3i Infotech®
LIMITLESS EXCELLENCE

August 14, 2018

BSE Limited
Sir Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai – 400001
Security Code: 532628

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C-1, Block G
Bandra Kurla Complex,
Mumbai – 400051
Scrip code: 3IINFOTECH

Sub: Annual Report FY 17-18

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith copy of Annual Report 2017-18 which includes Notice of 25th Annual General Meeting of the Company.

Request you to take this on record and display on your website.

This is for your information and records.

Thanking you,

Yours faithfully,
For **3i Infotech Limited**

Rajeev Limaye
Company Secretary

3I INFOTECH LIMITED

3i Infotech®
LIMITLESS EXCELLENCE

THE YEAR THAT WAS

Brand Refresh

Digital Transformation

Financial Resurgence

ANNUAL REPORT 2017-18

3i Infotech®
LIMITLESS EXCELLENCE

OUR OFFERINGS

HybridNxT
MOMENTA
CRUX
MAGGIE™
ORION®
CONVERSATIONAL SERVICES
AMLOCK®
AES
Kastle®
BLOCKCHAIN
PREMIA®
Flexib
MFund Suite®

Banking
ERP
Financial Services
Insurance

IT Services

PRODUCTS

ALTIRAY™
Actioning Tomorrow

Annual Report 2017-18

Board of Directors

Mr. Ashok Shah, Chairman

Dr. Shashank Desai, Director

Mr. Gautam Dutta, Nominee Director - IDBI Bank Limited

Mr. Shanti Lal Jain, Nominee Director - Allahabad Bank

Ms. Sarojini Dikhale, 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
Fax : +91 22 71238099

KEY MANAGEMENT TEAM

Corporate Office

Padmanabhan Iyer, Managing Director & Global CEO, CFO

Rajeev Limaye, Company Secretary & Head - Legal

Human Resource

Sagar Thakurdesai, Global Head - HR

Business Heads

Krish Narayanaswami, EVP & Global Head – Banking Products

Mohua Sengupta, EVP & Global Head – IT Services

Rakesh Doshi, EVP & Global Head – Financial Services & Insurance Products

Suryanarayan Kasichainula, EVP & Global Head– ERP Product

CORPORATE FAST FACTS

- 3i Infotech is a Global Information Technology Company with a revenue of USD 154 million
- The Company's quality certifications include ISO 9001:2008 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
- More than 5000 employees in over 24 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

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	Bengaluru, Chennai, Hyderabad, Mumbai, New Delhi
Middle East & Africa	• **UAE:** Dubai, 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 solution for Investment Management. Many new modules such as Real Estate & Loans have been added to the product. A flexible Letter Writer tool with a user friendly interface has also been built in to generate letters.

The Limit engine has been enhanced to enable a conservative limit approach by factoring in minimum and maximum limit checks. This is done using dual authentication of the Fund Manager as well as monitoring mid office level transactions. A new reconciliation module has been included to enable speedier Stock, Bank and NAV reconciliations. This year, 3i Infotech partnered with Oracle to conduct Cloud hosted testing of the MFund® Plus product.

New initiatives have been undertaken to add mobility and portal features in the Investor Services module.

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 every business channel and product line.

Salient Features

a. End to End Insurance Solution: PREMIA® Astra provides a one-stop solution for all insurance operations

b. Cloud Enabled: PREMIA® Astra is capable of being hosted online to allow remote access for insurance administration

c. Modularized Approach: Modular approach of PREMIA® Astra provides flexibility to deploy either a single module or the entire end to end integrated solution as per the needs of the Insurer

d. Guided Navigation: PREMIA® Astra's interface is user friendly and its guided navigation is based on a seamless workflow

e. Responsive Design: This enables access from multiple end devices like mobiles, tablets, laptops and desktops

PREMIA® Astra Core Modules

PREMIA®Astra insurance solution enhances efficiency across the following insurance business operations:

a. Policy Administration

b. Claims Management

c. Billing

d. Reinsurance

e. General Ledger

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. Audit Trail

f. Document Management System

PREMIA® Astra enables its customers to be the preferred insurers by providing efficient and quick policy administration tools. In addition, the streamlined and meticulous claims service processes with modules that enable easy regulatory compliance and intelligent reporting give them the edge to differentiate themselves in a highly competitive landscape.

PREMIA® Life Insurance 11J

PREMIA®11J - Individual Life is an end-to-end integrated application software for processing Individual and Group Life policies. 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. Introduction of new products: There were a number of new products that were developed to meet needs of existing and prospective customers.

    a. Funeral products – Products that are popular across African Market

    b. Funeral Linked products – Funeral benefit coupled with savings and investments

    c. Term Plan with return of premium – A new variant of Term plan

    d. Gold Linked product – A unique variant of linked-investments that are mapped to Gold rates

    e. Education product – A product to cover expenses towards educational milestones

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

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

    b. Mobility – A tablet based application which was developed to help agents effectively manage leads and customers as well as assist in daily sales and task management. The application provides complete information to help agents to service their customers. 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 GMOS portal were developed 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 statuses were included as niche features that can be used as an USP for prospective selling

New Initiatives and Upgrades in ORION®

ORION® 11j Retail

ORION® 11j Retail is a modern Point of Sale (POS) solution released by the ORION® family. It helps the customers manage their store operations like Billing, Offers & Discounts, Cash management and Loyalty programs. The key benefits of the system is a speedy checkout at POS, Touch enabled POS, Online and Offline model options, Multi store management, Offers and promotion management, SMS integration, Payment gateway integration, Mailing options and VAT enablement. We also covered the needs of Consumer Electronics stores, Electricals stores, Supermarkets and Hypermarkets in a single application.

ORION® Fleet

ORION® Fleet is designed for 24 hour nonstop vehicle rental and leasing operations that include functions of short and long term rentals, Leasing, Purchase and Sale of Vehicles, Vehicle movements, Fleet Control, Maintenance and Customer profile management. Other benefits include effective business performance monitoring through variables like Fleet utilization, Revenue per unit (RPU), multi-level tariff administration, user wise discount policies, rule based invoicing, allocation of traffic fines & tolls to contracts, Mileage Control and instant alerts. Functionalities have been provided to implement business rules and policies with ease and accuracy.

ORION® 11j Automotive Dealer Management Solution (ADMS)

ORION® 11j Auto Suite delivers a fully integrated approach to Automotive Dealer Management Solution (ADMS), with all key business operations built into a single powerful software solution. ADMS is developed to deliver entire dealer specific business processes including an integrated and feature-rich finance module. ORION®'s Automotive Dealer Management System comprises modules such as Vehicle Procurement, Inventory, Sales, Spare parts management, Workshop, Finance and customized CRM.

Demand Planner

The Advance Demand Planner tool enables easy procurement planning that is based on the multi-step operational supply chain management (SCM). The system consolidates various demands based on Sales Order & Quotations to arrive at the "Best Fit" solution as per the Rules defined at "Calendar Definition", "Product" and "Location" levels. The "Best Fit" solution also can be overridden by a user for a defined target, if any requisition is raised. The system displays Demand, Consumption, Stock, Moving averages, Purchase for historical data as well as forthcoming months. The Demand planning module can guide users to improve the accuracy of revenue forecasts, align inventory levels to peaks and troughs in demand, and enhance profitability for a given channel or product.

ORION® 11j is now GST & VAT Enabled

ORION® 11j has been enabled with GST for the India Geo and VAT for the Middle East and Kingdom of Saudi Arabia regions. The TAX engine qualifies transactions based on the configuration and allocates tax code to yield specific VAT and GST results. The process function reflects changes such as new customers, flow of goods, legislation, etc. The data is entered into the system accurately and in real time. Returns and reports are Geo specific which enables users to directly upload returns in the portal. We have enabled VAT and GST for ORION® 10x customers as well.

GeSTup™

3i Infotech has created an application – GeSTup™ to cater to the huge market of Goods and Services Tax (GST) paying entities in India and assist them with their GST compliance processes. GeSTup™ is a cloud based application that provides an easy, simple & secured environment for filing GST returns. 3i Infotech also received the honor of being selected as a GST Suvidha Provider (GSP) by the GSTN (GST Network). This makes us one of the few companies who provide this service in India. ORION® 11j ERP has a seamless integration with GeSTup™ through API interfaces.

New Initiatives & Upgrades in Kastle® and AMLOCK®

Kastle® Universal Lending System (ULS) – Islamic Version

Kastle® ULS is an enterprise-wide lending solution that automates the entire lending life cycle comprising of customer acquisition, servicing & delinquency management. The latest product upgrade incorporates best in class lending practices. Kastle® ULS Product has been upgraded to cater to Islamic products like Murabaha, Ijaraha and Tawaruq.

Significant value added features include

- Funding Module to cater to source and utilization of funds
- Securitization module to cater to sell side
- Customer service module added
- Enhanced Loan Collection Module – Script driven follow-up.
- Enhanced collateral module
- Configurable Report Framework for reports in multiple technologies
- Enhancements of dashboards and charts
- Upgraded security framework
- Upgraded Interface framework
- Introduced API management framework using Swagger
- Standard Reports and Templates
- Deviation Simulation

AMLOCK® - Product Development

FY 2017-18 was an active year for AMLOCK® product development and we saw multiple key releases covering both the banking and non-banking segments. These include

- Launch of AMLOCKLite version – AMLOCKLite is an easy to use comprehensive AML compliance solution for Non-Banking Finance companies. Their small IT budgets make it difficult for them to meet growing regulatory pressures. AMLOCKLite would be a cost effective solution with quicker implementation time frames

- Launch of Payments Monitoring system for centralized monitoring of Multi-Jurisdictional domestic and international payments.
- Alert Risk Scoring for Work Prioritization
- Optimization of Screening Engine for faster performance
- Case Workflow Enhancements to improve review efficiency
- Array of Compliance Dashboards at user and management level
- Analytics including Alert Suppression to reduce false positives and Peer Profiling to understand deviations in behavior
- Re-KYC Workflow to comply with latest RBI guidelines
- New UI supporting Multi Browsers
- Change in technology stack to the latest Spring™ Framework and Angular 4 and deployment on Webserver to reduce Total Cost of Ownership (TCO)

Kastle® Business Intelligence

Kastle® Business Intelligence is a new practice for Kastle® Suite of products. It offers valuable insights and unparalleled analytical depth of Kastle® ULS, Treasury, AMLOCK®, Integrated Risk Management (IRM), Core Banking Solution (CBS) & Trade Finance/Factoring. Following are the features:

a. Trends

b. Forecasting

c. LOD expressions

Kastle® ULS - Business function wise Dashboards utilizing information from the Kastle® Business Intelligence module:

a. **Powerful analytics that drive better outcomes in Loan Origination –** Business, sector/region, product & sub-product wise drill down views

   I. Product wise profitability

   II. Locational hierarchy wise business generation insights

   III. Channel wise business volume

   IV. Product/sub-products' Performance Dashboard (Drill down Dashboard)

   V. Product wise periodical sales trend

   VI. Customer Segment wise business volume

b. **Loan Management/Servicing –** Operational insights to

   I. Projected vs. actual cash flows

   II. Product wise special events (foreclosures, partial pre-payment & re-schedulement)

   III. Product wise Performance Dashboard (Disbursed amount/Payment amount)

IV. Quarterly, Monthly drill downs on principles received, interest & dues breakup

V. Product wise NPA, Delinquency

c. **Collections Dashboard**

I. Region/state/city/area wise aggregation on delinquency volume

II. Region/state/city/area wise Delayed/NPA break up

III. Collection Agency wise/Supervisor wise performing / non-performing areas/regions

IV. Region/state/city/area wise patterns of Litigation cases

V. Collection Agency wise/Supervisor wise Litigation cases

Launch of Kastle® Integrated Risk Management (IRM) solution

We released Kastle® IRM (Ver. 5.0.1.0.0), which is a leap towards launching the Integrated Risk Management solution comprising of Market Risk, ALM & Credit Risk. This release comprises a comprehensive Market Risk Management functionality to measure and control the financial risk arising due to market variables. The application has been built on Java 8 platform with cutting edge technology of Spring 4.x, Hibernate 5.x, AngularJS and Bootstrap framework.

Some of the significant value added features include:

- VaR Analysis
- What If Analysis
- Capital Charge – Standardized Approach, IMA Approach
- Scenario Analysis
- Backtesting
- Duration & Convexity
- Seamless Integration with Kastle® Treasury

Launch of Kastle® Treasury 5.0

We released our Kastle® Treasury 5.0 with the latest technology stack, which will help banks, NBFCs, Primary Dealers and corporates to transform their treasury business with ease. Kastle® Treasury provides efficient and effective real-time positions for different asset classes using sophisticated techniques to allow treasury managers to ensure greater control over their investment and borrowing portfolio. The solution's real-time liquidity management features help in proficient decision making by providing accurate and up-to-date information of cash flows through an integrated view of system.

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

- Fixed Income Securities
- Money Market
- Forex
- OTC - Derivatives

- Issuance and Funding
- Trade Finance

Significant Value Added as part of product transformation

- Migration to N-Tier architecture using latest tools such as Spring 4.x
- Real time asynchronous Dashboard and Notifications for senior management
- Plug-n-Play Interfacing Engine for seamless integration with multiple systems
- Achieving End to End Straight Through Processing
- Enhanced Computational accuracy

New Initiatives and Upgrades for Services

To emphasize its transformational growth, 3i Infotech Services recently rebranded itself to Altiray™ The new brand entity embodies our proposition to be a future-ready & innovative organization.

The logo for the brand signifies the forward looking nature of the business. Altiray™ is a coined name from the terms 'Altus' in Latin meaning High and 'Ray' meaning beam of light. The accentuated Y graphic in the symbol represents the ray of improvement. The arrow depicts a way forward for the client. The new brand line – '*Actioning Tomorrow*', signifies the role we envision in accelerating the achievement of our customers' goals.

As part of its ongoing transition to a next-gen organisation with a distinctive portfolio of IT Services, the business unit has introduced new solutions and offerings. These aim to help customers and enterprises adapt to rapidly evolving digital transformation. Enabling our customers to effectively address the challenges of the digital world is our objective.

Towards this end, Altiray™ is investing considerably in a new set of technologies such as Voice Services, blockchain, IOT, SMAC, robotics process automation, AI, machine learning, telematics, AR/VR and cybersecurity. Mobility and new age technologies form the bedrock of our solutions portfolio.

Digital transformation requires design thinking at all stages of the journey in order to successfully steer enterprises from digitization to digitalization. We bring design thinking also as a service for identifying the solutions.

Our solutions offerings hinge on three distinct areas, namely Co-innovation for transformation; Customer centric and Modular frameworks for quick, adept deployments and Quantifiable outcomes that will maximize ROI for customers.

Key Benefits we deliver to Customers

- Channel innovation and seamless experience across them
- Increase in CX (Customer Experience) rating and reduction in CFF (Customer Friction Factor)
- Operational excellence and reduction in TCO
- Focused solutions for each industry and business function
- Faster time to market
- Can be customized and tailor made

Being an organization that continuously aims to reinvent itself, we have created vanguard ready-to-use frameworks and customizable solutions. These solutions can be plugged on to existing systems or data to deliver objectives & outcomes.

Our range of solutions have expanded to include new solution offerings such as –

CRUX (Customer Reach & User Experience)

CRUX is our digital transformation solutions for enhancing Customer Experience and consists of Consulting, Voice (conversational services), Portal Services, Mobility, Digital Infrastructure and Advanced Analytics. The need of the hour is to provide a holistic 360° experience where customers can access information, self-service, etc., using a channel of their choice. To support the 360° capabilities, we have frameworks and accelerators which are flexible, easily tailored and agile. CRUX is backed by technology practices like Portal, Mobility, Design studio, Digital Infrastructure, and Data Frameworks and Solutions.

AxES - Accelerate. Enable. Scale

AxES aims to be the catalyst in digital adaption and channel innovations for our customers. These offerings are inbuilt with end-to-end framework elements for banking, insurance & finance services, government cutting across B2B and B2C centric options.

Conversational Services

The voice-led omni-channel solution demonstrates how a customer initiates simple or complex transactions, like applying for a loan, applying for insurance, checking account balance or renewing policies etc., using voice interaction and if necessary continue through other digital channels like bot, mobile and portal. It converses with customers, understands requirements, captures requisite data and pre populates forms where possible, and uses social media like LinkedIn or bank aggregators as its source. Powered by Artificial Intelligence, the solution provides a 360° and holistic approach to converse with customers and enhance their experience. Advanced analytics such as channel interaction analytics and voice mining are integrated in this solution to increase cross-selling and minimize channel attrition leading to a friction-less omni-channel experience.

Blockchain Services

We help evaluate and implement blockchain technology comprising Solution Definition, technology Advisory, PoCs, Consulting Services, and Development, integration & testing Services for various business domains. Our offering works on the premise of co-innovation with customers, building together an innovative solution combining business knowledge and technological expertise.

Momenta

Momenta is our Data Science and Insights Marketplace which includes a suite of pre-built Data Science, Reporting and Analytics apps, which help organizations reshape their business and leverage optimization, supporting a multitude of industries and business functions. Momenta has over 30 Data Science Models, which uses Active and Continuous Machine Learning and a library of over 500 Reports. Our Data Science Models are Work Flow based, easily customizable, Export to PMML (R/SAS), automated execution and has built in integrations with machine learning libraries such as H2O, Keras for Deep Learning, Scikit-Learn. Each app manages the complete end-to-end process. These apps can be plugged on to existing systems or data, to deliver insights and business outcomes.

HybridNxT – Cloud Lifecycle Support Services

In a world where 'Cloud – First' approach is rapidly adopted by organizations, 3i Infotech helps enterprises move towards digital transformation with Hybrid Cloud, through the offering 'HybridNxT'.

To make the journey on the cloud seamless for enterprises, the Company also provides an interactive framework - '**CReAT' -** Cloud Readiness Assessment for Transformation, which is based on financial savings, responsiveness, business impact and compliance. This helps customers take decisions on their cloud journey. Customers can prioritise workloads to be migrated, as well as decide applications to be re-architected or re-engineered with minimum resources and maximum benefits to business.

Maggie – Your Virtual IT Engineer

Altiray™ recently launched **Maggie – Your Virtual IT Engineer**. Maggie is part of cognitive service desk that will help contact centres to address hundreds of user requests simultaneously while successfully meeting the expectations of the digital-age users anytime, from anywhere. Powered by Artificial Intelligence, and combined with Natural Language Interface, which helps it understand user queries and learn from past experience, Maggie reduces human intervention in communication and operations. Automating most of a company's IT Operations while being 100% risk free, Maggie is based on the framework that can be further customized with open Application Programming Interfaces (APIs) with technologies needed by enterprises of any size. A simulated engineering environment provides a user-centered, first-person perspective that enables users to interact with an engineered system naturally and provides users with an extensive range of accessible tools. With Maggie, the firm aims to resolve conversational requests automatically through more natural interactions over a chat as well as help to perform health-checks of infrastructure and applications using incident management automation.

