Exchanges is permitted only in dematerialized form as per the notification issued by SEBI. The shares of the Company are available for trading under both the depository systems in India i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). Members who continue to hold shares in physical form are, therefore, requested to note that they will not be able to trade in the shares of the Company, unless the same are dematerialized.

i) To support its green initiative, the Company delivers the Documents in electronic form to Members whose e-mail addresses are available with the Company. The Documents shall mean all notices/documents including those covered under Section 136 or any other relevant sections read with Section 20 of the Act. For Members whose e-mail addresses are not available, physical copies are being sent.

The Members holding shares in electronic form who have not registered their e-mail address are requested to register the same with their concerned Depository Participant for this purpose and for receiving all such communications from the Company. Members holding shares in physical form may write to the Registrar and Share Transfer Agent.

j) Pursuant to the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and Secretarial Standard on General Meetings (“SS-2”), information about the Director proposed to be re-appointed has been given in the Annexure to this Notice.

k) In compliance with the provisions of Section 108 of the Act and the rules framed thereunder and Regulation 44 of SEBI LODR, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by NSDL on all the resolutions set forth in this Notice. The facility of casting votes by a Member using an electronic voting system from a place other than the venue of the AGM (remote e-voting) will be provided by NSDL and the items of business as detailed in the Notice may be transacted through remote e-voting. Instructions for using this facility are mentioned under point "n" below. The facility for voting, either through electronic voting system or by ballot or polling paper, shall also be made available at the AGM.

l) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM, but shall not be entitled to cast their vote again.

m) The Members can opt for only one mode of voting i.e. either by ballot form or remote e-voting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through ballot form shall be treated as invalid.

n) The instructions for remote e-voting are given herein below:

Remote e-voting Facility:

1. The remote e-voting facility will be available at the link https://www.evoting.nsdl.com during the following period:

   Commencement of e-voting: 9:00 a.m. (IST) on Monday, December 9, 2019

   End of e-voting: 5:00 p.m. (IST) on Wednesday, December 11, 2019. The remote e-voting module shall be disabled thereafter.

2. E-voting shall not be allowed beyond 5:00 p.m. (IST) on Wednesday, December 11, 2019. During the e-voting period, Members of the Company, holding shares either in physical form or in dematerialized form as on the record date may cast their vote electronically. The cut-off date for the purpose of e-voting is Friday, December 6, 2019.

3. Members who have registered their email IDs with the Company/their respective Depository participants are being forwarded the login ID and password for e-voting by e-mail. The instructions for remote e-voting have been given as under:

   i. Open e-mail received from NSDL and open PDF file viz. "3iinfotech e-voting.pdf" with your client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.

   ii. Launch internet browser by typing the following URL: https://www.evoting.nsdl.com

   iii. Click on Shareholder - Login.

   iv. Put user ID and password mentioned in step (i) above. Click Login.

   v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

   vi. Home page of remote e-voting opens. Click on e-voting: Active Voting Cycles.

   vii. Select "EVEN" (remote E-Voting Event Number) of 3i Infotech Limited.

   viii. Now you are ready for e-voting as Cast Vote page opens.

   ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

x. Upon confirmation, the message "Vote cast successfully" will be displayed.

xi. Please note that once you have voted on the resolution and clicked on "Submit" and "Confirm", you will not be allowed to modify your vote.

xii. Institutional Members (i.e. other than individuals, HUFs, NRIs, etc.) are required to send scanned copy (PDF/JPEG format) of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorised signatory who is authorised to vote, to the Scrutinizer through e-mail to scrutinizer3iinfotechagm@gmail.com with a copy marked to evoting@nsdl.co.in.

xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call Ms. Pallavi Mhatre on +91 - 22 - 2499 4545 or at Toll free No. 1800-222-990.

4. For the benefit of the Members whose e-mail IDs are not yet registered with the Company or their respective Depository Participants or who have requested for a physical copy of the Notice and the Annual Report, the login ID and password for e-voting are being sent along with physical copy of the Notice.

   i. Initial password is provided at the bottom of the Attendance Slip for the AGM in the manner indicated below:

EVEN (remote E-Voting Event Number)	**USER ID**	**PASSWORD**

   ii. Please follow all steps from Sr. No. ii to xii above to caste the vote.

5. If you are already registered with NSDL for remote e-voting, you can use your existing user ID and password/ PIN for casting your vote.

6. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

7. Login to the remote e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'forgot password' option available on the site to reset the password.

o) The Company has appointed Mr. B. Narsimhan, Partner, M/s. BNP & Associates, Practicing Company Secretaries or failing him, Mr. Avinash Bagul, Partner, M/s. BNP & Associates, Practicing Company Secretaries as scrutinizer (the "Scrutinizer") to scrutinize the voting and remote e-voting in a fair and transparent manner.

p) The voting results of the AGM along with the scrutinizer's report shall be placed on the website of the Company (www.3i-infotech.com) and on the website of NSDL. The results shall also be simultaneously submitted to those Stock Exchanges on which the equity shares of the Company are listed i.e. BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

q) The Annual Report of the Company which contains the Notice of AGM circulated to the Members of the Company will be made available on the website of the Company.

r) The Company is a SEBI Registered, Category I Share Transfer Agent and handles all Registrar and Transfer Agents' work in-house. The Company has adequate infrastructure to service its Shareholders.

s) Members desirous of getting any information about the accounts and operations of the Company are requested to write to the Company at least seven days before the Meeting to enable the Company to keep the information ready at the Meeting.

t) Members may avail of the nomination facility as provided under Section 72 of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force). Members desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled to the Company at its Registered Office address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

u) All the documents referred to in the Notice will be available for inspection by the Members at the Registered Office of the Company between 10:30 a.m. to 12:30 p.m. on all working days (i.e. except Saturday, Sunday and National Holidays) from the date hereof, up to the conclusion of the AGM.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3:

The Members of the Company had, vide special resolution passed at its 23rd Annual General Meeting (AGM) held on December 7, 2016, approved the appointment of Mr. Padmanabhan Iyer as the Managing Director and Global CEO of the Company for a period of five years with effect from August 11, 2016 and terms of remuneration payable to him for a period of three years from the date of his appointment, subject to the approval of the Central Government, if required.

As per the proviso given in Section II of Part II of Schedule V of the Companies Act, 2013 (the "Act"), the Members of the Company may approve payment of remuneration to whole-time directors for a period not exceeding 3 years by way of special resolution. Since, the term of Mr. Padmanabhan Iyer as Managing Director and Global CEO is upto August 10, 2021 and his remuneration for a period of 3 years was approved by the Members as per provisions of the Act, approval of the Members would be required for payment of remuneration to Mr. Padmanabhan Iyer, Managing Director and Global CEO, for the remaining period of 2 years i.e. August 11, 2019 to August 10, 2021.

Although the Company achieved a net profit after tax for FY 2018-19, in view of the accumulated losses of the previous years, the Company does not have adequate profits as per Section 197 read with Section 198 of the Act. As per Section 197 (3) of the Act, if in any financial year, a company has no profits or its profits are inadequate, the company shall not pay remuneration to its directors, including any Managing or Whole Time Director, in excess of the limits specified in Part A and B of Section II of Part II of Schedule V of the Act. However, a Company can pay remuneration in excess of the limits mentioned in Part A and B, if the same is approved by means of a special resolution passed by the shareholders and the Company has complied with the other requirements as mentioned in Section II of Part II of Schedule V of the Act.

The Company is in compliance with all terms and conditions specified in Section II of Schedule V of the Act. Since the remuneration to be paid exceeds the limits mentioned in Part A and B of Section II of Schedule V of the Act, the same needs to be approved by a special resolution.

The Members, at the Annual General Meeting held on September 6, 2017, had approved waiver of remuneration paid to Mr. Padmanabhan Iyer as Managing Director and Global CEO in excess of the limits prescribed under the Act for the period from August 11, 2016 to March 31, 2017. The Company had already obtained the approval of its Lenders for the same as was required at that time. However, with the notification of the Companies (Amendment) Act, 2017, which was notified after September 6, 2017, it became necessary for the Company to obtain ratification of the Members for the resolution passed at the Annual General Meeting held on September 6, 2017. Accordingly, approval from the Members is sought for the same.