Flexib

Flexib is a **Test Automation Framework** which offers performance, security and automation testing. Key features include

- Increased test coverage and improved quality of regression testing
- Comprehensive reporting to provide a quick update
- Easy to maintain / upgrade
- Integrated to Agile/DevOps environment

Altiray™ invests heavily in the areas of TaaS, DevOps, Agile, and CT (Continuous Testing framework) to meet the demands of enterprises. In the areas of TaaS, Agile, and CT, it has been able to deliver significant results to diverse clients. Software product companies which work the world over, have realized that CT is the key in achieving complete benefits of DevOps. Our competent quality engineering experts and partnerships with leading test automation and DevOps tool vendors put us in a very strong position to meet the expectations of modern day businesses. Our in-house developed **test automation framework** allows test scripts to be written, managed and automated in a flexible environment thus expediting the testing process. This is an open source hybrid automation framework which is built with Key word and Data Driven approach. It is easy to maintain and reduces duplication of code. The framework makes use of the Open source technology & tools to deliver Continuous Integration (CI)/ Continuous Testing (CT)/ Continuous Delivery (CD)

CLIENT SPEAK

“Congratulations to 3i Infotech team on first time rollout of newly developed “MFund® Plus” application for Mutual Funds! The application is working satisfactorily since its successful rollout at SBI Mutual Fund 8 months back. The new features such as configurable Limit module, Dealing Workflows, Multicurrency Support, Dashboards, Favorites, E-Mail & SMS scheduling capabilities and Seamless Interfacing with Fund Accounting application have helped in improving efficiency of managing Treasury Front Office operations. Users from Investment, Risk Management and Operation departments have adopted this new application for executing their day to day activities. Your team members have collaborated closely with our team resulting in smooth introduction of new features and capabilities. We look forward to continued support for an ever-increasing volume of transactions and also in introduction of new features in years to come” – **Mr. Binod Kumar Mishra, Chief Operating Officer, SBI Funds Management Private Limited**

“This is to formally inform you that the National Insurance Corporation of Eritrea has this afternoon on the 10th August 2017 declared “PREMIA® 11” as our admitted solution for our General Insurance. We are indeed happy to associate ourselves with 3i Infotech Ltd to secure one of the best solutions that will likely deliver all our needs. The success of the implementation of PREMIA® 11 would never have been possible without the meticulous work of your on-site team. The migration work was very challenging and at times painstaking but your team was able to successfully solve all the complications by working nonstop for around 18 hrs. Congratulations to all of you for achieving your goal on the commencement of the go-live and we are confident that you will ensure that our Company successfully implements the entire benefit of PREMIA® 11 within a short period of time. We understand we still have a long way to go, but with the cooperation and understanding of our both companies we are confident that we will be successful. Please keep it up!!” – **Zeru Woldemichael, General Manager/CEO, National Insurance Corporation of Eritrea**

“3i Infotech Ltd as a System Integrator has successfully implemented Standard Chartered Bank’s Enterprise System Solution that is running successfully in our Production environment since 2003. We are currently using their Loan Origination System which integrated/ shares/ exchanges data with CIBIL, Loan Management System, NBSM, ODS, IFRS and Data warehouse. Currently the systems are supported and we experience timely Delivery and Support. We consider 3i Infotech as our strategic partner and are happy with their services.” – **Pradeep Rathod, Head of Technology, Retail & Wealth, Standard Chartered Bank**.

“With the successful Go-Live of the GST Project, the team has done a fantastic job. I would like to thank each member of the team who played a key role in ensuring that we achieved this as per plan. This is also one of the biggest IT transitions that our country is going through where now all reporting, reconciliation etc will be done electronically – and the reporting now is much more detailed than ever before.” – **Vijay Sethi, CIO, Hero MotoCorp**

“We are pleased to record our appreciation for 3i Infotech’s Anti Money Laundering Solution – AMLOCK® & AMLOCK® SWIFT. We are thankful for the services rendered by your team and also the commitment displayed for ensuring the project delivery in a timely manner. Both the systems have gone live on 22nd May 2017 and it has enabled our institution to be compliant with the AML regulations of Mongolia. We are satisfied with the capability of the solution and appreciate the support given by your team in achieving the smooth Go-live operation. We are very happy to be associated with you for any future requirements of the bank. We look forward to your continued support in mutually helping to build each other’s businesses. We wish 3i Infotech all the best in its future endeavors.” – **Mandakh Sainbileg, Director – IT Division, Golomt Bank**

“I truly appreciate the efforts put in resolving the “Tax amount Wrongly Calculated” issue. The root cause was identified and the issue was fixed permanently resulting in the system becoming more robust. I will give credit to 3i Infotech as they have worked really hard to root fix many issues.” – **Mr. Frank Heyer, Supply Chain Director - Häfele**

"In the year 2001 Al Wathba National Insurance Company decided to deploy a new fully integrated system for its insurance operation and among 6 vendors we elected to go with "PREMIA®" and after almost 17 years we are continuously using it successfully. This was mainly driven by the mutual understanding that both Al Wathba and 3i Infotech has established and from there the support that was extended from 3i Infotech to us. We are now looking forward to go to the next level with 3i Infotech by moving to the new java technology which will bring our operation to the new level and closer to the Blockchain technology which we have already taken steps for implementation. The secret of the success of this relation lays on the understanding of both parties to the requirement of the other and from there the complete dedication of Al Wathba team for the successful implementation" **- Bassam A. Chilmeran, Chief Executive Officer, Al Wathba National Insurance Company**

"We are happy to put on record our appreciation on your contribution, support and assistance during the MFund® TMS Project especially during the UAT until Go-live. As mentioned in the launch event yesterday, without your support, we might not be able to get the TMS go-live on 29th Nov 2017. Having said that, we take a note that there are few more items pending on certain Reports & Letter as well as Task mailing. We are grateful to your willingness to work together with us until 10.30pm as well as on Saturday. Post-live of MFund® TMS, special credit and appreciation to be given for the team's contribution and commitment in managing and resolving outstanding issue. To sum it up, it has been a pleasure working with 3i Infotech on this MFund® TMS Project and we are looking forward for the same and even better cooperation, support and commitment from 3i Infotech for the next stage of MFund® Plus Project." **- Amir Tarmizi Bin Abdul Hamid, Senior Manager, Operations Department, Amanahraya Trustees Berhad**

"It is with much pride and confidence we reiterate once again that the collective wisdom of the selectors who selected the applications from 3i Infotech have been proved right. The functions, capabilities and scalability of the application has given us distinct edge in business and working with 3i Infotech's support team as well as management has been a delight over past so many years. We wish all the best to 3i Infotech in their endeavor to keep creating new benchmarks in their pursuit of limitless excellence." – **M Tasin Junaidi, Manager - IT & Projects, Saudi Fransi Leasing Company**

"National Takaful Insurance Company K.S.C.C started our journey with 3i infotech from 2005 as End-to-End IT Solution Partner. We extended our support to upgrade the PREMIA® General Insurance Solution on 2014 to get the complete benefits of the new functionalities offered and Increase service quality, efficiency and Security of customer data. We are using PREMIA® General Insurance, Medical and life system with DMS and Workflow functions. Best wishes to 3i Infotech to have a great success in future." – **Youssef Ghali , Acting CEO , National Takaful Insurance Company K.S.C.C.**

"Dear Team, I wanted to wish all of you a very healthy and prosperous New Year. It has been my honor to have worked side by side such talented workers over the last few years. 2017 was our best year together, as I feel we truly worked well "as a team", and we came up with innovated ideas and solutions to further our resolve. We have a very busy and important year this year. Let's keep the great momentum going!" **- Zachary Dall, VP, Deposits QA, Synchrony Bank**

"It is my pleasure to inform you that Access Bank is delighted to have 3i Infotech as our preferred vendor for Kastle® Treasury & ULS applications. We started this journey several years ago as we found that your products met with the requirement of the bank. With the pace of time & evolving technology, we have seen the products getting enhanced. After several evaluations and discussions, we decided to upgrade the Treasury solution, which we found is very futuristic and shall cover our requirements for the forthcoming years. The delivery of the solution was seamless and much before time which reaffirms our confidence in 3i Infotech. We wish you all the best for all future endeavors." **- Bipul Deka, Senior Banking Advisor, Access Bank**

"As companies evolve, so too does the technology that underpins their operations. 3i Infotech's PREMIA® platform enables insurance companies to harmoniously bring together the technology used across their operational landscapes – all within a single, integrated platform." **- Tareq Absi, CEO, Methaq Takaful**

"The ORION® ERP Suite currently serves as the backbone of all our organisation's operations." – **Arun Singh, IT Director, Mega Lifesciences**

"We have been using AMLOCK® solution from 3i Infotech since 2013. We find the functionalities embedded in the solution easy to use and it is meeting our regulatory requirements. The support services rendered by them are also responsive." – **Lim Kok-heong, Dave, Head of Compliance, Bank of East Asia**

"Congratulations to you and your team for opening highest number of accounts in the month of November 2017. It gave us lot of confidence to target for higher numbers, as 26K plus accounts were opened in the month of November without much hassle." **- Mukul Rathi, Executive Vice President, Kotak Securities**

"We use 3i Infotech's Kastle® Universal Lending System (ULS) and Factoring system system for loan application process in our global branch. It provides on-time implementation for our credit strategy and good service to us." – **Farwen Wang – Vice President IT Department – CTBC Bank**

"3i Infotech Team delivered the GI E-portal for our Motor, Fire, General Accident and Marine Hull line of business. With this delivery, we expect quick turnaround from our broker business as well as more efficient service deliver. The GI E-portal will help us achieve a significant foot print in the digital market. The team has done a fantastic job for this E-portal delivery and the E-portal is currently very well supported by them from Core perspective." **- Sunganani Kalizang'oma, Risk and Compliance Manager, NICO Technologies Limited**

"3i Infotech has done a commendable job in adhering to the tight schedule for roll out of ORION® 11j upgrade. We are confident that the Go-Live will be successful." **- Srikrishna Ganeshan, General Manager, Al Ghandi General Trading LLC**

"We have been using PREMIA® as our core P&C insurance system since 2001. Over the years, PREMIA® has proved to be a reliable platform to manage our insurance operations, which helped us in achieving our business goals. We are happy to have 3i Infotech as our IT partner who has a clear understanding of our requirements." – **Omer Hassan Elamin, President - Orient Group, Orient Insurance PJSC**

"Congratulations and thanks on the successful GO LIVE of JDOL solution for the Tradeflow platform. The GO LIVE was very smooth owing to the great support offered by your team. Well-coordinated efforts of your team made GO LIVE easier and we could meet the aggressive deadlines. Really appreciate the hard work of the 3i Infotech team." **- Sheetal Dangey, Senior Operations Manager, Dubai Multi Commodities Centre (DMCC)**

"The National Bank of Belize Limited has had the pleasure of working with 3i Infotech on the implementation of Kastle® Core banking solution. The onsite support provided during the project design and implementation was indispensable as 3i Infotech's onsite team provided both technical and practical solutions to our implementation team (bank side). Additionally the 24 hours offsite support was critical to the success of our data migration. Four years after implementation we continue to receive quality support and have implemented a new Automated Payment System module which is a testament to their customization abilities." **- Gemayel Babb, Innovation and Project Manager, National Bank of Belize Limited**

"The real thanks goes out to the 3i Infotech team & GGI IT team for their hard dedicated efforts working late nights & weekends to ensure that the project is delivered successfully." **- Mr. Mostafa Daftardar, Risk Manager, Gulf General Cooperative Insurance Company**

"Highly appreciate the efforts of everyone to get the setup up and running as it was very crucial for us to get the systems up for the actual reason why it was taken as the teams are in the final phase of testing the application and the support given by 3i Infotech team in troubleshooting and arranging the server and then the parts is highly commendable being a Sunday along with our Sysadmin and together the team worked well in collaboration to get the setup up and running. Thank you once again and keep doing the great job all." - **Rohit Suvarna, Senior Manager, National Commodity & Derivatives Exchange Limited (NCDEX)**

"The implementation of Motor quote portal was unique for us since it included integrations with external data providers like Najm and Yakeen. 3i Infotech took necessary steps brought the right captain and fleet members to steer the ship. We'd like to thank the 3i Infotech PREMIA® team who took the necessary actions and did more than expected to get this project up and running." – **Noman Peracha, System Analyst, Alinma Tokio Marine (ATMC)**

"Bank of India has been using AMLOCK® – an AML Solution from 3i Infotech Limited since 2008. They have supplied us the Application software along with h/w and system software. The product is running well. The new features, in the upgraded AML solution along with h/w and system software is live, running well and currently under AMC contract. The AMLOCK® software meets all the regulatory requirements including provisions under PML Act and complies with RBI regulatory guidelines. The Delivery and Support is consistent & the team is easily accessible for resolution of issues and /or any new requirement directed by the regulatory authorities and as and when needed by Bank." - **Arvind Verma, GM Compliance, Bank of India**

"ZB Life takes this opportunity to commend the 3i Infotech team for partnering us in implementing the PREMIA® Individual Life system. We believe investing in the 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. As ZB Life we are also impressed by the support and responsiveness of 3i Infotech's consultants from the initiation of the project. Now we are LIVE with PREMIA® Individual Life module and when implementation of remaining modules is complete, the system should lay a solid foundation for the realisation of our digitisation objectives." - **Fungai Marangwanda, Head - Marketing and Sales, ZB Life Insurance**

"On behalf of Bahrain Credit Management, I would like to thank 3i Infotech team that helped us in achieving the PCI certification. The team worked hard with us day and night to achieve this objective and CBB requirements." - **Ali Al Marzooq, VP – IT, Bahrain Credit**

"Congratulations on processing 47K volume in November month which is highest in the span of last 2 years and looking forward for more increased volume processing in coming months with more accuracy. We had observed that since last 1 year capacity and performance of Kotak process at 3i Infotech has shown upward trend. We remember that before one year we were struggling with 3i Infotech Team for handling our increased volume. Really appreciate the efforts taken for streamlining the process with lots of planning, system changes and foresightedness in seeing the things the Kotak way. Expecting such momentum will continue going ahead for long lasting relationship." - **Sijo Jose, Senior Manager, Kotak Bank**

"We appreciate the efforts of 3i Infotech's team in completing the various projects and activities on time. We congratulate and wholeheartedly thank each and every person in the 3i Infotech team who made this happen, and expect the same amount of support in the coming days too. Once again thanks and please pass this along to all your team members!" – **Rupesh Sarmalkar, Hosting Platform Services & ServiceDesk, Bayer CropScience Limited**

“ACIG has seen a steady business growth since 2007 in the Insurance Market. Our IT Department is set up with a state of the art facility & support structure to help us serve our clients and partners better, We have been using 3i Infotech’s PREMIA® Insurance Solution over last 10 years for general line of business and it helps us to meet the diversified needs of our clients, Recently we enhanced few functionalities like integration to other systems and VAT. ACIG wishes 3i Infotech for every success in future.” – **Eng. Magdi OMRAN, Senior IT Consultant, Allied Cooperative Insurance Group (ACIG)**

“Our heartiest congratulations to the entire 3i Infotech BPO team for processing the highest number of cases in the month of November 2017. Appreciate the efforts of the entire team to ensure we achieve the numbers. Looking forward to the team providing the same dedication and hard work to support us for the next quarter.” **- Binu Korembeth, Chief Manager - Business Process Reengineering, Dewan Housing Finance Corporation Ltd. (DHFL**)

“We are using Kastle® ULS, ORION® ERP and Enterprise DMS Solution since 2015 from 3i Infotech Limited. They have supplied the application & the same has been implemented and running in our production environment. The application meets our requirement. The delivery and support is consistent & the team is easily accessible.” – **Jayakrishnan.P., Associate Vice President, Muthoot Pappachan Technologies**

“Thanks a ton for all the help extended. The commitment shown by the team to meet this business exigency by ensuring a continuous 36 hour shift is commendable. We would be unable to fulfill our targets without this consistent support from the team. Kudos to the team once again for delivering before the prescribed timelines despite constraints.” – **Snehil Trivedi, Product Manager, ICICI Bank**

“On behalf of the entire management of Enaya, I would like to congratulate you all on the successful completion of technology vulnerabilities associated, single user credentials and password management, compliance with IT audit strategies and ease of user access. The project marks one of the major landmark and greatest achievement and we anticipate further growth and new projects in the near future. The dedication, hard work and extra hours that you all have put in during the past 4 months have made us all see this great successful day. Also we extend big thanks for the entire team of GDC-DBA, CR and support team to address all our bugs, issues to maintain our smooth go live process plus post live support. We are so proud of each and every one and hope that the direction this team has taken will remain so far for the next upcoming projects as well. Thank you once again for being a wonderful team!” – **Mohamed Chouchani, AGM – IT & Ops, Enaya Insurance Company**

EMPLOYEE SPEAK

“Being a part of 3i Infotech is a great opportunity for me. I had no experience of working with a large organisation when I joined 3i Infotech and it was a major stress point for me then. But on my first day at work, I was surrounded by likeminded colleagues, workmates who motivated and supported me. In my tenure, I have had great pleasure sharing my achievements and failures with them. This is my second family as I spend considerable time here. I wish each and every one the best.” **- Ashok Pawar, Senior Manager, Securities and Brokerage Technology Group, 3i Infotech Ltd.**

“The thing I appreciate most about 3i Infotech is that it gives me the opportunity to strike a perfect balance between work and personal life. The company gives me the chance to work in a pleasant multicultural environment. The management team is very good and makes sure that the suggestions and opinions of employees are considered in the company’s planning process. I am proud to be a part of 3i Infotech” **- Keshwanand Sharma, Technical Lead, 3i Infotech Ltd.**

“3i Infotech provides a flexible work environment. It is the kind of atmosphere in which people can develop and make a difference. The communication between management and staff is always open and free. The company offers many growth and development opportunities and a chance to think out of the box and find new ways to achieve the best results for customers. It’s exciting and motivating to be a part of this ever-expanding company. It is for these reasons that I am happy to be here for almost fourteen years now!” **- Lokendra Gupta, Senior Project Manager, 3i Infotech Ltd.**

“3i Infotech provides a very positive atmosphere which was evident in the short period of time I have spent here. My colleagues are very friendly and cooperative. This is an organization with strong business ethics providing solid benefits and equal opportunities for professional development. The management and seniors have clear goals and the vitality that flows from top to bottom influences everyone to work towards a common goal to take the organization to the pinnacle of success. It has been very exciting to work at 3i Infotech and to be a part of challenges, changes and pleasant surprises.” **- Himanshu Agarwal, Program Manager, Services, 3i Infotech Ltd.**

“3i Infotech is a company with vast opportunities. My journey started in 2004 as a developer and in the last 14 years I have grown with the company. During my journey, the Management team has been a pillar of strength. The most important thing I’ve learnt here is “It’s not what you achieve, it’s what you overcome”. During my tenure, I have been involved across product development, implementation and management. The working environment here gives one the flexibility to explore new things and work independently.” **- Deepak Kumar, Associate Vice President, Banking, 3i Infotech Ltd.**

“I started my career with 3i Infotech in December 2004. The company provides plenty of opportunities to work on various products and technologies in the banking domain. Talented colleagues provide a challenging environment and the motivation to perform better. We discuss our work and this has helped me to explore multiple options and deliver better output. Senior management and other staff are easily accessible, which makes it easy to take appropriate and timely decisions.” **- Ravi Mirani, Technical Architect, Banking, 3i Infotech Ltd.**

“I started my career with 3i Infotech in 2006. Being an “Equal Opportunity” global MNC, 3i Infotech provides me freedom of expression, opportunities to learn and grow in a multicultural competitive environment. My good work is always appreciated, which feels good. Each organization has its highs and lows. 3i Infotech’s highs have always outweighed the lows. I am proud to be part of this great organisation which has been instrumental in my professional development.” **- Varun Soni, Manager, Banking, 3i Infotech (APAC)**

"When I joined 3i Infotech back in 2005, it was exciting to be part of the company and of a team of a fast evolving product like ORION® ERP. After 13 years, my excitement is still unbridled, thanks to my colleagues and the leadership. Through its ups and downs over the past decade, 3i Infotech has maintained its DNA – a culture that allows one to be driven, to pursue multiple opportunities, and to achieve organizational and personal goals simultaneously. I myself have gained exposure to processes under different roles in product development, customization, support, implementation, project management, program management, and on-site across Asia Pacific, Middle East, Africa and Europe. I am very grateful to 3i Infotech for the enriching journey." **– Ashok G, Associate Vice President, ERP, 3i Infotech Ltd.**

"I have been with 3i Infotech since 2008. 3i Infotech is a place where one can work passionately and dare to dream big. There are no limitations to growth and I've always been encouraged to improve my knowledge and develop new skills. No day is the same and it is this variety that makes working at 3i Infotech really enjoyable. Moreover, 3i Infotech is like an extended family and colleagues share a camaraderie and bond that is unique. We are now at a time of rapid growth which leads to exciting new global opportunities. This is a stimulating time to be working at 3i Infotech and I look forward to the opportunities and challenges that come with the expansion of business." **- Prashant Rao, Head Enterprise Technology Group & Information Security, 3i Infotech Ltd.**

"My professional journey started with 3i Infotech Limited 7 years ago. It is a company where you get the freedom at work and a very positive environment. I have great support and guidance from the seniors and co-workers. 3i Infotech is not only a company, but a family, where we work, learn and achieve together. I am proud to be a part of 3i Infotech." **- Kanchan Shewale, Associate, Enterprise Technology Group, 3i Infotech Consultancy Services Ltd.**

"I have been associated with 3i Infotech since the year 2000. 3i Infotech has great values and offers an open and flexible work place with support to learn and grow. The day to day challenges seem manageable with support from mentors, colleagues and also an excellent work culture. This boosts us to give our best at all times. I feel good to be a part of such a wonderful organization and look forward to continued growth with 3i Infotech." – **Selma Davis, Manager, MD's Office, 3i Infotech Ltd.**