The Members had earlier approved annual remuneration in the range of ₹18,000,000 to ₹30,000,000 inclusive of Base Salary, PF Contribution and all other allowances to Mr. Padmanabhan Iyer for the period from August 11, 2016 to August 10, 2019. Looking at the contribution made by Mr. Iyer and his expertise, knowledge and valuable services rendered to the Company, it is proposed to continue to pay to Mr. Padmanabhan Iyer, annual remuneration in the same range of ₹18,000,000 to ₹30,000,000 inclusive of Base Salary, PF Contribution and all other allowances.

The Nomination and Remuneration Committee and the Board of Directors at its Meeting held on July 12, 2019 have approved the terms of remuneration to be paid to Mr. Iyer as Managing Director and Global CEO for the period from August 11, 2019 to August 10, 2021, subject to approval of the Members at the ensuing AGM. The Board of Directors is of the opinion that Mr. Padmanabhan Iyer, Managing Director and Global CEO should be paid the remuneration, the details of which are given below-

Annual Remuneration:

The annual remuneration exclusive of perquisites and other allowances would be in the range of ₹18,000,000 to ₹30,000,000. Such annual remuneration will, however, include base salary and PF contribution.

Additionally, he will be eligible for Target Bonus, perquisites and other benefits, details of which are given below.

Target bonus shall be:

An amount not exceeding 100% of his total fixed pay or any such amount, as may be determined by the Board of Directors or any Committee thereof, based on achievement of such performance parameters as may be laid down from time to time.

Perquisites:

Mr. Padmanabhan Iyer will be entitled to receive various perquisites like car, running and maintenance cost of the car on actuals, driver's salary, group life insurance as per Company's policy, personal accident insurance, mediclaim, club membership or reimbursement of annual fees of club membership at actuals, soft furnishing allowance and Company provided telephone at residence, provided that the total value of all the perquisites as defined under Income Tax Act, 1961 received in a year shall not exceed 100% of the Annual Remuneration payable to Mr. Padmanabhan Iyer for that year.

Stock Options:

Mr. Padmanabhan Iyer shall be eligible to participate in the Company`s Employees Stock Option Schemes (ESOS) 2000, 2007 and 2018 ("ESOS Schemes") and shall be entitled to exercise 87,30,000 stock options in accordance with the terms of the ESOS Scheme and further be entitled to receive and exercise any such stock options as approved by the Nomination and Remuneration Committee from time to time along with any other benefits after exercise of such stock options provided under ESOS Schemes of the Company.

<u>Details of Mr. Padmanabhan Nemmara Ranganathan Iyer as required under Secretarial Standard 2 (SS-2):</u>

Particulars	**Details**
Name of the Director	Mr. Padmanabhan Nemmara Ranganathan Iyer
Designation	Managing Director and Global CEO & CFO of the Company
Age	55 years
Qualifications	Advanced Master's Program in Management of Global Enterprises conducted by the Indian Institute of Management, Bangalore (IIM-B); Master's degree in Financial Management from the Jamnalal Bajaj Institute of Management Studies, University of Mumbai.
Experience	38 years
Terms and conditions of apointment or re-appointment	The terms and conditions of appointment, except for remuneration, remain same as approved by the Members at the Annual General Meeting held on December 7, 2016.

Details of remuneration sought to be paid	Details of proposed remuneration are presented in the resolution above.
Remuneration last drawn	Remuneration paid for the month of July 2019 as Managing Director & Global CEO was ₹ 727,567
Date of first appointment on the Board	May 18, 2016
Shareholding in the Company	1,920 shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None
The number of meetings of the Board attended during the year	5
Other Directorships, Membership/ Chairmanship of Committees of other Boards	Details of other directorships of Mr. Iyer are given below. Mr. Iyer is a member of the Audit and Nomination and Remuneration Committees of Locuz Enterprise Solutions Limited.