"I have been working with 3i Infotech Ltd for over 3.5 years now. It is my first job and this company has provided me with such an amazing platform to grow and develop my professional skills. I am very glad to have a motivating supervisor and talented team who provide me the guidance and support whenever I need. I also appreciate the opportunity given to me for achieving personal growth. It's a great experience to work in this organization and I hope to have the same support and guidance in future." **- Praful Salunkhe - Revenue Assurance, Finance & Accounts, 3i Infotech Ltd.**

"I have been with 3i Infotech for the last 5 years and the organization has become more than a mere employer to me. Here is an organization which focuses strongly on "customer-centricity" and "employee-centricity". Employee care, great and satisfying job content, good managers, open door policy, opportunities to operate out of our comfort zones, easily approachable executives, all this has led to a very fulfilling as well as enriching experience and has made me a better professional." – **Shilpa Bhatia, Senior Manager - Corporate HR, 3i Infotech Ltd.**

"Working at 3i Infotech is a great pleasure for me. The thing I value most about the company is that it has given me the opportunity to balance work and life by allowing flexible hours. In 3i Infotech, I get to work in a good multi-cultural environment and have very nice colleagues from different parts of India. Since joining 3i Infotech in 2006, I have had many opportunities to develop my technical & managerial skills and my industry knowledge." – **R. Harirajesh, Technical Manager - ERP, 3i Infotech Ltd.**

"Senior Management's openness to initiatives and the independence provided to employees are some of the key motivators here. I joined 3i Infotech in 2004 as an IIT Madras campus recruit. From a software engineer, I have climbed the rungs of management. In the last 14 years, I had different roles in software testing, customer support, large scale e-governance projects, leading engineering and solutions to being the global delivery head of

Insurance practice. This coupled with the support and space given to fulfill my academic enhancements shows the importance Management gives to employee growth and this surely requires a special mention." **- Kishore Kanna.N Global Delivery head –Insurance, 3i Infotech Ltd.**

"I have been with 3i Infotech from the year 2008. In the last 10 years, I have received all the opportunities one can expect to grow in the organization. The guidance and support from the seniors have helped me to learn and use new technologies, business functionalities and have enabled me to face challenges. In my experience I find 3i Infotech as the best place to work. Thank you 3i Infotech." **– Manoj Kumar Sahu, Technical Manager, Insurance, 3i Infotech Ltd.**

"To be a 3i Infotech family member for 10 years makes me proud. 3i Infotech provides me the opportunity to interact with clients from different countries, which I thoroughly enjoy, as it gives me the opportunity to learn the varied insurance practice across the globe and thereby enhance our PREMIA® product. 3i Infotech has helped boost my career with exciting and challenging projects including the new PREMIA® 11J development. The management team is good and ensures that employees' views are considered at every juncture. Every single employee thus has a stake in the company's success." **- PR Geetha, Senior Insurance Consultant, Insurance, 3i Infotech Ltd.**

"Achieving together as a team is not only a practice, but a culture in 3i Infotech. The positive work environment makes work engaging. No matter what your background, 3i Infotech makes sure you touch the sky and fly beyond. It strengthens you as an individual." - **Raghuram Ananthapadmanabhan, Associate Vice President, Insurance, 3i Infotech Ltd.**

"I started my 3i Infotech career when the company was known as "ICICI Infotech". At that time, the company had more of a regional footprint but has now grown to a global company. The company has gone through a difficult phase, but what is most appreciable is that during the tough times, it was always supportive of its employees and provided whatever aid was required. The Company's strategy today for specific domains and services is being well planned and executed. With an established and strong industry expertise and product technology upgrades, I am sure we would also be known for our innovative solutions in addition to our technical and domain expertise." **- Srikanth B, Deputy Vice-President, Insurance, 3i Infotech Ltd.**

"I have been working with 3i Infotech for the past three years. I find this a great place to work. It provides an amazing culture as well as ample opportunities to enhance one's skills. It nurtures new talent and gives opportunity to learn at the grass root level and also offers perfect work and personal life balance. Last but not the least, the seniors are highly motivated and easily approachable. I also appreciate the open-door policy that the organization has, which brings a lot of positive energy in the teams. In a nutshell, 3i Infotech is a combination of values, beliefs, vision, systems and habits that the organization and its employee share." **- Geetika Brijwani, Business Analyst, Banking, 3i Infotech Ltd.**

"A decision 5 years ago to join 3i Infotech meant a career full of opportunities. There are continuous learning opportunities here which help me to achieve the growth I desire. The work atmosphere is good and good work is always acknowledged. I am grateful to the management for having faith in my abilities and giving me the chance to contribute to the organization." **– Santoshini Pal, Associate, Finance & Accounting, 3i Infotech Ltd.**

"3i Infotech provides an environment where everyone is allowed to share their views openly. Views and opinions for improvement are positively considered, be they regards the organization's business direction, improving people processes or individual growth. The cohesiveness amongst employees irrespective of their hierarchy or role is worth mentioning. This spurs a natural bonding in the workplace which is not a common phenomenon today. I have enjoyed every day of the last 7 months since I joined here." – **Surajit Biswas, E-Governanace Solution – Head, 3i Infotech Ltd.**

"I must say that I really enjoyed my 12 years in the company. The 'Refreshed' Avatar of the company motivates us to provide customer-centric services with cutting edge technology to the customers with an emphasis on Limitless Excellence….." **- Susheel Sharma, Sr. Project Manager-Business Intelligence and Analytics, 3i Infotech Ltd.**

"At the onset, I had limited knowledge on the strengths of 3i Infotech as a company and was taken by great surprise to see the talent pool and offerings that we have. I see a sense of company loyalty from team members here, mixed with bona fide job satisfaction. There is great energy from the top down and I am glad to see they invest in the employees' development that inspires both growth and learning." - **Jagadish Machaiah, Sales Head – MEA Services, 3i Infotech FZ LLC**

"It's been a splendid experience being a part of 3i Infotech since 2011. 3i Infotech boasts of the best product range which has given me an ever evolving career in ORION® ERP business unit. Managing projects across different business verticals in the MEA region has helped me gain extensive business process knowledge, product insight and diverse experiences. Working with a group of talented and motivated individuals makes delivering excellence an everyday task. No day is exactly like the one before. The one thing I like is that each morning brings a new challenge and a new opportunity to learn." **- Pravin Kumar, Senior Manager – ERP, 3i Infotech FZ LLC**

"My journey with 3i Infotech started 4 years back. It is in 3i Infotech's culture and DNA to take care of its employees. Its commitment to its employees is evident in timely growth opportunities which is the best ROI. The leadership in 3i Infotech has successfully showcased the commitment towards the betterment of the employees and has made it an exceptional place to work. Of my experience spreading over 18 years, 3i Infotech has been one of the most amiable places to work in." **- Jatinder Bedi – Business Development, Africa, Europe & UK , 3i Infotech FZ LLC**

"I started my career with 3i Infotech over 10 years ago. Throughout these years, I got ample opportunities to learn, grow and nurture my professional career. I have been given freedom to take business decisions, implement ideas, share opinions, which helps an employee to see himself/herself as an entrepreneur in his/her role. 3i Infotech provides a healthy environment to learn and practice corporate principles. The culture at 3i Infotech is the key differentiator in defining who we are. I take pride in being associated with 3i Infotech which values freedom and encourages stewardship." **- Harkaran Singh – Vice President (Insurance Sales), 3i Infotech FZ LLC**

"Businesses are transforming to be more agile, collaborative and customer oriented. As a part of 3i Infotech leadership, I have a front row access to work with prospects and customers while assisting their digital adoption journey. The journey in 3i Infotech in this regard is exciting as we are building the future while moving the teams, organization and customer towards a common goal called success." **- Nilesh Gupta, Vice President & Global Head – Infrastructure Management Services, 3i Infotech Ltd.**

"I have been with 3i Infotech since April 2017. This is my second stint with the company, having been here earlier from January 2004 to August 2011. 3i Infotech is a strong, solid, stable company that has withstood and excelled during the difficult times. The company offers avenues for personal advancement and career growth. It nurtures leadership in each employee and encourages the entrepreneurial spirit in each. The atmosphere is positive and friendly. Active participation and differing opinions are encouraged. The company offers competitive pay packages, excellent benefits and an excellent work-life balance. 3i Infotech is a company where each employee counts. The company scores a perfect ten on all counts" **- Kiran Ramarao, Sales Director - IT Services, 3i Infotech Inc.**

"I have been working with 3i Infotech for the past 8 years and over these 8 years, 3i Infotech has been instrumental in my growth as a professional. At 3i Infotech, I have been fortunate enough to work with true professionals and some of the most brilliant minds. Throughout my stint with 3i Infotech, I have had many opportunities for growth with the support of all my seniors and professional colleagues. It has been a very nice experience to work at and be a part of 3i Infotech." **– Meenal Dandekar, Manager, Legal & Compliance Group, 3i Infotech Ltd.**

"At 3i Infotech, every team member plays a valuable role in ensuring we "hit the right note" with our customers through delivery of excellent, on-time solutions. We all embrace the 3i Infotech's Core Values, Mission, and Vision. We honor a positive "can do" attitude and willingness to "think outside the box" because we know these vital skills yield innovative solutions. 3i Infotech is a company that operates with a positive attitude. The Management care about their customers and employees, working considerately and competently with both to enable them to succeed. They also maintain a corporate culture that demonstrates high ethics and values as well as make the employees feel appreciated, supported, and proud of their work." **- Sundararaman Gangadharan – Sr. Delivery Manager, 3i Infotech Inc.**

"I have been in 3i Infotech for close to 11 months and very impressed with the team and the culture here. This made me comfortable to start and implement my business strategies from the first day. What I like most is the combination of the new and old teams here which works very well." – **Srinivasan Rengarajan, VP & Global Head of Data Science and Analytics, 3i Infotech Ltd.**

"I started working at 3i Infotech in the Business Intelligence and Analytics Services Department last year. Having worked with some IT giants in the past, the kind of dynamic work culture I experience here is overwhelming. With extremely innovative and encouraging leaders and a bunch of creative co-workers, you also tend to put the best foot forward. Work here is extremely dynamic. You talk about any emerging technologies in the market; we have it all being worked upon here. I feel the employees' work is always recognized - never overlooked here. The atmosphere at 3i Infotech is one of cooperation and support, which I think is rare in today's workplace." **– Tina Dasgupta, Lead consultant - Data and Analytics, 3i Infotech Ltd.**

"I have been working in 3i Infotech Limited since 13 years as the QA Lead. During this great journey, I observed 3i Infotech's proficiency with every new technology. According to me, 3i Infotech is well focused on people, processes and technology and is proactive in meeting customers' requirements. 3i Infotech gives equal weightage to work and pleasure. We have Gyankosh Training programs where we can garner valuable learnings on the latest technologies as well as cultural events during festivals with exciting games and prizes, various sporting activities where employees can show their talent and enjoy themselves." **- Piyush Prajapati, QA Lead, 3i Infotech Ltd.**

Contents

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR 2017-18

Dear Shareholders,

Your Directors present the Twenty Fifth Annual Report (the "Report") of the Company along with the Audited Financial Statements for the year ended March 31, 2018.

OVERVIEW

The Management is pleased to inform the shareholders that your Company has completed 2 years of consecutive good performance after the Debt Restructuring Scheme (DRS) presented to the Lenders during FY 2015-16. Your Company has earned revenue of ₹991.19 crores and EBIDTA of ₹156.14 crores for financial year ended March 31, 2018 on a consolidated basis.

During the year, your Company has made prepayment of ₹97.66 crores to its Lenders out of total debt of ₹468.83 crores. With this pre-payment, the Company has now prepaid 15 months of Principal Debt to its Lenders, which represents 20.83% of its Outstanding Debt to Lenders. The Company continues to service its Lenders on a regular basis effective from the date of implementation of DRS i.e. from April 1, 2016.

During the year, CRISIL Limited has upgraded the credit rating of the Company from "CRISIL D" to "CRISIL BB/stable" in respect of the bank loan facilities. Recently, the credit rating has been further upgraded "BBB-/Stable" (Investment Grade as per RBI Circular No. RBI/2017-18/131 dated February 12, 2018 on 'Resolution of Stressed Assets – Revised Framework').

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. While retaining our core values of Innovation, Insight and Integrity, our aim is to serve our customers, above and beyond their expectations. To signal this transformation, our brand identity has undergone a makeover to reflect our invigorated philosophy. On February 2, 2018, your Company has launched new logo pursuant to the re-branding exercise carried out by the Company. Your Company's new brand identity represents its ongoing transition into a company with distinctive portfolio of IT Products and Services that competes in key growth markets. Your Company`s new tagline "Limitless Excellence" aims to represent its passion and zeal to go beyond the expected and deliver extraordinary levels of performance using combination of evolved products and services, exceptional customer engagement and deeper industry expertise.

Your Company has also introduced its new brand "Altiray™" for the services portfolio during the year. This new services brand Altiray reflects strengths and commitment to perform above expectations and enabling our clients to soar high above their challenges.

Financial Performance of the Company on Standalone and Consolidated basis:

₹ in crores

Particulars	Standalone		Consolidated	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Total Revenue (I)	294.72	344.87	1,010.43	1,055.91
Total Expenses (II)	381.43	253.78	930.95	953.33
Profit / (Loss) before Tax (I-II)	**(86.71)**	**91.09**	**79.48**	**102.58**
Tax expense				
Current Tax	-	-	7.40	5.84
Deferred Tax	-	(1.49)	0.43	0.27
Adjustment of tax relating to earlier periods	-	0.32	0.54	2.40
Profit / (Loss) for the year	**(86.71)**	**92.26**	**71.11**	**94.07**
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	(0.82)	4.32	0.50	7.01
Income tax effect	-	(1.49)	-	(0.43)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
B. Other Comprehensive income to be reclassified to profit and loss in subsequent years:	-	-	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(0.82)**	**2.83**	**0.50**	**6.58**
Total Comprehensive income for the year	**(87.53)**	**95.09**	**71.61**	**100.65**
Profit for the year attributable to:				
Equity holders of the parent	-	-	**70.40**	94.73
Non-controlling interests	-	-	0.71	(0.66)
Other Comprehensive income for the year attributable to:				
Equity holders of the parent	-	-	**0.50**	**6.58**
Non-controlling interests	-	-	-	-
Total Comprehensive income for the year attributable to:				
Equity holders of the parent	-	-	70.90	101.31
Non-controlling interests	-	-	0.71	(0.66)
Earnings per equity share for profit attributable to equity shareholders				
Basic EPS	(0.54)	0.75	0.44	0.77
Diluted EPS	(0.54)	0.75	0.44	0.77

Standalone sales and other income for FY 2017-18 stood at ₹294.72 crores as against ₹344.87 crores for FY 2016-17. On a consolidated basis, sales and other income for FY 2017-18 stood at ₹1,010.43 crores as against ₹1,055.91 crores for FY 2016-17. After meeting all expenditures, though the Company made a total comprehensive income of ₹71.61 crores on a consolidated basis, there was a loss of ₹ 87.53 crores on a 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 issued 0.10% Cumulative Non-Convertible Redeemable Preference Shares of face value ₹5/- each ("Class B Preference Shares") to the Lenders at par as per the terms of DRS. An amount of ₹9,288,862 was paid as preference dividend to Class B Preference Shareholders on preference shares issued upto March 31, 2018. The payment of the abovementioned dividend was made as part of the contractual obligations of the Company with respect to the issue of these preference shares.

The Company has also paid a dividend of ₹395,343 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 period from April 1, 2012 to April 30, 2018.

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 view of this fact, your Directors regret to state their inability to recommend any dividend on equity shares for the financial year ended March 31, 2018.

BUSINESS

Your 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 a 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%.

Your Company has presence in 50 countries across six operational geographies, viz. South Asia, Asia Pacific (APAC), Middle East and Africa (MEA), Kingdom of Saudi Arabia (KSA), Western Europe (WE) and North America (US). Your Company has marketing network around the world, including US, WE, MEA and APAC. The business of your 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 Financial Software Inc, a US based step-down subsidiary of the Company was merged with 3i Infotech Inc, another US based step-down subsidiary of the Company effective December 31, 2017. As on March 31, 2018, the number of subsidiaries are 22 (twenty two).

3i Infotech Software Solutions LLC was incorporated as a step-down subsidiary on May 15, 2018 to tap business opportunities in Dubai Mainland, UAE.

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 financial statements of the Company, consolidated financial statements 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 disclosure are given under the notes to standalone financial statements which form part of this Report.

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 Company's operation in future.

REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Report along with auditors' certificate thereon in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") read with Schedule V of SEBI LODR is 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 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*.

CAPITAL

a) Preference Share Capital:

During the year under review, as per the terms of DRS, the Company had allotted Class B Preference Shares of face value of ₹5/- each at par to its Lenders.

Details of the allotments are as follows:

Date of Allotment	No. of Class B Preference Shares allotted
May 31, 2017	29,761,872
September 27, 2017	78,183,606
January 15, 2018	444,982,211
February 7, 2018	25,638,620
March 7, 2018	3,684,800
TOTAL	**582,251,109**

After taking into account the above allotments, the preference share capital of the Company as on March 31, 2018 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) Allotments under Employees Stock Option Schemes (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	Value of FCCBs converted (USD)	Date of allotment	Number of Equity Shares allotted	Fixed Foreign Exchange Conversion Rate (in ₹)	Issue Price (in ₹)	Premium (in ₹)
XS1423751418	6,034,014	June 8, 2017	40,021,201	66.326	10	-
XS0308551166	25,000	August 17, 2017	6,148	40.81	165.935	155.935
XS0769181982	345,750	December 21, 2017	1,064,298	50.7908	16.50	6.50
XS1423751418	1,00,000	March 22, 2018	530,608	66.326	12.50	2.50
XS0769181982	3,250	March 22, 2018	10,004	50.7908	16.50	6.50
Total	6,508,014	-	41,632,259	-	-	-

3) Allotments of Equity Shares under the Debt Realignment Scheme (DRS) Package:

During the year under review, the Company has allotted 390,074,516 Equity Shares to some of 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 ("DRS Lenders") as per the terms of DRS package, the details of which are as follows:

Date of Allotment	No. of Shares allotted
April 19, 2017	13,468,574
May 31, 2017	48,855,774
September 27, 2017	47,084,567
January 15, 2018	263,909,361
February 7, 2018	14,650,640
March 7, 2018	2,105,600
TOTAL	**390,074,516**

As a result of the aforesaid allotments, the paid-up and issued equity share capital of the Company stands at ₹16,153,581,780 as on March 31, 2018.

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/POLICY CELL/2/2015) dated June 16, 2015 relating to requirements specified under the SEBI (Share Based Employee Benefits) Regulations 2014, details of the ESOS of the Company are given in *Annexure III* to this Report.

PUBLIC DEPOSITS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

During the year under review, pursuant to withdrawal of Nomination by IDBI Bank Limited, Mr. Shantanu Prasad resigned as Nominee Director with effect from January 12, 2018. Further, Mr. Gautam Dutta was appointed as Nominee Director (IDBI Bank Limited) on January 12, 2018 pursuant to nomination by IDBI Bank Limited.

The Directors place on record their sincere appreciation towards services rendered by Mr. Shantanu Prasad during his tenure as Nominee Director of the Company.

In accordance with Section 152 (6) and other applicable provisions of Companies Act, 2013, Ms. Sarojini Dikhale (DIN: 02755309), being a Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting (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 the 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 2017-18.

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 2017-18, 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 SEBI LODR and Section 149 (7) of the Act, that he meets the criteria of independence laid down in Section 149 (6) of the Act.

NUMBER OF MEETINGS OF THE BOARD

Five meetings of the Board of Directors were held during the year. The details of the same are given in 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. The Company has in place all such policies, the list of which is given below:

- Whistle Blower Policy;
- Policy relating to Remuneration of Directors, Key Managerial Personnel and other Key Employees;
- Corporate Social Responsibility Policy;
- Policy for determining Material Subsidiaries;
- Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions;
- Policy for Board Diversity and
- Policy for Preservation of Documents.

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

In terms of the provisions of the Act and SEBI LODR, your Company has laid down criteria for performance evaluation of Directors and Chairman of the Board and also the evaluation process for the same. 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 of Directors 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 individual Directors were evaluated at the meeting of the Committee of the Independent Directors and the Board of Directors held on April 23, 2018.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

As per provisions of SEBI LODR and the Act, the Company has formulated Familiarization Programme for Independent Directors. 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.

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

As on date of this Report, the Board has four committees:

i. Audit Committee

ii. Nomination and Remuneration Committee

iii. Stakeholders' Relationship Committee

iv. Corporate Social Responsibility Committee

As per Regulation 21 of SEBI LODR, the Board needs to constitute Risk Management Committee, wherein majority of the Members of Risk Management Committee should consist of Members of Board. This regulation is applicable only to top 100 listed entities, determined on the basis of market capitalization, as at the end of the preceding financial year. Since your Company is not amongst top 100 listed entities, your Company has not constituted a Risk Management Committee.

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 address the functioning of the vigil mechanism as mandated by the Act and assist the Audit Committee thereunder.

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

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

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 years, subject to ratification of their appointment at every Annual General Meeting.

The Audit Committee and the Board recommend ratification of appointment of M/s. GMJ & Co., Chartered Accountants as Statutory Auditors of the Company till the conclusion of 26th Annual General Meeting of the Company. The Company has received letter from statutory auditors that their re-appointment, if made, would be within limits as prescribed under Section 141 (3)(g) of Companies Act, 2013 and they are not disqualified for re-appointment.

AUDITOR`S REPORT

The Auditor`s Report does not contain any qualifications, reservations or adverse remarks. However, there is an emphasis of matter in the Auditor`s Report on standalone financial statements for the year ended March 31, 2018 with respect to the remuneration paid to the Managing Director and Global CEO of the Company during financial year 2016-17. Your Directors would like to inform you that the remuneration paid / provided to the Managing Director and Global CEO for the financial year 2016-17 has been approved by both the shareholders as well as lenders of the Company. This remuneration was in excess of the limits prescribed under the erstwhile Section 197 of the Companies Act 2013 and was subject to the approval of the Ministry of Corporate Affairs (MCA). The management had made an application to MCA for the necessary approval. Although MCA has granted approval only for a part of the amount, the management, based on the opinion obtained from our legal counsel is of the view that once the amended Section 197 of the Companies (Amendment) Act, 2017 is notified, the Company would be in compliance with the law.

CONSERVATION OF ENERGY

Although the operations of the Company are not energy intensive, the management is highly conscious of the criticality of the 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 Company and hence are not provided.

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, your Company has taken the following technology initiatives:

- Information 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 a focus to further enhance the Company's software products, i.e. its Intellectual Property based on market needs, the GDCs work in line with the Company's strategy for growth.

Expenditure on R & D

₹ in crores

Particulars	**2017-18**	**2016-17**
Revenue Expenditure	18.38	9.87
Capital Expenditure	-	-
Total	18.38	9.87
Total R&D expenditure as a percentage of standalone revenue	7.74%	3.54%

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 process required for 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 to meet the Company's commitment towards quality & business process with 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 28.82% of the revenue of the Company is derived from exports.

b) **Foreign Export earnings and expenditure**

During the year 2017-18, the expenditure in foreign currencies amounted to ₹6.13 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 ₹68.46 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 Resource. The key facet has been better levels of productivity as compared to earlier years which has contributed in 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.

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

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 is provided in a separate annexure forming 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 shareholder 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 Complaint Committee has been set up in the Company to consider and redress complaints received with respect to sexual harassment. During the year under review, the Complaint Committee had received one complaint of the nature covered under the said Act and has been resolved. There are no pending cases.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, 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 FY 2017-18 as required under Rule 8 (1) of the CSR Rules are 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 on an average during the preceding three financial years.

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 2017-18. 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.

DISCLOSURE REQUIREMENTS

Disclosures required under Regulations of SEBI LODR are shown under the Corporate Governance Report. The Corporate Governance Report along with auditor's certificate thereon 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, 2018 and of the loss 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 Act, 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.

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 2017-18.

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**

June 29, 2018 at Mumbai

Annexure I

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2017-18

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.

Your 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

I. BOARD OF DIRECTORS

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

a. Size and Composition of the Board

The total strength of the Board as on the date of this CG Report is 6 (six). The Board consists of 2 (two) Independent Non-Executive Directors, including the Chairman. 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	Category	Designation	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 Boards of other companies #
Mr. Ashok Shah (DIN-01194846)	INED	Chairman	1-Oct-15^	-	-	-	-
Ms. Sarojini Dikhale (DIN-02755309)	NED	Director	23-Oct-15	-	1	-	-
Mr. Shantanu Prasad (DIN-06972253)	ND	Director	16-Sep-14	12-Jan-18*	NA	NA	NA
Dr. Shashank Desai (DIN-00143638)	INED	Director	23-Sept-15^	-	4	-	-
Mr. Gautam Dutta (DIN-02335468)	ND	Director	12-Jan-18$$	-	-	-	-
Mr. Shanti Lal Jain (DIN – 07692739)	ND	Director	23-Jan-17**	-	-	-	-
Mr. Padmanabhan Iyer (DIN-05282942)	ED	Managing Director & Global CEO	11-Aug-16^^	-	5	-	1

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.

* Resigned on January 12, 2018 pursuant to withdrawal of nomination by IDBI Bank Limited.

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

** 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. 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 that he/she meets the criteria of independence as required under Section 149(6) of the Act 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 25 of SEBI LODR. The Company has received necessary declarations from the concerned Independent Directors pursuant to Section 149(7) of the Act regarding the compliance of independence criteria.

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 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 April 30, 2017 for evaluation of performance of non-independent directors and the Board as a whole, which was further reviewed by the Board as a whole.

Based on the declaration mentioned above, the Board confirms that the Independent Directors fulfill the conditions specified in SEBI LODR and are independent of the management.

c. Board Meetings

The Board ensures the Company's prosperity by collectively directing the Company's affairs towards securing appropriate interests of its shareholders and stakeholders. Along with the matters mandated as per SEBI LODR, the Board also 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, 2018, the Board met 5 (five) times on April 30, 2017; July 22, 2017; October 14, 2017; November 13, 2017 and January 12, 2018. The intervening period between two Board Meetings was well within the maximum period of 120 days as prescribed under SEBI LODR.

The day to day matters concerning the business are conducted by the executives of the Company under the directions of the Managing Director with the ultimate supervision of the Board. The Board holds its meetings 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 and agenda items are backed by comprehensive background information to enable the Board to take decisions. The Board also undertakes periodical review of compliance reports of all laws applicable to the Company. On some occasions, experts are also invited who provide insights on complex matters.

Details of Meetings attended by the Directors during the year:

Director	**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	-
Mr. Shantanu Prasad*	5	4	-
Ms. Sarojini Dikhale	5	2	-
Mr. Padmanabhan Iyer	5	5	-
Mr. Gautam Dutta@	-	-	-
Mr. Shanti Lal Jain	5	3	-

* Resigned during the year.

@ Appointed during the year.

d. 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. The Committee identifies, selects, nominates and recommends induction of Additional Directors on the Board. Based on the recommendations of this Committee, the Board approves the appointment (including re-appointment) of Directors on the Board and their remuneration.

Performance Evaluation

Your Company has in place a Board evaluation framework setting out the process and the criteria for the performance evaluation which had 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 & 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 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 MD & Global CEO are his 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 for 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.

Details of Remuneration / Compensation

In the year 2017-18, the Company did not pay remuneration by way of commission to the Non-Executive Directors of the Company for the year 2016-17. 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 and ₹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 2017-18 are as given below:

Name of the Non-Executive Director	Total Sitting Fees (In ₹)		
	Gross	TDS	Net
Mr. Ashok Shah	1,050,000	105,000	945,000
Dr. Shashank Desai	1,050,000	105,000	945,000
Mr. Shantanu Prasad^	735,000	73,500	661,500
Ms. Sarojini Dikhale^	230,000	23,000	207,000
Mr. Shanti Lal Jain^	270,000	27,000	243,000

Name of the Non-Executive Director	Total Sitting Fees (In ₹)		
	Gross	TDS	Net
Mr. Gautam Dutta^*	-	-	-

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

* Appointed as Nominee Director effective January 12, 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	1.87	0.057	-	1.93

* includes performance bonus paid for FY 2016-17

As on March 31, 2018, 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. He has also not availed any perquisites during FY 2017-18.

e. Number of shares, convertible instruments or options held by Directors as on March 31, 2018:

Name of the Director	Number of Shares	Number of options
Mr. Padmanabhan Iyer	1,920	1,380,000

None of the other Directors holds any shares, convertible instruments or options of the Company as on March 31, 2018, except as disclosed above.

f. 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 under the 'Investors' section. 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 Code of Conduct as on March 31, 2018.

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

g. 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 of 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 (CSR) 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 Auditors & Internal Auditors, fixing the audit fee and also approving the payment for any other services;
- Recommending the terms of appointment of auditors of the Company;
- Review and monitor auditor's independence and performance and effectiveness of audit process;
- Review with the Management, the quarterly/annual financial statements and the auditors' report thereon before submission to the Board;
- Monitor the end use of funds raised through public offer and review with the Management the statement of usage/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and make appropriate recommendations to the Board to take up steps in this matter;
- Review with the Management the adequacy of internal control system and performance of External and Internal Auditors;
- Review the findings of any internal investigations by the Internal Auditors into matters where there is 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, about the nature and scope of audit as well as having post audit discussion to ascertain any area of concern;
- To review 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;
- Discussion with Internal Auditors on any significant findings and follow up thereon;
- Review the Company's financial and risk management policies;
- Evaluation of internal financial controls and risk management systems;
- Review the functioning of the Whistle Blower mechanism;
- Review the financial statements of subsidiary companies;
- Look into reasons for substantial defaults, if any, in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors;
- Approving the appointment of Chief Financial Officer (CFO) after assessing the qualifications, experience and background, etc. of the candidate before finalization of the appointment by the management;
- Scrutinize inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Approval or subsequent modification of transactions with related parties and

- To carry out any other function as may be required to be carried out by the Audit Committee under the Act and the rules thereunder, SEBI LODR and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force).

The composition of the Audit Committee as on March 31, 2017 was as under:

Director	Position
Dr. Shashank Desai	Chairman
Mr. Ashok Shah	Member
Mr. Shantanu Prasad	Member

The Committee was re-constituted by appointing Mr. Gautam Dutta as a Member of this committee on January 12, 2018 pursuant to resignation of Mr. Shantanu Prasad.

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

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

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 is the Secretary to the Committee. Since the Chairman of the Audit Committee could not attend the previous Annual General Meeting (AGM) held on September 6, 2017 to respond to shareholders' queries, the Chairman of the Board along with Managing Director of the Company responded to the queries raised by shareholders at the AGM.

The Committee met four times during the year 2017-18 on April 30, 2017; July 22, 2017; October 14, 2017 and January 12, 2018. The time gap between any two Meetings was less than 120 days as prescribed under SEBI LODR.

Meetings attended 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
Mr. Shantanu Prasad	4	3
Mr. Gautam Dutta	-	-

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 holder 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 Employees Stock Option Schemes, as amended from time to time;
- Approve printing of share certificates and other securities and lay down procedures for their issue, safe-keeping and proper maintenance, etc.;
- Approve registration of transfer of shares and other securities issued and that may be issued from time to time and approve or reject application for transmission of shares;

- Approve / reject applications for dematerialisation, re-materialisation, sub-division, consolidation, transposition and thereupon issue share certificates to the shareholders;
- Lay down suitable procedure and approve issue of duplicate certificates of shares and other securities;
- Decide account(s) to be opened / closed with any bank(s) in India, for the purpose of payment of interest/ dividend or for other purpose relating to shares or other securities;
- Decide the stock exchange(s) / depository (ies) in India or abroad, on which shares or other securities issued by the Company are 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 the Committee may deem fit;
- Consider and resolve the grievances of shareholders, debentureholders, deposit holders and other security holders of the Company;
- Redressal of shareholder and investor complaints such as transfer of shares, non-receipt of Annual Reports, non-receipt of dividend declared, non-payment of interest to debenture holders and deposit holders or any security holders, etc.;
- Report to the Board about important developments in the area of servicing of shareholders and
- Take initiatives for better servicing of the shareholders.

The composition of the Committee as on March 31, 2017 was as under:

Name of the Director	Position
Mr. Ashok Shah	Chairman
Dr. Shashank Desai	Member
Mr. Shantanu Prasad	Member

The Committee was re-constituted by appointing Mr. Shanti Lal Jain as a Member of this Committee on January 12, 2018 pursuant to resignation of Mr. Shantanu Prasad.

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

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.

The Committee met four times during the year 2017-18 on April 30, 2017; July 22, 2017; October 14, 2017; January 12, 2018.

Meetings attended 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. Shantanu Prasad	4	3
Mr. Shanti Lal Jain	-	-

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

Particulars	Opening Balance as on April 1, 2017	Received	Processed	Pending as on March 31, 2018
Instructions	Nil	65	64	1
Grievances	Nil	1	1	Nil

c. **Nomination and Remuneration Committee**

NRC 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:

- Identify the prospective Directors and assist the Board in filling up vacancies in the offices of Directors of the Company and its subsidiaries;
- Evaluate the current composition, organisation and governance of Board and its committees, boards of its subsidiaries, determine future requirements and make recommendations to the Board for approval;
- Evaluate the performance of the Board and its Committees and boards of its subsidiaries;
- Ensure that the Board and the boards of the subsidiaries are properly constituted to meet its fiduciary obligations, the corporate governance principles and best practices;
- Determine the Director(s) who shall be liable to retire by rotation;
- Oversee the evaluation of the Board and the Management;
- Formulate the code of ethics and governance;
- Evaluate succession planning and work with the Board for evaluating the potential successors to executive management positions;
- Evaluate and recommend to the Board, the compensation plan, policies and programmes for Executive Directors and Senior Management Personnel;
- Review of the terms of reference and annually review its own performance and subject it to assessment by the Board;
- Review performance of Whole-time Directors of the Company and the subsidiaries, nominated by the Company on its Board vis-à-vis Key Performance Areas 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 quantum of bonus payable to members of the staff;
- Identify persons who may be appointed in senior management in accordance with criteria laid down and recommend to the Board their appointment and removal;
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy regarding remuneration for the Directors, Key Managerial Personnel and other employees;
- Formulate criteria for evaluation of Independent Directors and the Board;
- Devise a policy on Board diversity;
- To 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 and
- Make recommendations to the Board in respect of the incentive compensation plans.

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

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

The Committee met twice during the year 2017-18 on April 30, 2017 and January 12, 2018.

Meetings attended 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	2	2
Mr. Ashok Shah	2	2
Ms. Sarojini Dikhale	2	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.

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

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

During the year, the Committee met once on April 30, 2017. 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
2016-17	September 6, 2017 at 4:00 p.m.	Arya Samaj Hall, Plot No. 6, Sector 9A, Vashi, Navi Mumbai – 400 703	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
2014-15	September 23, 2015 at 4:00 p.m.		1. Appointment of Mr. Ashok Shah (DIN-01194846) as an Independent Director for a period of 5 years effective October 1, 2015 2. Approval for payment of remuneration to Mr. Madhivanan Balakrishnan (DIN-01426902) as the Managing Director & CEO for a period of 2 years effective July 1, 2015

Attendance of the Directors at the last Annual General Meeting held on September 6, 2017

Mr. Ashok Shah (Chairman of the Board and Chairman- Stakeholders' Relationship Committee and Corporate Social Responsibility Committee) and

Mr. Padmanabhan Iyer, Managing Director & Global CEO

Apart from Directors, Mr. Sanjeev Maheshwari, Partner from GMJ & Company - Statutory Auditor and Mr. Prakash Pandya, Scrutinizer and Partner from BNP & Associates, Company Secretaries - Secretarial Auditor were also present at the last Annual General Meeting.

No Extraordinary General Meeting was held during the last three years.

Resolutions passed through Postal Ballot

During the year 2017-18 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	Special Resolutions passed
April 6, 2017	May 21, 2017	May 24, 2017	Mr. B. Narasimhan, Partner, BNP & Associates	1. Renewal of the resolution passed by the Members on March 18, 2016 in relation to issue of Equity Shares against conversion of a portion of the outstanding amounts due to DRS lenders and ratification of the actions taken pursuant thereto. 2. Issue of Equity Shares against conversion of a portion of the outstanding amounts due to the Non– CDR Lenders.
October 14, 2017	December 11, 2017	December 13, 2017	Mr. B. Narasimhan, Partner, BNP & Associates	Issue of Equity Shares to Srei Multiple Asset Investment Trust against conversion of a portion of outstanding debt.

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 Ballots, details of which are given under, were also displayed at the Registered Office of the Company and on its website:

a) Postal Ballot Result declared on May 24, 2017 :

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
Resolution No. 1	1,183,651,403	551,021,398	46.55	550,942,018	79,380	99.98	0.014
Resolution No. 2	1,183,651,403	550,949,922	46.54	550,875,952	73,970	99.98	0.013

b) Postal Ballot Result declared on December 13, 2017:

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
Resolution No. 1	1,333,087,667	212,583,092	15.95	212,287,375	295,717	99.86	0.14

IV. DISCLOSURE REQUIREMENTS

a) Related party transactions

There were no materially significant transactions with related parties. 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, etc.

No penalties or strictures were imposed on the Company by Stock Exchanges, SEBI or any statutory or other authority on any matters relating to capital markets during FY 2017-18.

During FY 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 ₹ 77,88,996/- and ₹ 67,73,039/- was imposed by BSE Limited (BSE) and National Stock Exchange of India Limited (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. In FY 2014-15, a penalty of ₹ 50,000/- was imposed on the Company by NSE and BSE respectively for failure to appoint a Woman Director on the Board of the Company on or before March 31, 2015 in terms of Clause 49 of the Listing Agreement and Section 149 of the Act. The Company had paid the penalty to NSE and BSE and had appointed a Woman Director effective July 28, 2015.

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 relating 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 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 requirements

The Company has complied with all the mandatory requirements.

The Company has also adopted the following non-mandatory requirements:

i. The Board

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

ii. 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 post of Chairman and CEO.

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 for Independent Directors have been uploaded on the Company 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 policy 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.

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 Mumbai Lakshadeep or Navshakti (regional newspaper).