Mr. Padmanabhan Iyer is on the Board of the following companies/entities:

Names of the Company	**Position held**
3i Infotech Consultancy Services Limited	Chairman
Locuz Enterprise Solutions Limited	Chairman
Professional Access Software Development Private Limited	Director
IFRS Cloud Solutions Limited	Chairman
3i Infotech BPO Limited	Chairman
3i Infotech Foundation	Trustee
3i Infotech Holdings Private Limited	Director
3i Infotech (Middle East) FZ LLC	Director
3i Infotech (Africa) Limited	Director
3i Infotech (UK) Limited	Director
3i Infotech (Western Europe) Holdings Limited	Director
3i Infotech (Western Europe) Group Limited	Director
Rhyme Systems Limited	Director
3i Infotech Asia Pacific Pte. Limited	Director
3i Infotech (South Africa) (Pty) Limited	Director
3i Infotech Inc	Director
3i Infotech (Thailand) Limited	Director
3i Infotech Saudi Arabia LLC	Director
3i Infotech SDN BHD	Director
Elegon Infotech Limited	Director, General Manager & Legal Representative
Locuz Inc	Director

A brief profile of Mr. Padmanabhan Iyer is given below:

Mr. Padmanabhan Iyer was appointed as the Chief Financial Officer of 3i Infotech Limited effective November 11, 2014. He has spent more than 15 years with 3i Infotech Limited, having headed Product Development and Delivery Centres, Technology Services and the BPO Division. He was also the CEO of the China subsidiary of the Company. He brings with him profound knowledge and experience of more than 30 years in the techno-financial arena.

As the CFO, he plays an active part in key decisions of business, with a focus on running a metrics driven organisation. He provides key inputs on a wide range of strategic and operational decisions. He also ensures global compliance in the areas of corporate governance, financial reporting and compliances. He plays a pivotal role in managing various stakeholders, which include investors, board, auditors and regulators.

His broad range of experience both within 3i Infotech and outside has shaped him to lead from the front in tough situations, be responsive to needs of all around him, a strong understanding of business levers and a high degree of persuasion skills. A continuous learner, he has taken on demanding roles and achieved excellence in them.

With 38 years of overall experience, he has enriched his capabilities to be recognized as a leader. His work experience has been in the areas of Finance, Operations and Delivery both on services and products with a geography exposure across the globe. Some of the organisations that he has been associated with are Reliance Infocomm, Centurion Bank Ltd., Ispat Industries Ltd., ITC Classic Finance Limited, Empire Finance Co. Ltd. to name a few.

He holds a Master's degree in Financial Management from Jamnalal Bajaj Institute of Management Studies, University of Mumbai and has completed the Advanced Master's Program in Management of Global Enterprises, IIM, Bangalore.

Statement pursuant to clause (iv) under Section II, Part II of Schedule V to the Act

I. General Information:	
Nature of industry	Information Technology (IT Solutions and Transaction Services)
Date or expected date of commencement of commercial production	Not Applicable
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
Financial performance based on given indicators	The details of financial performance of the Company for the years 2017-18 and 2018-19 are provided in the Annual Report 2019 which accompanies this Notice.
Foreign investments or collaborations, if any	There is no direct foreign investment in the Company except to the extent of shares held by Foreign Institutional Investors (FIIs) acquired through secondary market. There is no foreign collaboration in the Company. The Company has 20 wholly owned foreign subsidiaries and a joint venture abroad.
II. Information about the appointee:	
Background details	Details are given in the profile of Mr. Padmanabhan Iyer appearing above.
Past remuneration(Including Target Pay) (₹ in crores)	₹2.04 crores paid during FY 2018-19