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
Tuesday, July 31, 2018	12:30 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, 2018	July 13, 2018
September 30, 2018	October 31, 2018
December 31, 2018	January 25, 2019
March 31, 2019	May 4, 2019

*Above dates are tentative and subject to change

c) Financial Year: April 1 - March 31

d) Date of Book Closure: Tuesday, July 24, 2018 to Tuesday, July 31, 2018 (Both days inclusive)

e) Listing

The Equity Shares 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)

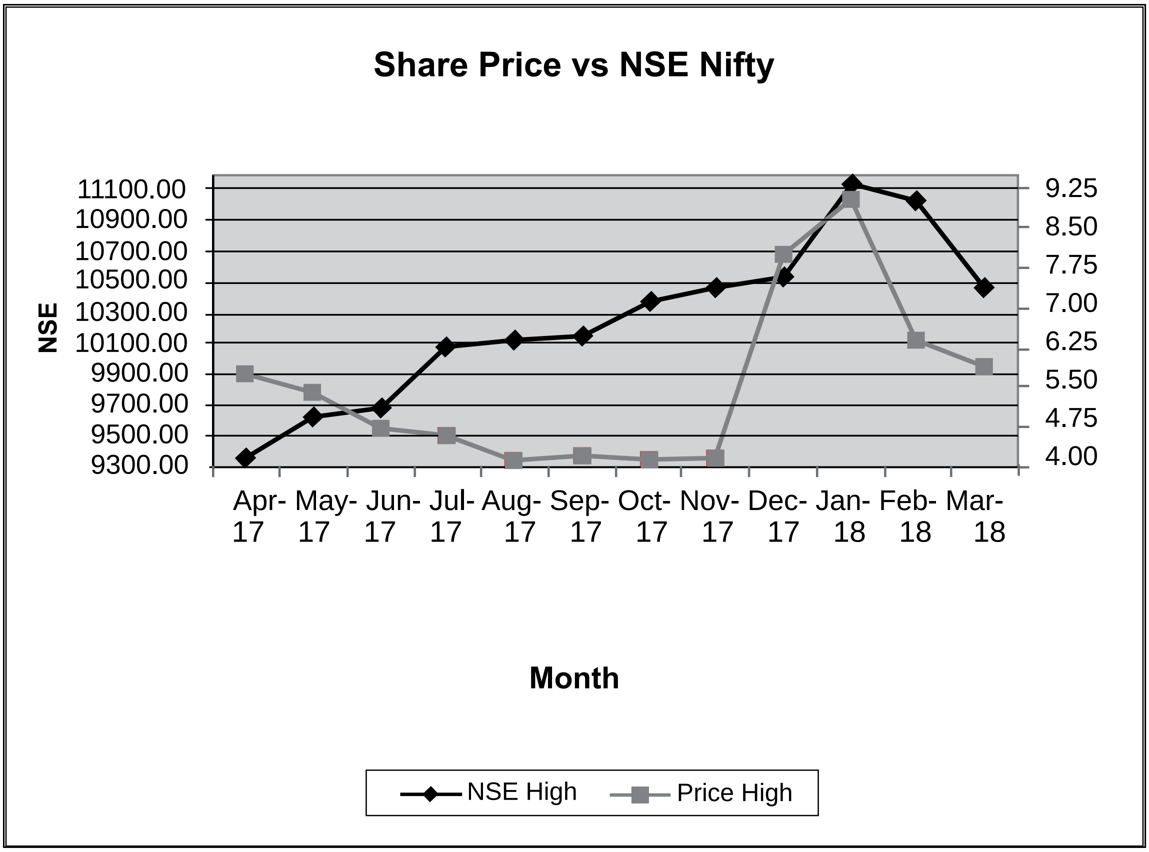
Stock Exchange	NSE	BSE
Exchange Code	3IINFOTECH	532628
Temporary ISIN in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) pending receipt of trading approvals from exchanges	IN8748C01011	
Permanent ISIN in NSDL and CDSL for credit of shares upon receipt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

g) Stock Market Data

Monthly highs, lows and trading volume for 2017-18:

Monthly	National Stock Exchange			Bombay Stock Exchange			Total Quantity Traded
	High	Low	Trade Quantity	High	Low	Trade Quantity	
April-17	5.75	5.05	40,291,598	5.80	5.07	61,276,778	101,568,376
May-17	5.4	4.55	56,810,132	5.37	4.57	60,671,156	117,481,288
June-17	4.7	4.05	57,819,579	4.72	4.09	59,882,869	117,702,448
July-17	4.60	4.15	84,947,631	4.64	4.17	67,960,655	152,908,286
August-17	4.10	3.70	49,481,817	4.18	3.72	47,365,546	96,847,363
September-17	4.2	3.8	32,320,638	4.18	3.80	37,836,339	70,156,977
October-17	4.10	3.75	32,503,525	4.10	3.77	28,662,951	61,166,476
November-17	4.15	3.75	47,550,003	4.11	3.77	44,474,270	92,024,273
December-17	8.00	3.85	222,018,440	8.05	3.86	298,799,072	520,817,512
January-18	9.00	6.15	332,802,940	9.04	6.13	635,069,917	967,872,857
February-18	6.35	5.55	92,494,946	6.41	5.59	110,912,644	203,407,590
March-18	5.85	4.55	88,659,097	5.87	4.58	88,513,324	177,172,421

h) 3i Infotech share prices versus the NSE Nifty



i) Registrar and Transfer Agent

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.

j) Share transfer system

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

k) Distribution of Holdings as on March 31, 2018

Share holding of nominal value of (₹)	Shareholders		Share Amount	
	Number	Percentage to total (%)	(₹)	Percentage to total (%)
Upto 5000	102,373	62.83	176,130,290	1.09
5001-10000	21,509	13.20	188,593,570	1.17
10001-20000	14,014	8.60	227,909,000	1.41
20001-30000	6,189	3.80	164,093,540	1.02
30001-40000	2,919	1.79	107,209,010	0.66
40001-50000	3,911	2.40	190,051,750	1.18
50001-100000	5,694	3.49	446,934,800	2.77
100001 and above	6,326	3.89	14,652,659,820	90.70
Total	**162,935**	**100.00**	**16,153,581,780**	**100.00**

l) Shareholding Pattern as on March 31, 2018

Category	Shares	Percentage (%)
Promoter- IDBI Trusteeship Services Limited (ICICI Strategic Investments Fund)	-	-
Government Financial Institutions	21,687,921	1.34
Nationalized Banks	188,537,862	11.67
Financial Institutional Investors (FIIs)	6,052,783	0.37
Overseas Corporate Bodies (OCBs)	-	-
Foreign Banks / Companies	283,706,730	17.56
Non-Residents	80,030,115	4.95
Mutual Funds	-	-
Bodies Corporate	121,444,605	7.52
Other Banks	217,798,505	13.48
Resident Indians	695,832,453	43.09
NBFCs registered with RBI	150,218	0.01
Provident Fund-Pension Fund	-	-
Investor Education and Protection Fund (IEPF)	116,986	0.01
Total	**1,615,358,178**	**100.00**
Number of Shareholders	**162,935**	

m) Dematerialization of shares and liquidity

On March 31, 2018, all the shares of the Company were held in dematerialized mode, except 23,946,205 shares, which were held in physical mode.

n) 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 the 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 at the beginning of the year	4	532
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Number of holders 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, 2018	4	532

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

o) Transfer to Investor Education and Protection Fund

As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs on September 5, 2016 and which came into effect from September 7, 2016, the Company is 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 they are also displayed on the website of the Company.

Shareholders who have not claimed their dividend are hereby advised to claim their unclaimed/ unpaid amount due to them by making a request to the Company giving their particulars before the same are transferred to the IEPF. Once unclaimed dividend is transferred to the IEPF, no claim in respect thereof shall lie with the Company.

Further, the unclaimed dividend of ₹11,92,951/- pertaining to year 2009-10 was transferred to IEPF as required by the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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 Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016.

p) 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, 2018 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	XS0769181982	XS0308551166	XS1423751418
Outstanding Amount	USD 2.73025 Million	USD 0.43375 Million	USD 16.22305 Million
Coupon/Yield (payable at semi-annual intervals)	2.50% p.a.	2.50% p.a.	2.50% p.a.
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	8,404,338	106,676	86,080,801

q) 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.

r) 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
Fax: (91-22) 7123 8310
Email: co@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
Fax: (91-22) 7123 8099
Email: investors@3i-infotech.com

Mumbai, June 29, 2018

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. 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, 2018.

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

June 29, 2018 at Mumbai

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We, GMJ & Co, Chartered Accountants, the Statutory Auditors of 3i Infotech Limited ('the Company'), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Management Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in SEBI Listing Regulations.

Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under section 143(10) of the Companies Act 2013, in so far as applicable for the purpose this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2018.

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

For GMJ & COMPANY
Chartered Accountants
Firm Registration No: 103429W

Sd/-
(Sanjeev Maheshwari)
Partner
Membership No: 38755

June 29, 2018

ANNEXURE II

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

[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)

Sr. No.	Name and Address of the Company	Country	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
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	Black-Barret Holdings Limited	Cyprus	N.A.	- do -	100	2(87)
18	3i Infotech (Middle East) FZ LLC	UAE	N.A.	- do -	100	2(87)
19	3i Infotech SDN BHD	Malaysia	N.A.	- do -	100	2(87)
20	Elegon Infotech Limited	China	N.A.	- do -	100	2(87)
21	3i Infotech (South Africa) (Pty) Limited	RSA	N.A.	- do -	100	2(87)
22	Locuz Inc.	USA	N.A.	- do -	74*	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	475.08	286.77	-	761.85
ii) Interest due but not paid	6.49	13.36	-	19.85
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**481.57**	**300.13**	-	**781.70**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the Financial Year				
Principal Addition				
- On account of Debt Restructuring Scheme	-	-	-	-
- Others	-	2.13	-	2.13
Interest – Addition				
- On account of Debt Restructuring Scheme	-	-	-	-
- Others	41.67	4.97	-	46.64
Principal – (Reduction)				
- On account of Debt Restructuring Scheme	(9.31)	-	-	(9.31)
- Others	(102.84)	(2.92)	-	(105.76)
Interest – (Reduction)				
- On account of Debt Restructuring Scheme	-	-	-	-
- Others	(46.20)	(3.32)	-	(49.52)
Net Change	**(116.68)**	**0.86**	-	**(115.82)**
Indebtedness at the end of the financial year				
i) Principal Amount	362.93	285.98	-	648.91
ii) Interest due but not paid	1.96	15.01	-	16.97
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**364.89**	**300.99**	-	**665.88**

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

Company and Directors

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	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)

Sl No.	Category of shareholders	No. of Shares held at the beginning of the year April 1, 2017				No. of Shares held at the end of the year March 31, 2018				% 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	333,870,652	27,915,282	361,785,934	30.57	389,580,127	16,756,240	406,336,367	25.15	(5.42)
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	21,687,921	-	21,687,921	1.83	21,687,921	-	21,687,921	1.34	(0.49)
g)	FIIs	33,398	40,416,504	40,449,902	3.42	6,052,783	-	6,052,783	0.37	(3.05)
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Other (specify)	-	-		-	-	-		-	-
	Foreign Banks	195,245,241	-	195,245,241	16.50	195,245,241	-	195,245,241	12.09	(4.41)
	FII	-	-		-	-	-		-	-
	Sub-total (B) (1) :-	**550,837,212**	**68,331,786**	**619,168,998**	**52.31**	**612,566,072**	**16,756,240**	**629,322,312**	**38.96**	**(13.35)**

Sl No.	Category of shareholders	No. of Shares held at the beginning of the year April 1, 2017				No. of Shares held at the end of the year March 31, 2018				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	**Non-Institutions**		-		-		-		-	-
a	Bodies Corp.									
i	Indian	106,455,076	-	106,455,076	8.99	121,711,809	-	121,711,809	7.53	(1.46)
ii	Overseas	-	-	-	-	-	-		-	-
b	Individuals				-				-	-
i	Individual shareholders holding nominal share capital upto ₹1 lakh	129,771,926	30,666	129,802,592	10.97	147,881,631	28,066	147,909,697	9.16	(1.81)
ii	Individual shareholders holding nominal share capital excess of ₹1 lakh	277,914,639	6,621,287	284,535,926	24.04	620,790,972	7,161,899	627,952,871	38.87	14.83
c	Others (specify)		-	-	-		-	-	-	-
	Foreign Companies	43,688,811	-	43,688,811	3.69	88,461,489	-	88,461,489	5.48	1.79
	Foreign Bodies	-	-	-	-	-	-	-	-	-
	NRI	-	-	-	-	-	-	-	-	-
	Sub-total (B) (2) :-	**557,830,452**	**6,651,953**	**564,482,405**	**47.69**	**978,845,901**	**7,189,965**	**986,035,866**	**61.04**	**13.35**
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**1,108,667,664**	**74,983,739**	**1,183,651,403**	**100.00**	**1,591,411,973**	**23,946,205**	**1,615,358,178**	**100.00**	**-**
C	**Shares held by Custodian for GDRs & ADRs**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Grand Total (A+B+C)	**1,108,667,664**	**74,983,739**	**1,183,651,403**	**100.00**	**1,591,411,973**	**23,946,205**	**1,615,358,178**	**100.00**	**-**

II. SHAREHOLDING OF PROMOTERS

Sl. No	Shareholder's Name	Shareholding at the beginning of the April 1, 2017			Shareholding at the end of the year March 31, 2018			% change in shareholding 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 PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

Sl. No.		Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters' Share holding 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
	At the beginning of the year	-	-	No changes during the year			-	-
	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)

Sl. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year April 1, 2017		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, 2018	
		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	CDR allotment	15-Jan-18	263,909,361	16.51	263,909,361	16.34
2	Standard Chartered Bank	148,302,327	12.53	-	-	-	-	-	148,302,327	9.18
3	IDBI Bank Limited	145,399,286	12.28	(145399286)	Sell	19-Jan-18	-	-		
				145399286	Buy	25-Jan-18	145,399,286	9.10		
				(2835760)	Sell	2-Feb-18	142,563,526	8.92		
				(7556330)	Sell	9-Feb-18	135,007,196	8.37		
				(3230280)	Sell	16-Feb-18	131,776,916	8.17		
				(4997935)	Sell	23-Feb-18	126,778,981	7.86		
				(6837)	Sell	2-Mar-18	126,772,144	7.86		
				(640079)	Sell	9-Mar-18	126,132,065	7.81		
				(43117)	Sell	16-Mar-18	126,088,948	7.81	126,088,948	7.81
4	Allahabad Bank	50,126,676	4.23	-	-	-	-	-	50,126,676	3.10
5	Canara Bank - Mumbai	18,132,998	1.53	31,036,222	CDR allotment	27-Sep-17	49,169,220	3.69	49,169,220	3.04
6	DBS Bank Limited	46,942,913	3.97	-	-	-	-	-	46,942,913	2.91
7	MACSF Epargne Retraite	40,416,504	3.41	-	-	-	-	-	40,416,504	2.50
8	Energy Management Limited	40,021,201	3.38	-	-	-	-	-	40,021,201	2.48
9	Sony Sebastian	19,256,316	1.63	324,033	Buy	14-Apr-17	19,580,349	1.65		
				1,000	Buy	21-Apr-17	19,581,349	1.64		
				4,300	Buy	5-May-17	19,585,649	1.64		
				50,500	Buy	12-May-17	19,636,149	1.64		
				30,000	Buy	9-Jun-17	19,666,149	1.53		
				211,000	Buy	16-Jun-17	19,877,149	1.55		
				300,000	Buy	23-Jun-17	20,177,149	1.57		
				300	Buy	30-Jun-17	20,177,449	1.57		
				40,000	Buy	7-Jul-17	20,217,449	1.57		
				266,000	Buy	14-Jul-17	20,483,449	1.59		
				22,000	Buy	21-Jul-17	20,505,449	1.59		

Sl. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year April 1, 2017		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, 2018	
		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
				57,000	Buy	11-Aug-17	20,562,449	1.60		
				125,950	Buy	18-Aug-17	20,688,399	1.61		
				1,186,285	Buy	25-Aug-17	21,874,684	1.70		
				610,000	Buy	1-Sep-17	22,484,684	1.75		
				91,000	Buy	8-Sep-17	22,575,684	1.76		
				500	Buy	15-Sep-17	22,576,184	1.76		
				340,000	Buy	22-Sep-17	22,916,184	1.78		
				285,000	Buy	30-Sep-17	23,201,184	1.74		
				78,000	Buy	6-Oct-17	23,279,184	1.75		
				80,000	Buy	13-Oct-17	23,359,184	1.75		
				995,000	Buy	10-Nov-17	24,354,184	1.83		
				351,000	Buy	8-Dec-17	24,705,184	1.85		
				126,900	Buy	15-Dec-17	24,832,084	1.86		
				300,000	Buy	29-Dec-17	25,132,084	1.88		
				153,100	Buy	12-Jan-18	25,285,184	1.90		
				673,600	Buy	25-Jan-18	25,958,784	1.62		
				13,283	Buy	2-Feb-18	25,972,067	1.63		
				208,500	Buy	9-Feb-18	26,180,567	1.62		
				45,000	Buy	16-Feb-18	26,225,567	1.63		
				66,800	Buy	9-Mar-18	26,292,367	1.63		
				392,000	Buy	16-Mar-18	26,684,367	1.65		
				348,000	Buy	23-Mar-18	27,032,367	1.67		
				110,000	Buy	31-Mar-18	27,142,367	1.68	27,142,367	1.68
10	HDFC Bank Ltd	25,895,818	2.19	-	-	-	-	-	25,895,818	1.60
11	TATA Capital Finance Services Ltd	-	-	23,280,000	CDR allotment	31-May-17	23,280,000	1.87	23,280,000	1.44
12	Oriental Bank of Commerce	7,178,003	0.61	14,650,640	CDR allotment	7-Feb-18	21,828,643	1.35	21,828,643	1.35
13	Bank of India	21,513,208	1.82	-	-	-	-	-	21,513,208	1.33
14	Life Insurance Corporation of India	21,317,921	1.80	-	-	-	-	-	21,317,921	1.32
15	Axis Bank Limited	21,328,311	1.80	237,040	Buy	7-Apr-17	2,435,846	0.21		
				(7,700)	Sell	14-Apr-17	2,428,146	0.21		
				78,997	Buy	21-Apr-17	2,507,143	0.21		
				(20,660)	Sell	28-Apr-17	2,486,483	0.21		
				101,870	Buy	5-May-17	2,588,353	0.22		
				(457,100)	Sell	12-May-17	2,131,253	0.18		
				(61,818)	Sell	19-May-17	2,069,435	0.17		
				(644,550)	Sell	26-May-17	1,424,885	0.12		
				3,090	Sell	2-Jun-17	1,427,975	0.11		
				(500)	Sell	9-Jun-17	1,427,475	0.11		
				(115,040)	Sell	16-Jun-17	1,312,435	0.10		
				(29,950)	Sell	23-Jun-17	1,282,485	0.10		
				(55,100)	Sell	30-Jun-17	1,227,385	0.10		
				109,549	Buy	7-Jul-17	1,336,934	0.10		
				(14,850)	Sell	21-Jul-17	1,322,084	0.10		
				(362,466)	Sell	28-Jul-17	959,618	0.07		
				609,800	Buy	4-Aug-17	1,569,418	0.12		
				336,075	Buy	11-Aug-17	1,905,493	0.15		
				43,713	Buy	18-Aug-17	1,949,206	0.15		
				136,912	Buy	25-Aug-17	2,086,118	0.16		

Sl. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year April 1, 2017		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, 2018	
		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
				382,587	Buy	1-Sep-17	2,468,705	0.19		
				28,500	Buy	8-Sep-17	2,497,205	0.19		
				(61,320)	Sell	15-Sep-17	2,435,885	0.19		
				1,277,952	Buy	22-Sep-17	3,713,837	0.29		
				262,913	Buy	30-Sep-17	3,976,750	0.30		
				(15,000)	Sell	6-Oct-17	3,961,750	0.30		
				(767,600)	Sell	13-Oct-17	3,194,150	0.24		
				728,000	Buy	20-Oct-17	3,922,150	0.29		
				(546,314)	Sell	27-Oct-17	3,375,836	0.25		
				1,333,000	Buy	31-Oct-17	4,708,836	0.35		
				434,195	Buy	3-Nov-17	5,143,031	0.39		
				(3,071,160)	Sell	10-Nov-17	2,071,871	0.16		
				(499,000)	Sell	24-Nov-17	1,572,871	0.12		
				11	Buy	1-Dec-17	1,572,882	0.12		
				(23,351)	Sell	8-Dec-17	1,549,531	0.12		
				98,578	Buy	15-Dec-17	1,648,109	0.12		
				(441,640)	Sell	22-Dec-17	1,206,469	0.09		
				415,619	Buy	30-Dec-17	1,622,088	0.12		
				(512,032)	Sell	5-Jan-18	1,110,056	0.08		
				690,850	Buy	12-Jan-18	1,800,906	0.13		
				120,398	Buy	19-Jan-18	1,921,304	0.12		
				(272,722)	Sell	25-Jan-18	1,648,582	0.10		
				(323,110)	Sell	2-Feb-18	1,325,472	0.08		
				47,400	Buy	9-Feb-18	1,372,872	0.09		
				104,095	Buy	16-Feb-18	1,476,967	0.09		
				(393,387)	Sell	23-Feb-18	1,083,580	0.07		
				(333,972)	Sell	2-Mar-18	749,608	0.05		
				(143,602)	Sell	9-Mar-18	606,006	0.04		
				(219,763)	Sell	16-Mar-18	386,243	0.02	386,243	0.02
16	LIIPL IPO Escrow Account	32,085,344	2.71	(9,837)	Sell	7-Apr-17	32,075,507	2.71		
				(299,793)	Sell	21-Apr-17	31,775,714	2.65		
				(400,000)	Sell	28-Apr-17	31,375,714	2.62		
				(862,666)	Sell	5-May-17	30,513,048	2.55		
				(500,000)	Sell	12-May-17	30,013,048	2.51		
				(100,000)	Sell	19-May-17	29,913,048	2.50		
				(503,460)	Sell	9-Jun-17	29,409,588	2.29		
				(246,799)	Sell	16-Jun-17	29,162,789	2.27		
				(497,832)	Sell	23-Jun-17	28,664,957	2.23		
				(2,100,000)	Sell	30-Jun-17	26,564,957	2.07		
				(2,098,664)	Sell	7-Jul-17	24,466,293	1.90		
				(4,293,841)	Sell	14-Jul-17	20,172,452	1.57		
				(4,417,025)	Sell	21-Jul-17	15,755,427	1.23		
				(5,000,000)	Sell	28-Jul-17	10,755,427	0.84		
				(4,662,861)	Sell	4-Aug-17	6,092,566	0.47		
				(4,065,838)	Sell	11-Aug-17	2,026,728	0.16		
				(428,306)	Sell	25-Aug-17	1,598,422	0.12		
				(1,500,000)	Sell	1-Sep-17	98,422	0.01	-	-
17	Linden Capital L P	29,544,319	2.50	(250,000)	Sell	21-Apr-17	29,294,319	2.45		
				(1,523,360)	Sell	28-Apr-17	27,770,959	2.32		
				(722,013)	Sell	5-May-17	27,048,946	2.26		

Sl. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year April 1, 2017		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, 2018	
		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
				(2,893,297)	Sell	12-May-17	24,155,649	2.02		
				(1,492,000)	Sell	19-May-17	22,663,649	1.89		
				(2,319,781)	Sell	26-May-17	20,343,868	1.70		
				(1,250,000)	Sell	2-Jun-17	19,093,868	1.53		
				(1,010,000)	Sell	9-Jun-17	18,083,868	1.41		
				(475,000)	Sell	16-Jun-17	17,608,868	1.37		
				(2,500,000)	Sell	23-Jun-17	15,108,868	1.17		
				(2,600,000)	Sell	30-Jun-17	12,508,868	0.97		
				(3,110,000)	Sell	7-Jul-17	9,398,868	0.73		
				(1,325,000)	Sell	14-Jul-17	8,073,868	0.63		
				(4,510,000)	Sell	21-Jul-17	3,563,868	0.28	-	-
18	Reliance Capital Limited	24,680,693	2.09	-	-	5-Jan-18	24,680,693	1.85	-	-
19	Narasimha Ravi Gannavaram	9,704,790	0.82	15,210	Buy	25-Aug-17	9,720,000	0.76		
				104,400	Buy	6-Oct-17	9,824,400	0.74		
				(630,000)	Sell	19-Jan-18	9,194,400	0.58		
				1,000	Buy	25-Jan-18	9,195,400	0.58		
				195,100	Buy	2-Feb-18	9,390,500	0.59		
				10,000	Buy	9-Feb-18	9,400,500	0.58	9,400,500	0.58
20	The Jammu and Kashmir Bank Ltd	15,168,654	1.28	(11,388,000)	Sell	7-Apr-17	3,780,654	0.32		
				11,388,000	Buy	26-May-17	15,168,654	1.27		
				(1,408,654)	Sell	5-Jan-18	13,760,000	1.03		
				(2,372,000)	Sell	12-Jan-18	11,388,000	0.85	11,388,000	0.70
21	Indian Overseas Bank	6,319,600	0.53	-	-	-	-	-	6,319,600	0.39

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

Sl No	For Each of the Directors and KMP	Shareholding at the beginning of the year (i.e. on April 1, 2017)		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, 2018)		Cumulative Shareholding during the year	
		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	Mr. Ashok Shah	-	-	-	-	-	-	-
2	Dr. Shashank Desai	-	-	-	-	-	-	-
3	Mr. Gautam Dutta*	-	-	-	-	-	-	-
4	Mr. Shantanu Prasad#	-	-	-	N. A.	N. A.	-	-
5	Ms. Sarojini Dikhale	-	-	-	-	-	-	-
6	Mr. Shanti Lal Jain	-	-		-	-	-	-
7	Mr. Padmanabhan Iyer	1,920	0.00		1920	0.00	-	-
8	Mr. Rajeev Limaye	-	-	-	-	-	-	-

*Appointed during the year
#Resigned during the year

Annexure II B

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director 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 the Income Tax Act, 1961	18,727,045
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-
2	Stock Option	1,380,000
3	Sweat Equity	-
4	Commission - as a % of profit - others, specify	-
5	Others: PF and Pension Fund contribution	576,000
	Total (A)	**19,303,045***
	Ceiling as per the Act	As per Schedule V, Part II of the Companies Act, 2013

* includes performance bonus paid for FY 2016-17

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	945,000	-	-	945,000
	Mr. Ashok Shah	945,000	-	-	945,000
	Total (1)	**1,890,000**			**1,890,000**
2	**Other Non-Executive Directors**				
	Mr. Shantanu Prasad #	661,500	-	-	661,500
	Ms. Sarojini Dikhale #	207,000	-	-	207,000
	Mr. Shanti Lal Jain #	243,000	-	-	243,000
	Mr. Gautam Dutta #	-	-	-	-
	Total (2)	**1,111,500**	**-**	**-**	**1,111,500**
	Total (B) = (1+2)	**3,001,500**	**-**	**-**	**3,001,500**
	Total Managerial Remuneration (A+B)	**-**	**-**	**-**	**22,304,545**
	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	18,727,045	2,637,614	21,364,659
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	1,380,000	-	1,380,000
3	Sweat Equity	-	-	-
4	Commission - as a % of profit - others, specify	-	-	-
5	Others: PF and Pension Fund contribution	576,000	82,815	658,815
	Total	**19,303,045***	**2,720,429**	**22,023,474**

* Includes performance bonus paid for FY 2016-17

Annexure III

EMPLOYEES STOCK OPTION SCHEMES (ESOS)

Employees Stock Option Schemes

The Company has two Employees Stock Option Schemes (ESOS) instituted in the fiscal years 2000 and 2007 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 these schemes 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 did not grant stock options under the existing ESOS Schemes of the Company.

a. The particulars of the options granted and outstanding up to March 31, 2018 are as under:

Particulars	ESOS 2000	ESOS 2007
Options granted	26,284,226	48,752,000
Options vested	-	17,722,370
Options exercised	3,480,412	-
Number of shares allotted pursuant to exercise of options	3,480,412	-
Options forfeited / lapsed	22,803,814	29,792,100
Extinguishment or modification of options	-	-
Total number of options in force	-	18,959,900
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 ₹)
2013-14	(7.78)
2014-15	(18.25)
2015-16	(17.08)
2016-17	0.77
2017-18	0.44

c. The number of stock options held by the Directors as on March 31, 2018 are as below:

Name of Director	Number of options	Average Exercise Price (in ₹)
Mr. Ashok Shah	NIL	N.A.
Ms. Sarojini Dikhale	NIL	N.A.
Dr. Shashank Desai	NIL	N.A.
Mr. S.L Jain	NIL	N.A.
Mr. Gautam Dutta #	NIL	N.A.
Mr. Shantanu Prasad*	NIL	N.A.
Mr. Padmanabhan Iyer	1,380,000	10

* Resigned on January 12, 2018

Appointed on January 12, 2018

d. Details related to Employees Stock Options Scheme (ESOS)

Particulars	ESOS Scheme 2000	ESOS Scheme 2007
Date of shareholders' approval	January 28, 2000 further amended on July 22, 2005	July 25, 2007
Total number of options approved under ESOS	13,261,213	74,915,513
Vesting Requirements	The options granted vest in a phased manner over three years	
Exercise price or pricing formula	₹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	
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 upto 25% of the aggregate number of issued equity shares of the Company as at the time of grant of the options.	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 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.
Method used to account for ESOS	Intrinsic Value Method	

e. Movement for each ESOS during the year

Particulars	ESOS Scheme 2000	ESOS Scheme 2007
Number of options outstanding at the beginning of the period	2,274,000	22,599,500
Number of options granted during the year	-	-
Number of options forfeited / lapsed during the year	2,274,000	3,639,600
Number of options vested during the year	-	3,797,280
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	-	-
Number of options outstanding at the end of the year	-	18,959,900
Number of options exercisable at the end of the year	-	3,797,280

f. Employee Wise Details of options granted to-

Name	Number of options granted during the year	Exercise Price (in ₹)	Designation
Senior Managerial Personnel	None		
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 options, 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 FY 2017-18
Padmanabhan Iyer	Managing Director & Global CEO, CFO	32

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 & Global CEO, CFO	(29%)
Rajeev M Limaye	Company Secretary	28%

iv. **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 3% on a like to like basis. The median remuneration for FY 2017-18 includes applicable performance bonus for the previous year.

v. **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, 2018 was 2078.

vi. **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 4.78%. The individual increments varied from 5% to 10% based on individual performance. The average decrease in the remuneration of the KMP is 54%.

vii. **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

1.	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.	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/
2.	The Composition of the CSR Committee as on March 31, 2018	1. Mr. Ashok Shah – Chairman 2. Ms. Sarojini Dikhale – Member 3. Mr. Padmanabhan Iyer- Member
3.	Average net profit of the Company for last three financial years	Particulars / FY 16-17 / FY 15-16 / FY 14-15 Net Profit/(Loss) before tax (₹ in crores): (2,351.89) / (2,436.45) / (1,496.69) Average Net Profit / (Loss) before tax for last 3 years calculated in accordance with Section 198 of Companies Act, 2013 = (₹ 2,095.01 crores) i.e. [(2,351.89 + 2,436.45 + 1,496.69/3]
4.	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	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.
5.	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:	

Particulars	FY 16-17	FY 15-16	FY 14-15
Net Profit/(Loss) before tax (₹ in crores)	(2,351.89)	(2,436.45)	(1,496.69)

(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 implementing agency**
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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 31st March, 2018

[*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
3rd to 6th Floors, Tower # 5,
International Infotech Park,
Vashi Railway Station Commercial Complex,
Navi Mumbai - 400703

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **3i Infotech Limited** (hereinafter called the 'Company') for the audit period covering the financial year ended on 31st March 2018 (the 'Audit period'). 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, and subject to our separate letter attached as Annexure I; 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 31st March 2018 according to the provisions of:

(i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;

(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) 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 (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (f) 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.

(v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

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

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

During the period under review, provisions of the following Act/ Regulations were not applicable to the Company:

1. The following Regulations and Guidelines prescribed under the SEBI Act:-
   (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   (c) 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.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda 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 were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period 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 applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

1. Members of the Company have consented to renew the resolution passed by the Members on 18th March, 2016 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**") on a preferential basis to implement the terms of Debt Realignment Scheme, including any deviations thereto approved by relevant authorities, at a price of ₹10/- per equity share and also issue and allotment of Equity shares against conversion of a portion of the outstanding amounts to those lenders who are unable to participate in the Debt Restructuring Mechanism including the lenders of the Company's subsidiaries and lenders of facilities guaranteed by the Company and lessors of the Company ("**Non-CDR Lenders**"), on a preferential basis upto 6,50,00,096 equity shares at a price of ₹10/- per equity share as determined by Board pursuant to Resolution passed in Postal Ballot, the results of which were declared on 24th May, 2017.
2. On 31st May, 2017, the Company has allotted 4,88,55,774 equity shares of ₹10/- each at par on a preferential basis to Kotak Mahindra Bank Limited, DCB Bank Limited, OPC Asset Solutions Private Limited, Rentworks India Private Limited and Tata Capital Financial Services Limited, Non CDR Lenders of the Company under DRS Package of the Company. The Company has also allotted 2,97,61,872 , 0.10% cumulative non-convertible redeemable preference shares of face value ₹5/- each ("Class B Preference Shares") at par on a preferential basis to Kotak Mahindra Bank Limited, DCB Bank Limited, OPC Asset Solutions Private Limited and Rentworks India Private Limited under DRS Package of the Company on the same day.
3. Company has allotted 4,00,21,201 equity shares to its bondholder, Energy Management Limited on 8th June, 2017. These shares had been issued on December 12, 2016, but were being held in abeyance as per request of the bondholder.

4. Withdrawal of winding up petition filed by Tata Capital Financial Services Limited ("TCFSL") against the Company before the High Court of Bombay dated 23rd June, 2017.
5. Company has allotted 6,148 equity shares on August 17, 2017 against conversion of the amended 2.5% Foreign Currency Convertible Bonds due 2025 (formerly 4.75% Bonds due 2017 and zero coupon convertible bonds due 2012) (ISIN XS0308551166, LRN 2007687) (the "Amended 2007 Bonds")
6. Company has allotted 10,64,298 equity shares on December 21, 2017 against the conversion of the amended 2.5% Foreign Currency Convertible bonds due 2025 (Formerly 5% Foreign Currency Convertible Bonds Due 2017) (ISIN XS0769181982, LRN 201204162) (the "Amended 2012 Bonds") of principal amount USD 1,383,000 (carrying an outstanding value of USD 345,750).
7. On March 22, 2018, the Company has allotted 10,004 equity shares against conversion of Amended 2012 Bonds and 530,608 equity shares against conversion of the 2.5% Foreign Currency Convertible Bonds due 2025 (ISIN XS1423751418, LRN 201612235)(the "New Bonds").
8. On December 19, 2017, the Company has transferred 116,986 equity shares to Investor Education and Protection Fund (IEPF), shares against which the dividend has remained unclaimed/unpaid for a period of 7 years as per provisions of Section 125 of the Companies Act, 2013 read with Rule 6 (5) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
9. During the year, the Company has, as per the terms of the Debt Realignment Scheme (DRS) Package, allotted Equity and 0.10% Cumulative Non-Convertible Redeemable Preference Shares (Class B Preference Shares) to DRS Lenders, the details of which are as follows:

Date of allotment	**No. of Equity Shares**	**No. of Preference Shares (Class B)**
April 19, 2017	13,468,574	-
May 31, 2017	-	29,761,872
September 27, 2017	47,084,567	78,183,606
January 15, 2018	263,909,361	444,982,211
February 7, 2018	14,650,640	25,638,620
March 7, 2018	2,105,600	3,684,800
Total	**327,750,168**	**582,251,109**

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

Avinash Bagul
Partner
FCS No.5578
COP No.19862

Place: Mumbai
Date: June 20, 2018

Annexure I to the Secretarial Audit Report for the financial year ended 31st March, 2018

To,
The Members,
3i Infotech Limited
3rd to 6th Floors, Tower # 5,
International Infotech Park,
Vashi Railway Station Commercial Complex,
Navi Mumbai – 400703

Our 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 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]

Avinash Bagul
Partner
Place: Mumbai **FCS No.5578**
Date: June 20, 2018 **COP No.19862**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management discussion and financial analysis is based on the consolidated financial statements prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”).

Global IT services

As per Gartner, worldwide IT spending is projected to total $3.7 trillion in 2018, an increase of 4.5 percent from 2017, Global IT spending growth began to turn around in 2017, with continued growth expected over the next few years. However, uncertainty looms as organizations consider the potential impacts of Brexit, currency fluctuations, and a possible global recession. Despite this uncertainty, businesses will continue to invest in IT as they anticipate revenue growth, but their spending patterns will shift. Projects in digital business, blockchain, Internet of Things (IoT), and progression from big data to algorithms to machine learning to artificial intelligence (AI) will continue to be main drivers of growth.

Overview

3i Infotech is a global Information Technology company based out of 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, 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 9001:2008 Quality Management System for BPO, ADMS, business Intelligence and Infrastructure Management Services along with ISO/IEC 27001:2013 Information Security Management System for its Data Centre Operations and CMMi Level 3 for Development and Services.

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, by integrating its products and services to create customized solutions facilitating customers to undertake technology-based business transformation that enables reorganization 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 viz. IT solutions and Transaction services. Its IT Solutions business contributes 95% and Transaction services contributes 5% of the total operating revenue.

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. IT services include customized software development & maintenance, system integration, IT consulting and offshore & onsite support through its BPO operations. Through IT service offerings, the Company provides clients with application development and maintenance, IT infrastructure 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 & maintaining them.

Transaction Services segment covers management of back office operations for BFSI clients. Through transaction service offerings, the Company provides clients with services such as remittance, cheque processing, 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.

3i Infotech Services pivots its offerings on three distinct areas: co-innovation for transformation; customer centric and modular frameworks based on a curated technology stack for adept deployments and quantifiable outcomes that maximise ROI and enable easy technology adoption and effortless scalability for enterprises. Its Software Services portfolio focuses on the new set of technologies such as IoT, Blockchain, Social Media, Analytics, Cloud (SMAC), robotics, Artificial Intelligence, machine learning, telematics, Augmented Reality (AR)/ Virtual Reality (VR) and cybersecurity. Mobility and new age technologies will form the bedrock for enterprises seeking digital transformation. The Company’s offerings cater to all levels of the mobility maturity curve.

Services offerings encompass new frameworks –

- **AxES** (Accelerate, Enable, and Scale) – a mobility and portal framework; and
- **CRUX** (Customer Reach and User Experience), a digital transformation solution. Both AxES and CRUX aim to catalyse the digital adaption for mid-sized and large enterprises with built-in end-to-end framework elements, cutting across B2B and B2C centric options.

A comprehensive solutions landscape includes –

- **Momenta**, the Data and Insights Marketplace, a pre-built Analytics apps suite, which support a multitude of industries and business functions
- Another solution, **Flexib**, offers performance, security and automation testing. The Company continually invests heavily in the areas of TaaS, DevOps, Agile, and CT (Continuous Testing framework) to meet enterprise demand.
- '**HybridNxT'** helps enterprises move towards digital transformation with Hybrid Cloud

  To make this cloud journey seamless and enable easy decisions, the Company provides an interactive framework **- CReAT -** Cloud Readiness Assessment for Transformation, which is based on financial savings, responsiveness, business impact and compliance. Customers can prioritise workloads to be migrated and decide applications to be re-architected or re-engineered with minimum resources and maximum benefits to business.
- **Maggie** – part of cognitive service desk that will help contact centers to address hundreds of user requests simultaneously while successfully meeting the expectations of the digital-age users anytime, from anywhere. Powered by Artificial Intelligence, and combined with Natural Language Interface, which helps it understand user queries and learn from past experience, Maggie reduces human intervention in communication and operations.

The Company offers end-to-end solutions for banks and financial institutions to efficiently onboard and service clients through multiple channels. Its varied offerings include:

- **Kastle® ULS** – innovative lending solution with retail, corporate and Islamic finance and leasing capabilities encompassing origination, management, collections, customer service
- **AMLOCK®** – Chartis-listed anti-money laundering (AML) solution offering regulatory compliance for 30+ countries
- **AMLOCKLite–FS** comprehensive compliance solution for NBFCs for AML and counter-terrorist financing
- **Kastle®Treasury** – front-to-back Integrated Treasury Management solution covering asset classes like domestic treasury, forex, derivatives, commodities, funding, issuance
- **Kastle®Risk Management** – Enterprise Risk Management solution covering credit, liquidity, market risk management, compliance to Basel III guidelines
- **Kastle®CBS** – scalable customer-centric Core Banking solution covering CIF management, deposits, loans, remittances, enterprise financials
- **Kastle®Factoring** – flexible Receivables and Payables Finance solution for open account trade
- **Kastle®Digital Banking** – omni-channel platform is a digital extension of the Company's core solutions for end-customers, sales force, collections agencies, business partners

The Company offers Insurance organizations an array of powerful solution accelerators and software that enable efficient end-to-end management of business processes for Life, General, Health, Group Life and Islamic Insurance. The Company also offers solutions covering entire gamut of investment management activities to financial services companies, such as dealing, compliance, accounting and valuation. Products include

- **Premia® Insurance Management Suite** empowers insurance companies to deliver best-in-class solutions across domains. With Premia®, customers can drive new business acquisitions through a digital eco-system

- **MFund® Suite**, a comprehensive, multi-currency-enabled web-based application provides powerful automation tools to various financial institutions undertaking Fund Management activities. It has proven expertise in Investment Management with MFund® Suite and Quantis Suite which are market leaders in India and Malaysia

The Company has made sustained investments in best-in-class technology and services to give enterprises the right ERP applications. Its product, ORION® ERP, is an integrated, cost-effective and cloud-enabled industry solution for growing and mid-sized enterprises. ORION® process packs are flexible and scalable and cater to various industries. ORION® ERP is a globally trusted partner with 1,000+ installations and 50,000+ users across multiple verticals. The Company has extended its product line to GeSTup™, an application that effectively addresses the compliance requirements of GST, India's largest tax reform. The Company is approved by the GSTN (GST Network) as a GST Suvidha Provider (GSP).

In the ever evolving Technology landscape, the IT Services offerings of the Company, which is a big part of our business, is poised to ride on digital transformation offerings as a key focus area for Banking, Financial Services, Insurance, Healthcare, Enterprise and Government, including Consulting, recommending appropriate solutions and partnering with the customers in building, testing & maintaining them. The combination of our Products & Services portfolio offers a one stop shop for all our active customers globally.