Recognition or Awards	Under the leadership of Mr. Padmanabhan Iyer, the Company was ranked as a Fortune India Next 500 Company by Fortune India Magazine in March 2019. The Company was conferred the Asia's Greatest Brands Award 2018 by AsiaOne and URS Media Consulting. Company`s MFund® Plus won the IMC Digital Technology Award 2018 in the IT Services category. Further, in 2018, the Company received Outstanding Business Award 2018 for Best Innovative Technology Company in Bangkok, Thailand. The Company also won Star of the Industry Awards in 2018 by ET Now for Best use of IT in Healthcare, for Best Software Product Company in Intellectual Driven business and also for Outsourcing Innovation of the Year. The Company was felicitated in NASSCOM Customer Excellence Awards 2018 for the 'Transformation' category.
Job profile and his suitability	Mr. Padmanabhan Iyer has more than 36 years of experience in techno-finance area. Taking into consideration his association with the Company for more than 15 years, the Board has bestowed the leadership of the Company on Mr. Padmanabhan Iyer.
Remuneration proposed	Details of proposed remuneration are presented in the resolution above.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Commensurate with other organizations of the similar type, size and nature in the IT industry.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Apart from receiving remuneration from the Company in his capacity as the Managing Director & Global CEO and holding 1,920 equity shares of ₹10 each in the Company, Mr. Padmanabhan Iyer does not have any other pecuniary relationship with the Company.
III. Other information:	
Reasons of loss or inadequate profits	The Company has made profits after tax for 3 consecutive years, viz. FY2017, FY2018 and FY2019. The matter of inadequate profits relates to the manner in which profits are computed for the purpose of managerial remuneration. In view of the accumulated losses prior to the approval of the DRS package, the profits of the Company as calculated in terms of Section 198 of the Act were inadequate for paying remuneration to Mr. Iyer for FY 2019-20.
Steps Taken or proposed to be taken for improvement	Synergizing of multi-geography and multi-solutions operations, transition of implementation & support activities from distributed structure to centralized structure, discontinued working capital intensive and low margin Systems Integration and Hardware business, focus on improving solutions – Features, Functionalities, Technology of Products and creation of Frameworks for Services and increased investment in Products & Services.
Expected increase in productivity and profits in measurable terms	The Company's performance is expected to be in line with the industry.
IV. Disclosure:	
As required, the information is provided under Corporate Governance Section of Annual Report 2018-19.	

Following are the additional disclosures under section 102 of the Companies Act, 2013 -

Particulars	Remarks
i. To specify the nature of concern or interest, financial or otherwise, of every director and the manager and of every other key managerial personnel (KMP) and relatives of the said persons.	Nil, except Mr. Padmanabhan Iyer, Managing Director & Global CEO and his relatives.
ii. To specify any other information and facts that may enable the Members to understand the meaning, scope and implications of the items of business and to take a decision thereon.	As above
iii. Where any item of Special Business to be transacted at the meeting relates to or affects any other company, the extent of shareholding interest in that other company of every promoter director, manager and of every other key managerial personnel of the first mentioned Company also to be set out in explanatory statement if such shareholding is not less than two percent of the paid-up share capital of that company.	Nil
iv. Where any document is referred to any Business to be transacted at the meeting, specification of time and place for inspection of such document.	Necessary documents are available for inspection of Members at the Registered Office of the Company during normal business hours (9:00 a.m. to 5:00 p.m.) on any working day, excluding Saturday and including the date of the Annual General Meeting.

Your Directors hereby recommend approval for the terms of remuneration to be paid to Mr. Padmanabhan Iyer, as set out in Item No.3 of the Notice, by way of a Special Resolution.

Except Mr. Padmanabhan Iyer, Managing Director & Global CEO and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the Resolution.

Item No. 4

Pursuant to the resolution passed by the Members on March 18, 2016 ("Original Resolution") under Section 62(1)(c) of the Companies Act, 2013 (the "Act") and other applicable provisions of the laws for the time being in force, approval of the Members was granted to issue equity shares on a preferential basis to all its DRS Lenders.

In terms of Rule 13(2)(e) and (f) of the Companies (Share Capital and Debentures) Rules, 2014 read with Sections 42 and 62 of the Act, the allotment of shares should be completed within a period of one year from the date of special resolution passed by the shareholders approving such issue and allotment of shares and if not, then another special resolution shall be passed.