The Company 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.

Vision and Strategies

The Company has carried forward the good work done in FY2017, with further positive strides in FY2018. In addition to the milestones achieved during the year, a number of steps have also been taken to lay the groundwork for further growth going forward.

The Company has succeeded in improving its CRISIL rating to 'CRISIL BBB-/Stable' (Investment Grade as per RBI Circular dated February 12, 2018) from 'D/Default' earlier.

The Company has also prepaid during FY2018, 15 instalments of principal, which were due from Apr 2018 to Jun 2019. The aggregate amount prepaid is ₹ 97.66 crores amounting to 20.83% of the total principal due.

Since the past two years, 3i Infotech has been undergoing a resurgence of sorts. This has been a journey with its own challenges, but the Company has emerged like a phoenix from the ashes. With a revival in the Company's health it is necessary to reinvent itself to offer higher value to stakeholders and fast pace its growth. While retaining its core values of Innovation, Insight and Integrity, the Company's aim is to serve its customers, above and beyond their expectations. To signal this transformation, the brand identity has undergone a makeover to reflect our invigorated philosophy.

The new corporate logo reflects both the transformation of the Company and its vision for the future. The logo brings to life the Company's renewed promise of creating opportunities and value for its clients and highlights the strength and focus of its products and services portfolio. The distinctive colors represent a fresh approach, bringing vibrancy and dynamism to the brand, and the logo overall conveys building contemporary solutions in the ever changing technology landscape. The geometric shapes signal the coming together of Customers, Employees & Stakeholders and emphasizes its values of Innovation, Insight and Integrity that are at the core of the Company's DNA.

The new tagline, "Limitless Excellence" represents the Company's passion and zeal to go beyond the expected and deliver extraordinary levels of performance using the combination of evolved products and services, emphatic customer engagement and deep domain expertise.

Over the years, to keep pace with changing times and technology, the Company has always remained ever sensitive to the needs of its customers, focused on providing them with solutions that comprehensively address their challenges, and unlock triggers to their growth. The new brand identity represents the Company's renewed commitment to its clients & its employees, and reflects how it wants to be perceived - as a forward-thinking brand, dynamically keeping pace with the ever-changing technology landscape, which pushes boundaries and brings together the best of expertise, talent, products and services, creating outstanding results across the spectrum.

Along with the revamp of the Corporate brand, the Company has also repositioned its IT Services portfolio with the name Altiray™. The new brand for Services reflects the Company's conviction towards being a future-ready & innovative organization. The Company is positioned to proactively do for its customers today, what others will do tomorrow. ALTIRAY speaks of performing above expectations. The brand line - 'Actioning Tomorrow', connotes the Services' mission to accelerate the accomplishment of its customers goals. Delivering its customers' ambitions ahead of time is the differentiator.

Altiray is a coined name from the word 'Altus' in Latin meaning High and 'Ray' meaning beam of light. The logo for the brand signifies the forward looking nature of the Services business, where the accentuated Y graphic in the symbol represents the ray of improvement and the arrow depicts a way forward for the Company's customers. This new identity reflects the transition to an organization with a distinctive IT Services portfolio and a goal towards continuous improvement.

Over two decades of experience across a diverse client base in developed and emerging geographies like North America, the Asia Pacific, Middle East and Africa as well as South Asia has given rise to an established domain expertise in BFSI and well-founded capabilities which form the foundation for its growth today.

This evolution is the result of a three phase 'Protect-Consolidate-Grow' approach which helped the Company revive and revamp its business. As part of the 'Protect Phase', the Company upped its offerings' content with software upgrades, contemporary add-ons and technical support. The 'Consolidate Phase' during the last year-and-half saw investments in R&D in both software products and services, to make them more adaptable to local conditions in diverse markets and to meet each customer's unique needs for competitive advantage. With its 'Protect and Consolidate phases' successfully completed by end 2017, The Company has laid a strong foundation to accelerate into a growth phase. The success is reflected in its second consecutive year of net profits and its operating margins.

During FY2018, the Company faced a number of challenges including large IT players entering the Company's market space, banking sector constraints in India, economic slowdown in the Middle East, brand recognition challenges in its Services business and visa process challenges in the US. The Company met these challenges head-on with focused investments in its Products and Services. The Company has launched new versions of its products which are cloud ready. One of the factors contributing to the swiftness with which this has been achieved is the multi-skilling initiatives the Company has taken with respect to its human resources. It has also invested in new products, Amlock*Lite* and GeSTup. The customer feedback and market response to the newer versions of the products is encouraging. Within the complexities of the solutions expected by customers, the Company has also taken steps to shorten its product implementation life cycle with the objective of quicker release of resources and realization of cash flows. This is an ongoing process and the Company plans to further this objective in FY2019.

The Company continues to strengthen the position of its Products in its traditional emerging markets. The intense customer engagement practiced by the Company has led to good references and this in turn has led to deepening the penetration of products. In addition to the new versions and products, the Company has also built add-ons to its existing products including Mobility and Business Intelligence to increase the expanse and value of its products. All the product lines show promise and the Company plans to expand to new geographies bordering its existing presence. In addition, with further investment to facilitate catering to advanced markets, the Company expects to initiate its foray into advanced markets with select products in FY2019. Due to the significantly different market requirements and customer expectations in advanced markets, the Company will plan its next steps in this direction based on the response to its initial overtures.

On the Services front, the frameworks that have been developed for Digital Transformation, Mobility, Business Intelligence, Testing, Infrastructure Management Services and IT Operations automation, give the Company the advantage of delivering quicker time-to-market solutions to customers. The traction witnessed in the market for the contemporary solutions offered by the Company is encouraging in the light of the Services brand recognition challenges faced. To counter the brand recognition challenges, the Company has also engaged in public relations activities to increase the visibility of its Services portfolio. The Company has also made headway in path-breaking e-Governance initiatives. and it is also open to working with partners to further strengthen its Services offerings and simultaneously facilitate entry into developed markets.

The above is in line with the Company's objective of revitalizing as a future-ready IT enterprise of 2020 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.

In the rapidly changing technology landscape, one of the challenges faced by the Company is to ensure that the technological advancements required to keep the solutions offered relevant and contemporary are taken on an ongoing basis. The investment and timelines involved could be a cause for concern. The Company mitigates this by shorter releases of versions of its solutions so as to enable course corrections where necessary. In this manner the challenge of keeping abreast of cutting edge technology is reduced. The opportunities available in the industry for quality resources are increasing and attrition of resources needs to be kept under control. Additionally, due to the domain and product knowledge amassed by the resources in its Products Groups, this risk is further increased. The Company takes measures to retain its key resources by positive measures of regular engagement and career enhancements by larger roles. The Company also encourages multi-skilling of its resources.

With other solutions available in the market place, it is essential for the Company to retain an edge. The Company depends on the insights it has on its chosen focus verticals to ensure that features and functionalities are constantly upgraded in line with market requirements. Going forward the Company will have the added challenge of winning acceptability for its products and solutions in the advanced market where it plans to enter in the near future.

Since a substantial portion of its revenue is earned in foreign currency, any adverse movement in foreign exchange rates will have a consequential impact on the Company's profitability.

Operations during the year

The table below shows the Profit and Loss account of the Group for the year ended March 31, 2018:

₹ in Crores

Particulars	**2017-18**	**2016-17**
REVENUE		
I. Revenue from operations (net)	991.19	1,003.79
II. Other income	19.24	52.12
III. Total Revenue (I + II)	**1,010.43**	**1,055.91**
IV. EXPENSES		
Employee benefits expense	528.04	572.33
Cost of third party products and services	198.54	160.57
Finance costs	86.65	92.97
Depreciation and amortization expense	8.94	13.50
Other expenses	108.78	113.96
Total Expenses	**930.95**	**953.33**
V. Profit/(loss) before tax (III-IV)	**79.48**	**102.58**
VI. Tax expense	8.37	8.51
VII. Profit/(loss) for the Year (V - VI)	**71.11**	**94.07**
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	0.50	7.01
Income tax effect	-	(0.43)
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:	-	-
Other Comprehensive income for the year, net of tax	**0.50**	**6.58**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**71.61**	**100.65**

The Company made a profit of ₹ 71.61 crore for the year ending March 31, 2018 as against a profit of ₹ 100.65 crores for the year ending March 31, 2017.

The decrease in Net profit can be substantially attributed to reduction in Other Income covered further in this analysis.

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

The revenue from Operations for the year FY 2018 stands at ₹ 991.19 crores compared to ₹ 1,003.79 crores in FY 2017. The reduction is mainly due to discontinuation of certain service in FY 2017 provided to ICICI Bank.

The reduction in employee benefit expenses and cost of third party products and services pertain to discontinuance of certain services provided to ICICI Bank.

Other Income

Reduction in other Income from ₹ 52.12 crores in FY 2017 to ₹ 19.24 crores in FY 2018 is mainly due to foreign exchange fluctuations

Finance Cost

The reduction in finance cost from ₹ 92.97 crores in FY 2017 to ₹ 86.65 crores in FY 2018 is on account of prepayment of principal to lenders during FY 2018.

Depreciation and amortization expense

These expenses stand reduced from ₹ 13.50 crores in FY 2017 to ₹ 8.94 crores in FY 2018.

Other Costs

The breakup of the other costs is given in the table below : **₹ in Crores**

Particulars	**2017-18**	**2016-17**
Rent	25.69	26.31
Travel	31.96	33.16
Legal and professional fees	22.37	18.68
Communication	4.99	5.03
Utilities	15.54	16.15
Others	8.23	14.63
Total	**108.78**	**113.96**

Profit before depreciation and interest, excluding Other Income (Operating EBITDA) for the current financial year was at ₹ 156.14 crores as compared to ₹ 163.94 crores for the previous year.

The reduction can be attributed to discontinuation of certain portion of ICICI business.

Analysis of Balance Sheet

₹ in Crores

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
I. EQUITY AND LIABILITIES		
Shareholders' funds		
Equity share capital	1,615.36	1,183.65
Other Equity	(1,363.59)	(1,006.20)
Non Controlling Interest	3.50	2.81
Borrowings	846.60	926.74
Trade payables and other Liabilities	272.42	275.75
	1,374.29	**1,382.75**

₹ **in Crores**

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
II. ASSETS		
Property , Plant and Equipment and Intangible Assets	367.97	371.33
Goodwill arising on consolidation	435.06	435.06
Non current investments	0.16	0.16
Deferred tax asset	3.24	3.07
Income tax assets and other non current assets	160.84	155.98
Cash and bank balances	51.68	123.62
Inventories	0.99	0.92
Trade receivables and other Assets	354.35	292.61
	1,374.29	**1,382.75**

Equities and Liabilities

1. **Equity Share Capital**

The Authorised capital of the Company is ₹ 3,155 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 ₹ 1,615.36 crores as at March 31, 2018 compared to ₹ 1,183.65 crores as at March 31, 2017

2. **Other Equity**

The increase in Other Equity is on account of issue of shares to lenders pertaining to the amount shown under Share Suspense account.

3. **Borrowings**

There has been a decrease of ₹ 80.14 crores in FY 2018 from ₹ 926.74 crores as at March 31, 2017 to ₹ 846.60 crores as at March 31, 2018. This is primarily on account of Principal Prepayment and Unwinding of discount under Ind AS 109 on Fair Valuation of Preference Share Capital.

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 on consolidation represents the excess of purchase consideration over the net asset value on the date of such acquisitions. The Company annually carries out an impairment analysis of its Cash Generating Units / Long term investments, in order to ascertain the extent of impairment, if any, in their carrying values. There is no impairment for FY 2018.

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, 2018, the Property, Plant and Equipment and Intangible Assets of the Company stood at ₹ 367.97 crores as compared to ₹ 371.33 crores in as at March 31, 2017.

4. Deferred Tax Asset / Liability

Deferred tax asset primarily comprises of deferred taxes on fixed assets and other expenses allowable on payments. The likelihood that the deferred tax asset will be recovered from future taxable income is assessed annually.

5. Income tax assets and other non current assets

There is an increase in Income tax assets and other non-current assets, the amount increased from ₹ 155.98 crores as at March 31, 2017 to ₹ 160.84 crores as at March 31, 2018.

6. Cash and Bank balance

The decrease in Cash and Bank balance as compared to FY 2017 is due to prepayment of principal to lenders during the FY 2018.

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

The increase of ₹ 61.74 crores is contributed by increase in trade receivables and unbilled revenue.

Internal Control Systems

The Company exercises internal controls through a formalized process of an authorization matrix approved by the Board. The adherence to these controls is 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 AUDITORS' REPORT

To

The Members of

3i Infotech Limited

Report on Consolidated Financial Statements

We have audited the accompanying Statement of consolidated financial statements of **3i Infotech Limited** (hereinafter referred to as "Holding Company")**, comprising its subsidiaries** (together referred to as "the Group) **and a jointly controlled entities**, which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India.

The respective Board of Directors of the Companies included in the Group and jointly controlled entity 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the other financial information of the subsidiaries and jointly controlled entity, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated financial position of the Group and its jointly controlled entity as at March 31, 2018, and their consolidated financial performance including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of matter

We draw attention to Note 33 to the consolidated financial statements in respect of remuneration paid to the Managing Director and Global CEO of the Holding Company which was in excess of the limits prescribed under Section 197 of the Act and was subject to the approval of the Central Government for the financial year 2016-17.

Our Opinion is not qualified for above matters.

Other Matter

We did not audit the financial statements / financial information of nine subsidiaries and one jointly controlled entity, whose financial statements/ financial information reflect total assets of ₹ 31.15 crores and net assets of ₹ 5.89 crores as at 31st March, 2018, total revenues of ₹ 69.12 crores and net cash outflows amounting to ₹ 4.65 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ Nil for the year ended 31st March, 2018, as considered in the consolidated financial statements, in respect of jointly controlled entity, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not qualified in respect of the above matters with respect the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and the other financial information of subsidiaries and jointly controlled entity, as noted in the other matter paragraph, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books ;

(c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including other comprehensive income) ,the Consolidated Statement Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

(e) On the basis of the written representations received from the directors of the Holding Company and Subsidiaries incorporated in India as on March 31, 2018, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2018, 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 Holding Company and its Subsidiaries incorporated in India, for the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) In our opinion and to the best of our information and according to the explanations given to us and also the financial information of the subsidiaries and jointly controlled entitiy as noted in the Other matter paragraph, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,2014:

    i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its jointly controlled entity. Refer Note No. 30 to the consolidated financial statements.

    ii. The Group has made provision, as required under the applicable law or accounting standard, for material foreseeable losses 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 Group.

For GMJ & Company
Chartered Accountants
FRN : 103429W

CA Sanjeev Maheshwari
Partner
Membership No. 38755

Place : Mumbai
Date : April 23, 2018

ANNEXURE “A”

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

We have audited the internal financial controls over financial reporting of 3i Infotech Limited (“hereinafter referred to as the “Holding Company”) and its subsidiaries which are the companies incorporated in India as of March 31, 2018 in conjunction with our audit of the Consolidated financial statements of the 3i Infotech LImited for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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 the information and according to the explanation given to us the Holding Company and the Subsidiaries, which are incorporated in India, have, maintained 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, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note.

For GMJ & Company
Chartered Accountants
FRN : 103429W

CA Sanjeev Maheshwari
Partner
Membership No. 38755

Place : Mumbai
Date : April 23, 2018

3i INFOTECH LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

₹ in Crores

Particulars	Notes	March 31, 2018	March 31, 2017
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	142.55	143.75
(b) Goodwill	4	435.06	435.06
(c) Other Intangible Assets	4	225.42	227.58
(d) Financial Assets			
(i) Investments	5	0.16	0.16
(ii) Other Financial Assets	5	6.86	12.90
(e) Deferred Tax Asset (Net)	11	3.24	3.07
(f) Income Tax Asset		143.20	138.11
(g) Other Non-Current Assets	10	10.78	4.97
		967.27	**965.60**
Current assets			
(a) Inventories	6	0.99	0.92
(b) Financial Assets			
(i) Trade Receivables	7	212.07	203.03
(ii) Cash and Cash Equivalents	8	48.91	119.05
(iii) Bank Balances Other than (ii) above	9	2.77	4.57
(iv) Loans	5	0.22	0.09
(v) Other Financial Assets	5	120.72	62.94
(c) Other Current Assets	10	21.34	26.55
		407.02	**417.15**
TOTAL		**1,374.29**	**1,382.75**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12	1,615.36	1,183.65
(b) Other Equity	13	(1,363.59)	(1,006.20)
Equity attributable to equity holders of the parent		**251.77**	**177.45**
Non Controlling Interest		3.50	2.81
Total Equity		**255.27**	**180.26**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	824.68	902.94
(b) Provisions	19	20.39	17.93
		845.07	**920.87**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	21.92	23.80
(ii) Trade Payables	17		
Micro, Small and Medium Enterprises		-	-
Others		111.89	119.49
(iii) Other Financial Liabilities	16	28.30	32.96
(b) Other Current Liabilities	18	96.32	83.40
(c) Provisions	19	2.76	6.02
(d) Current Tax Liabilities (Net)		12.76	15.95
		273.95	**281.62**
TOTAL		**1,374.29**	**1,382.75**
Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements	1 to 44		

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

S. Maheshwari
Partner
M.No. 38755

Navi Mumbai
Date: April 23, 2018

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: April 23, 2018

3i INFOTECH LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Crores

Particulars	Notes	2017-18	2016-17
REVENUE			
Revenue from operations (net)	20	991.19	1,003.79
Other income	21	19.24	52.12
Total Revenue (I)		**1,010.43**	**1,055.91**
EXPENSES			
Employee benefits expense	23	528.04	572.33
Cost of third party products and services	22	198.54	160.57
Finance costs	24	86.65	92.97
Depreciation and amortization expense	25	8.94	13.50
Other expenses	26	108.78	113.96
Total Expenses (II)		**930.95**	**953.33**
Profit/(loss) before tax (I-II)		**79.48**	**102.58**
Tax expense:			
Current tax		7.40	5.84
Adjustment of tax relating to earlier periods		0.54	2.40
Deferred tax		0.43	0.27
Profit/(loss) for the year		**71.11**	**94.07**
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		0.50	7.01
Income tax effect		-	(0.43)
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:		-	-
Other Comprehensive income for the year, net of tax		**0.50**	**6.58**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**71.61**	**100.65**
Profit for the year attributable to:			
Equity holders of the parent		70.40	94.73
Non-controlling interests		0.71	(0.66)
Other comprehensive income for the year attributable to:			
Equity holders of the parent		0.50	6.58
Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
Equity holders of the parent		70.90	101.31
Non-controlling interests		0.71	(0.66)
Earnings per share for profit attributable to equity shareholders	27		
Basic EPS		0.44	0.77
Diluted EPS		0.44	0.77

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements. 1 to 44

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

S. Maheshwari
Partner
M.No. 38755

Navi Mumbai
Date: April 23, 2018

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: April 23, 2018

3i INFOTECH LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Crores

Particulars	2017-18	2016-17
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax	79.48	102.58
Adjustments for:		
Depreciation and amortisation expense	8.94	13.50
Employee share-based payment expense	0.20	0.38
Gain on disposal of property, plant and equipment	(0.03)	0.10
Other income	(7.22)	(6.23)
Remeasurement of Defined Benefit Obligation	0.50	7.01
Allowance for doubtful debts	3.78	9.17
Provision reversal for doubtful advances	(5.00)	-
Interest income classified as investing cash flows	(1.41)	(12.67)
Finance costs	86.65	92.97
Net foreign exchange differences	(1.42)	(33.33)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	(11.60)	(18.61)
(Increase)/Decrease in inventories	(0.07)	(0.10)
Increase/(decrease) in trade payables	(7.26)	(49.69)
(Increase) in other financial assets	(48.48)	(1.01)
(Increase)/decrease in other non-current assets	(6.13)	0.58
(Increase)/decrease in other non-current Financial Liabilities	-	(0.02)
(Increase)/decrease in other current assets	7.01	1.66
Increase/(decrease) in provisions	(0.82)	(10.32)
Increase in other current liabilities	11.99	(4.48)
Cash generated from operations	**109.11**	**91.49**
Less: Income taxes paid / (Refund) (Net)	(16.37)	37.91
Net cash inflow from operating activities	**92.74**	**129.40**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(3.83)	(5.68)
Payments for software development costs	(0.25)	-
Loans to employees	(0.26)	(0.22)
Proceeds from sale of investments	5.00	12.50
Proceeds from sale of property, plant and equipment	(1.51)	0.04
Repayment of loans by employees	0.14	0.16
Interest received	(1.79)	8.81
Net cash inflow/(outflow) from investing activities	**(2.50)**	**15.61**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from/(Repayment of) borrowings	(105.41)	(14.62)
Interest paid	(53.99)	(59.18)
Dividends paid	(0.97)	(0.32)
Dividend distribution tax paid	(0.01)	(0.07)
Net cash inflow/ (outflow) from financing activities	**(160.38)**	**(74.19)**