Since the time period of one year had elapsed and allotments to some of the DRS Lenders remained to be made due to their internal approvals being still in process, the Company had again approached the Members to obtain their approval for renewal of the Original Resolution by way of Postal Ballot. The Members had granted their approval by way of Postal Ballot on May 21, 2017 for renewal of the Original Resolution ("May Resolution") for a period of one year. Further, the Members, at the previous Annual General Meeting held on July 31, 2018 had granted their approval for renewal of the May Resolution and ratification of the actions taken pursuant thereto for a further period of one year.

The time period of one year has elapsed since the aforesaid renewal of this resolution by the Members on July 31, 2018. The Company is yet to allot shares to 2 (two) DRS Lenders who are still in the process of arranging internal approvals. Hence, approval of the Members is now again being sought for Resolution set out in Item No. 4, which aims at renewing the Original Resolution, which has since been renewed on May 21, 2017 and July 31, 2018, for another period of one year as well as ratification of the actions taken thereunder and allotment of equity shares made pursuant thereto.

This Resolution and the corresponding explanatory statement are to be read in conjunction with the Original and May Resolutions along with the explanatory statement for the Original Resolution given in the Postal Ballot Notice dated February 5, 2016 issued to the Members.

Since this Resolution is being passed only to further renew the Original Resolution (read with the May Resolution and resolution passed on July 31, 2018) which has already been passed by the Members, all the disclosures appearing in the explanatory statement to the Original Resolution, including the Relevant Date viz. April 27, 2016, the date of approval of the CDR Empowered Group remain the same and hence, are not being reproduced here for the sake of brevity. For details of the said disclosures, Members may refer the explanatory statement to Item No. 2 of the Postal Ballot Notice dated February 5, 2016, which is available on the website of the Company.

Your Directors recommend passing of the above Resolution set out in Item No. 4 as a Special Resolution.

None of the Directors, Key Managerial Personnel (KMP) and their relatives are in any way concerned or interested in the said Resolution, except to the extent of his/her holding of the shares or stock options in the Company.

Additional Information as required to be disclosed under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) regarding the Directors proposed to be appointed/re-appointed:

Name of Director	Ms. Anjoo Navalkar
Age	62 years
Qualification	Masters in Mathematics
Brief resume of the director	Her corporate career spans across 25 years. She has been professionally educated in Software Engineering and Process Management Systems. During her stint with KPMG QR, she has conducted Software Process Audits, ISO 9001, ISO 27000, ISO 20000. She has extensive experience of Software Process Consulting and CMM/ CMMI assessments. Anjoo worked as Director - Technology & Marketing at Rave Technologies, a Northgate Public Services UK Group Company. She was responsible for Technology, Usability, Testing, Business Analysis, Outsourcing, operations of the Off-shore Development Centre as well as Global Marketing and Pre-Sales. Additionally, she has conceptualized and architected Enterprise Software platforms, BOSS (Business Operations Support System), EachOne EnrichOne (E1E1) - a Social Networking platform for the Social Eco-System and Corporate Social Responsibilities (CSR) and Estimology - the Software Estimation Framework.
Nature of expertise in specific functional areas	As mentioned above.
Disclosure of relationships between directors inter-se	None

Names of the entities in which the person also holds the Directorship and the Membership of the Committees of the Board	DFX Systems Private Limited
Number of shares held in the Company as on date of this Notice	Nil
Details of remuneration last drawn	Sitting fees as disclosed in the Report on Corporate Governance (Annexure I) forming a part of Annual Report 2018-19
Details of remuneration sought to be paid	Ms. Navalkar will continue to draw sitting fees in respect of meetings of the Board/committees that may be attended by her post her re-appointment.
Terms and conditions of appointment or re-appointment	Non-Executive, Non-Independent Director, liable to retire by rotation
Number of Board Meetings attended during the year	1

Please note that apart from the reimbursement of expenditure incurred for attending meetings of the Board and sitting fees payable in accordance with the Company's policies, no other remuneration is and will be paid by the Company to Ms. Anjoo Navalkar (if appointed as a Non-Executive Director of the Company).

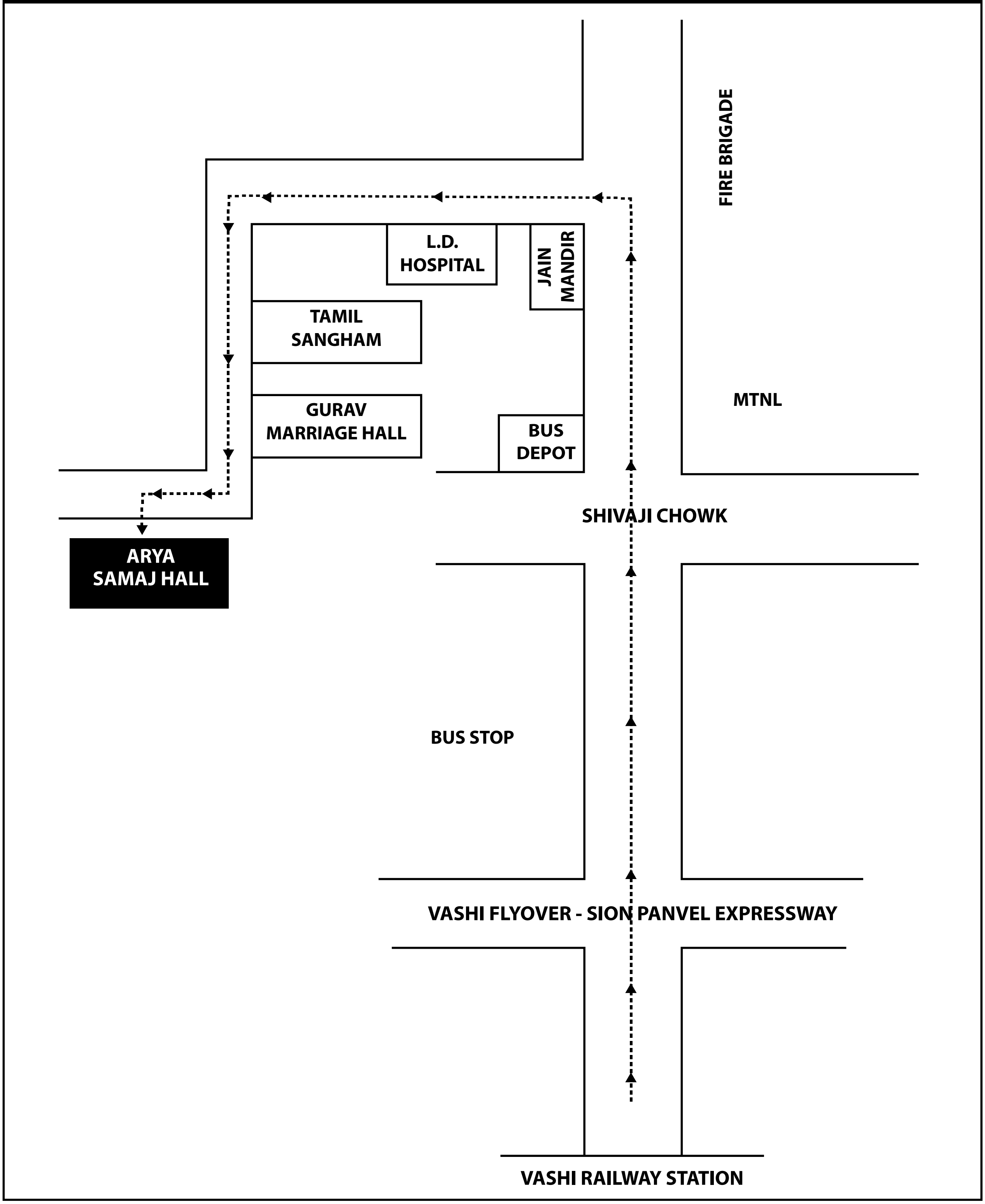
Registered Office:
Tower # 5, 3rd to 6th Floors,
International Infotech Park, Vashi,
Navi Mumbai - 400 703

By Order of the Board

Sd/-
Rajeev Limaye
Company Secretary

Navi Mumbai
October 17, 2019

ROAD MAP FOR AGM HALL



3i Infotech
LIMITLESS EXCELLENCE

3i Infotech Limited

Corporate Identification Number (CIN): L67120MH1993PLC07441

Registered Office: Tower # 5, 3rd to 6th Floors, International Infotech Park, Vashi, Navi Mumbai - 400 703

E-mail: investors@3i-infotech.com Website: www.3i-infotech.com Tel: 022-7123 8000

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules 2014]

Name of the Member(s): ______________________

Registered Address: ______________________

E-mail ID: ______________________

Folio No. / Client ID : ______________________ DP ID: ______________________

I/We, being the Member(s) holding ______________ shares of the above named Company, hereby appoint :

1) Name : ______________________ E-mail Id : ______________________
Address : ______________________
______________________ Signature : ______________________
or failing him/her;

2) Name : ______________________ E-mail Id : ______________________
Address : ______________________
______________________ Signature : ______________________
or failing him/her;

3) Name : ______________________ E-mail Id : ______________________
Address : ______________________
______________________ Signature : ______________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on Thursday, December 12, 2019 at 4.00 p.m. at Arya Samaj Hall, Plot No. 6, Sector 9A, Vashi, Navi Mumbai - 400 703 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For	Against
Ordinary Business			
1	To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors (“the Board”) and the Auditors thereon.		
2	To appoint a Director in place of Ms. Anjoo Navalkar (DIN- 00270356), who retires by rotation and being eligible, offers herself for re-appointment.		
Special Business			
3	Approval for payment of remuneration to Mr. Padmanabhan Iyer (DIN- 05282942) as the Managing Director and Global CEO for the period from August 11, 2019 to August 10, 2021.		
4	Renewal of the resolution passed by the Members on March 18, 2016 (renewed on May 21, 2017 and July 31, 2018) in relation to issue of Equity Shares against conversion of a portion of the outstanding amounts due to the DRS Lenders and ratification of the actions taken pursuant thereto.		

Signed this ______________________ day of ______________ 2019

____
Signature of Shareholder

____
Signature of Proxyholder(s)

Affix
Revenue
stamp

Note:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. For text of the Resolutions, Explanatory Statement and Notes, please refer the Notice of the 26th Annual General Meeting.
3. Please complete all details including details of Member(s) before submission.

Notes

Notes

3i Infotech®

LIMITLESS EXCELLENCE

E-mail: marketing@3i-infotech.com Website: www.3i-infotech.com

3i Infotech®
LIMITLESS EXCELLENCE

3i INFOTECH LIMITED

Corporate Identification Number (CIN): L67120MH1993PLC07441
Registered Office: Tower # 5, 3rd to 6th Floors, International Infotech Park, Vashi, Navi Mumbai - 400 703. India
E-mail: investors@3i-infotech.com **Website:** www.3i-infotech.com
Tel: 022-7123 8000

26th Annual General Meeting

THURSDAY, DECEMBER 12, 2019 AT 4:00 P.M.

ATTENDANCE SLIP

Folio/ DP & Client ID No.	:
No. of Shares held	:
Name(s) and Registered Address of Member(s), including joint-holders, if any (in BLOCK letters)	:

I/We hereby record my/our presence at the 26th Annual General Meeting of the Company to be held on Thursday, December 12, 2019 at 4:00 p.m. at Arya Samaj Hall, Plot No. 6, Sector 9A, Vashi, Navi Mumbai - 400 703.

Member's/Proxy's name in BLOCK LETTERS   Member's/Proxy's Signature

Note:

1. Please fill the name, sign this Attendance Slip and hand it over at the entrance of the Meeting Hall.
2. Members holding shares in physical form are requested to notify the change in their address, if any, to the Company at its Registered Office, quoting their Folio Number(s). Members holding shares in electronic form may update such details with their respective Depository Participant(s).
3. Members are requested to bring this slip along with them as duplicate slips will not be issued at the venue of the Meeting.

ELECTRONIC VOTING PARTICUALRS

EVEN (remote Electronic Voting Event Number)	User ID	Password

Note : Please refer the instructions for remote E-Voting facility in the Notice of the Annual General Meeting.