3i INFOTECH LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Crores

Particulars	2017-18	2016-17
Net increase (decrease) in cash and cash equivalents	(70.14)	70.82
Cash and Cash Equivalents at the beginning of the financial year	119.05	48.23
Cash and Cash Equivalents at end of the year	**48.91**	**119.05**
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	26.23	35.17
-On deposit accounts	22.67	83.87
Cash on hand	0.01	0.01
Balances as per statement of cash flows	**48.91**	**119.05**

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 44

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

S. Maheshwari
Partner
M.No. 38755

Navi Mumbai
Date: April 23, 2018

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: April 23, 2018

3i INFOTECH LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

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, 2017			
Numbers	640,803,928	582,868,676	**1,223,672,604**
Amount	640.80	582.87	**1,223.67**
March 31, 2018			
Numbers	1,223,672,604	391,685,574	**1,615,358,178**
Amount	1,223.67	391.69	**1,615.36**

B Other Equity

₹ in Crores

Particulars	Equity Component of Compound financial instruments	Reserves and Surplus: Securities Premium Reserve	Reserves and Surplus: Share Based Payment Reserve	Reserves and Surplus: Retained Earnings	Reserves and Surplus: Property, Plant and Equipment Reserve	Share Suspense account - Equity Shares	Shares held in abeyance	Total other equity attributable to parent	Non Controlling Interest	Total other equity
As at April 1, 2016	**20.13**	**881.61**	**1.53**	**(2,564.17)**	**121.83**	**1,009.55**	**-**	**(529.52)**	**3.46**	**(526.06)**
Profit for the year				94.73				94.73	(0.66)	**94.07**
Other comprehensive income				6.58				6.58	-	**6.58**
Total comprehensive income for the year	**20.13**	**881.61**	**1.53**	**(2,462.86)**	**121.83**	**1,009.55**	**-**	**(428.21)**	**2.80**	**(425.41)**
Transfer from PPE Reserve				2.76	(2.76)			-		**-**
Share based payment expense			0.38					0.38		**0.38**
Issue of equity shares		13.24				(595.06)		(581.82)		**(581.82)**
Equity Shares issued but not alloted							40.02	40.02		**40.02**
Reinstatement of FCMITDA*				(31.11)				(31.11)		**(31.11)**
Others				(5.46)				(5.46)	0.01	**(5.45)**
As at March 31, 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	**20.13**	**894.85**	**1.91**	**(2,425.77)**	**119.07**	**414.49**	**40.02**	**(935.30)**	**3.52**	**(931.78)**
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)**

* Foreign currency monetary item translation difference account (FCMITDA)

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements. 1 to 44

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

For and on behalf of the board

S. Maheshwari
Partner
M.No. 38755

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: April 23, 2018

Navi Mumbai
Date: April 23, 2018

3i INFOTECH LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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, 2018.

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 31,2018 were approved by the Board of Directors and authorised for issue on April 23, 2018.

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 statement of profit and 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 statement of profit and 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 statement of profit and 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 statement of profit and 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 statement of profit and 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 statement of profit and 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 (k).

(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 IT solutions and Transaction services.

(i) Revenue from IT solutions

The Group earns revenue from IT solutions comprises of revenue from the sale of software products, providing IT services and sale of hardware and third party software.

- Revenue from Software Products is recognized on delivery/installation, as per the predetermined/ laid down policy across all geographies or a lower amount as considered appropriate in terms of the contract. Maintenance revenue in respect of products is deferred and recognized ratably over the period of the underlying maintenance agreement.
- Revenue from IT Services is recognized either on time and material basis or fixed price basis or based on certain measurable criteria as per relevant contracts. Revenue on Time and Material Contracts is recognized as and when services are performed. Revenue on Fixed-Price Contracts is recognized on the percentage of completion method. Provisions for estimated losses, if any, on such uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.
- Revenue from Supply of Hardware/Other Material and Sale of Third Party Software License/ Term License/Other Materials incidental to the aforesaid services is recognized based on delivery/installation, as the case may be. Recovery of incidental expenses is added to respective revenue.

Unbilled and Unearned revenue:

- Revenue recognized over and above the billings on a customer is classified as "unbilled revenue' and advance billing to customer is classified as "advance from customer/unearned revenue" and included in other liabilities.

(ii) Revenue from Transaction Services:

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

(iii) Revenue from Sharing of Infrastructure Facilities:

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

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 and 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 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 Group 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 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 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 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 and 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 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 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 and loss.

(vi) 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 (PPE)

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 and 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 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 the statement of profit and 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 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 (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

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.

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, 2016	0.40	140.47	0.74	1.91	0.55	2.72	9.00	4.78	97.76	**258.33**
Additions	-	-	0.09	0.21	-	0.98	1.00	-	-	**2.28**
Disposals	-	-	-	(0.13)	(0.28)	(0.07)	(0.04)	(0.24)	-	**(0.76)**
Other Adjustments	0.30	-	0.01	0.87	0.20	1.06	(0.67)	(0.83)	-	**0.94**
As at March 31, 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)**
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**
ACCUMULATED DEPRECIATION/IMPAIRMENT										
As at April 1, 2016	0.02	3.10	0.16	1.07	0.27	0.83	4.39	0.16	96.84	**106.84**
Depreciation for the year	0.58	3.11	0.20	0.27	0.16	0.76	2.58	0.27	-	**7.93**
Deductions\Adjustments during the year	(0.27)	-	0.01	0.75	(0.07)	1.51	(0.07)	(0.01)	0.42	**2.17**
As at March 31, 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**
Deductions\Adjustments during the year	(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**
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**
Net Carrying value as at March 31, 2017	**0.37**	**134.26**	**0.47**	**0.77**	**0.11**	**1.59**	**2.39**	**3.29**	**0.50**	**143.75**

Notes:

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, 2018	March 31, 2017
Land		
Cost	0.40	0.40
Accumulated Depreciation	(0.03)	(0.03)
Net carrying amount	**0.37**	**0.37**
Building		
Cost	140.47	140.47
Accumulated Depreciation	9.33	6.21
Net carrying amount	**131.14**	**134.26**
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	0.66
Accumulated Depreciation	(0.24)	(0.24)
Net carrying amount	**0.18**	**0.42**
Leasehold Improvements		
Cost	0.09	0.47
Accumulated Depreciation	(0.07)	(0.38)
Net carrying amount	**0.02**	**0.09**

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 39 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, 2016	**676.87**	**1,154.54**	**6.32**	**1,837.73**
Additions	-	-	-	-
Deletions	-	-	-	-
Other Adjustments	-	-	0.06	**0.06**
As at March 31, 2017	**676.87**	**1,154.54**	**6.38**	**1,837.79**
Additions	-	-	0.24	**0.24**
Deletions	-	-	0.00	**0.00**
Other Adjustments	-	0.01	(1.52)	**(1.51)**
As at March 31, 2018	**676.87**	**1,154.55**	**5.10**	**1,836.52**
ACCUMULATED AMORTISATION AND IMPAIRMENT				
As at April 1, 2016	241.81	930.87	1.79	**1,174.47**
Amortisation for the year	-	-	5.57	**5.57**
Deductions\Adjustments during the year	-	-	(4.89)	**(4.89)**
As at March 31, 2017	**241.81**	**930.87**	**2.47**	**1,175.15**
Amortisation for the year	-	-	0.86	0.86
Deductions\Adjustments during the year	-	0.01	0.02	0.03
As at March 31, 2018	**241.81**	**930.88**	**3.35**	**1,176.04**
Net Carrying value as at March 31, 2018	**435.06**	**223.67**	**1.75**	**660.48**
Net Carrying value as at March 31, 2017	**435.06**	**223.67**	**3.91**	**662.64**

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, 2018	March 31, 2017
Software meant for sale		
- Banking	104.99	104.99
- Insurance	56.63	56.63
- ERP	47.64	47.64
- Financial Services	14.41	14.41
	223.67	**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, 2017 ₹ 1,123 Crores (December 31, 2016: ₹ 1,034 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

Intangible Assets	March 31, 2018	March 31, 2017
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, 2017 ₹ 1,795.80 Crores (December 31, 2016 ₹ 1,570 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. FINANCIAL ASSETS

₹ in Crores

	Particulars	March 31, 2018	March 31, 2017
(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, 2017 - 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, 2017 - 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, 2017 - 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	-	-
	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	0.22	0.09
	Total	**0.22**	**0.09**

₹ in Crores

Particulars		March 31, 2018	March 31, 2017
(C)	**OTHER FINANCIAL ASSETS**		
	Non Current		
	Financial assets carried at amortised cost		
	Security Deposits	7.35	13.39
	Less: Loss Allowances	(0.49)	(0.49)
	Total	**6.86**	**12.90**
	Current		
	Financial assets carried at amortised cost		
	Security Deposits	12.62	6.84
	Unbilled Revenue	154.37	150.56
	Interest Accrued but not due	0.63	0.82
	Less: Loss Allowances	(46.90)	(95.28)
	Total	**120.72**	**62.94**

6. INVENTORIES

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
(Valued at lower of Cost and Net Realisable value)		
Hardware and Supplies	0.99	0.92
Total	**0.99**	**0.92**

7. TRADE RECEIVABLES

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Current		
Trade Receivables from customers	212.07	203.03
	212.07	**203.03**
Breakup of Security details		
Secured, considered good		
Unsecured, considered good	212.07	203.03
Doubtful	32.97	48.39
	245.04	**251.42**
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered Doubtful	-	-
Doubtful	32.97	48.39
	32.97	**48.39**
	212.07	**203.03**

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, 2018	March 31, 2017
Balances with banks:		
- On current accounts	26.23	35.17
- On deposit accounts	22.67	83.87
Cash on hand	0.01	0.01
	48.91	**119.05**

9. OTHER BANK BALANCES

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Balances with banks to the extent held as margin money	2.01	2.26
Deposits with banks to the extent held as margin money	0.03	0.57
Other Balances with banks		
- in Dividend accounts	0.14	0.32
- in Escrow accounts	0.59	1.42
	2.77	**4.57**

10. OTHER ASSETS

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Non Current		
Capital Advances	0.17	0.01
Others		
- Prepaid expenses	6.84	0.97
- Balances with Statutory, Government Authorities	3.77	3.99
Total	**10.78**	**4.97**
Current		
Advances other than Capital advances		
- Advances to creditors	2.29	3.20
- Other Advances	4.28	4.51
Others		
- Prepaid expenses	8.24	6.42
- Balances with Statutory, Government Authorities	6.13	1.71
- Other current assets	0.40	10.71
Total	**21.34**	**26.55**

11. INCOME TAX

Deferred Tax

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Deferred tax relates to the following:		
Depreciation for tax purposes	(105.13)	(100.11)
Temporary difference due of foreign exchange fluctuation accounted in FCMITDA	-	(3.80)
Gratuity	5.49	4.71
Expenses allowable on payment basis	2.97	1.03
Leave Encashment	0.35	0.38
Loss Allowance on Financial Assets	6.39	7.66
Losses available for offsetting against future taxable income	235.42	245.30
Other Ind AS adjustments	(142.25)	(152.10)
Net Deferred Tax Assets / (Liabilities)	**3.24**	**3.07**

Movement in deferred tax liabilities/assets

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Opening balance as of April 1	3.07	4.02
Tax income/(expense) during the period recognised in profit or loss	(0.43)	(1.38)
Tax income/(expense) during the period recognised in OCI	(0.00)	0.43
Foreign exchange fluctuation loss	0.60	-
Closing balance as at March 31	**3.24**	**3.07**

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Unrecognised deferred tax assets		
Deductible temporary differences	332.67	282.41
Unrecognised tax losses	624.97	659.98

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 ₹ 918.45 crores (Previous year ₹ 949.66 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 Group.

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, 2018 and March 31, 2017 are as follows:

i. Income tax recognised in profit or loss **₹ in Crores**

Particulars	**2017-18**	**2016-17**
Current income tax charge	7.40	5.84
Adjustment in respect of current income tax of previous year	0.54	2.40
Deferred tax		
Relating to origination and reversal of temporary differences	0.43	0.27
Income tax expense recognised in profit or loss	**8.37**	**8.51**

ii. Income tax recognised in OCI **₹ in Crores**

Particulars	**2017-18**	**2016-17**
Net loss/(gain) on remeasurements of defined benefit plans	-	(0.43)
Income tax expense recognised in OCI	**-**	**(0.43)**

Reconciliation of tax expense and accounting profit multiplied by income tax rate for the years ended March 31, 2018 and March 31, 2017

₹ in Crores

Particulars	**2017-18**	**2016-17**
Accounting profit before income tax	**79.48**	**102.58**
Enacted tax rate in India	34.61%	34.61%
Income tax on accounting profits	**27.51**	**35.50**
Effect of		
Loss credit forward to next year	2.13	0.27
Utilisation of previously unrecognised tax lossses	(18.87)	(8.26)
Depreciation	1.27	(7.28)
Accounting Income not assessable for tax purpose	(8.03)	(27.92)
Adjustment for current tax of prior period	0.54	2.40
Translation Effect	(1.02)	-
Other non taxable income	4.62	(0.02)
Non-deductible expenses for tax purposes:		
Accounting expenses not deductible for tax purpose	18.35	14.60
Other non deductible expenses	44.82	1.13
Share based payment expenses not deductible for tax purposes	0.07	0.13
Allowable expenses for tax purposes:		
Expenditure allowable on payment basis	0.04	(2.46)
Tax impact on Intercompany transation	(61.73)	(14.51)
Effect of differential tax rate	(1.33)	14.93
Tax at effective income tax rate	**8.37**	**8.51**

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, 2016	**2,000,000,000**	**2,000.00**	**2,000,000,000**	**100.00**
Increase/(decrease) during the year	200,000,000	200.00	-	-
At March 31, 2017	**2,200,000,000**	**2,200.00**	**20,000,000**	**100.00**
Increase/(decrease) during the year	-	-	-	
At March 31, 2018	**2,200,000,000**	**2,200.00**	**200,000,000**	**100.00**

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, 2016	**1,500,000,000**	**750.00**	**1,050,000,000**	**105.00**
Increase/(decrease) during the year	-	-	-	-
At March 31, 2017	**1,500,000,000**	**750.00**	**1,050,000,000**	**105.00**
Increase/(decrease) during the year	-	-	-	-
At March 31, 2018	**1,500,000,000**	**750.00**	**1,050,000,000**	**105.00**

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, 2018 would be ₹ Nil crores (₹ 0.04 crores as at March 31, 2017).

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, 2016	**640,803,928**	**640.80**
Issued during the period		
Shares issued towards conversion of FCCB	637,193	0.64
Shares issued under CDR	582,231,483	582.23
At March 31, 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	390,074,516	390.07
At March 31, 2018	**1,615,358,178**	**1,615.36**

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 held in abeyance) and shown under 'Other Equity'. Shares held in abeyance were subsequently issued in FY 2017-18.

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, 2016	**130,000,000**	-	-	-
Issued during the period	-	-	693,270,487	-
At March 31, 2017	**130,000,000**	**-**	**693,270,487**	**-**
Issued during the period	-	-	582,251,109	-
At March 31, 2018	**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, 2016	**640,803,928**	**640.80**
Issued Capital during the year	582,868,676	582.87
Less : Shares held in abeyance	(40,021,201)	(40.02)
At March 31, 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**

* Includes shares issued of ₹ 40.02 Crores which was 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

₹ in Crores

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	Number	% holding	Number	% holding
Equity shares of ₹ 10/- each fully paid				
SREI Multiple Asset Investment Trust (SMAIT)	263,909,361	16.34	-	-
Standard Chartered Bank	148,302,327	9.18	148,302,327	12.53
IDBI Bank Limited	126,088,948	7.81	145,399,286	12.28
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
Non Convertible Cumulative Reedemable Preference Share (Class B) of ₹ 5 each issued and fully paid				
SREI Multiple Asset Investment Trust (SMAIT)	444,982,211	34.89	-	-
Standard Chartered Bank	189,505,860	14.86	189,505,860	27.34
IDBI Bank Limited	180,743,103	14.17	180,743,103	26.07
Allahabad Bank	53,676,000	4.21	53,676,000	7.74
DBS Bank Limited	52,451,516	4.11	52,451,516	7.57
Reliance Capital Limited	41,839,000	3.28	41,839,000	6.04

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 Debt Restructuring Scheme (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 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 IndAS 109, the difference between the liability settled and fair value of equity shares 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.

13. OTHER EQUITY

i. Reserves and Surplus

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Securities premium reserve	895.78	894.85
Share based payment reserve	2.11	1.91
Retained earnings	(2,423.06)	(2,496.68)
Property, plant equipment reserve	116.31	119.07
	(1,408.86)	**(1,480.84)**

(a) Securities Premium Reserve

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Opening balance	894.85	881.61
Add/(Less):		
Allotment of equity shares under FCCB conversion	0.93	0.41
Allotment of equity shares under Debt Restructuring Scheme	-	12.83
Closing balance	**895.78**	**894.85**

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, 2018	March 31, 2017
Opening balance	1.91	1.53
Add/(Less):		
Employee stock option expense recognised	0.20	0.38
Closing balance	**2.11**	**1.91**

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, 2018	March 31, 2017
Opening balance	(2,496.67)	(2,564.17)
Net Profit/(Loss) for the year	70.40	94.73
Add/(Less):		
Transfer From PPE reserve	2.76	2.76
FCCB's converted during the year	0.72	-
Dividend on preference shares	(0.02)	-
Reinstatement of FCMITDA	-	(31.11)
Others	(0.75)	(5.46)
Items of Other Comprehensive Income directly recognised in Retained Earnings		
Remeasurement of post employment benefit obligation, net of tax	0.50	6.58
Closing balance	**(2,423.06)**	**(2,496.67)**

(d) Property, Plant and Equipment Reserve

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Opening balance	119.07	121.83
Add/(Less):		
Transferred to Retained earnings	(2.76)	(2.76)
Closing balance	**116.31**	**119.07**

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, 2018	March 31, 2017
Share suspense account - Equity Shares	25.95	414.49
Equity component of compound financial instruments	19.32	20.13
Shares held in abeyance	-	40.02
Total	**45.27**	**474.64**

14. DISTRIBUTION MADE AND PROPOSED

Cash dividends

₹ in Crores

Particulars	2017-18	2016-17
Cash dividends on Preference shares declared and paid:	0.97	0.35
Dividend distribution tax (DDT) on final dividend	0.20	0.07
	1.17	**0.42**

The amount of cumulative preference dividends not recognised as at reporting date was ₹ Nil (DDT ₹ Nil) [As at March 31, 2017 : ₹ 0.06 crore (DDT ₹ 0.01 crore)].

15. BORROWINGS

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Non Current Borrowings		
Secured		
(a) Term Loans		
From Banks	349.78	449.83
From Others	30.92	42.07
Unsecured		
(a) Liability Component of Foreign Currency Convertible Bonds	103.05	101.22
(b) Cumulative Non Convertible Reedemable Preference Shares	341.89	311.70
(A)	825.64	904.82
Current Maturity of Non Current Borrowings		
Secured		
(a) Term Loans		
From Banks	0.96	1.88
(B)	0.96	1.88
Total (A)-(B)	**824.68**	**902.94**

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Current Borrowings		
Secured		
(a) Loans repayable on demand		
From Banks	21.73	23.59
From Other Parties	0.19	0.21
Total	**21.92**	**23.80**

₹ in Crores

Particulars	Coupon / Interest Rate	March 31, 2018	March 31, 2017
Non Current Borrowings			
Secured			
(a) Term Loans			
From Banks	10%	349.78	449.83
From Others	6.75% to 10%	30.92	42.07
Unsecured			
(a) Liability Component of Foreign Currency Convertible Bonds	2.5%	103.05	101.22
(b) Cumulative Non Convertible Reedemable Preference Shares	0.01% to 0.10%	341.89	311.70
Gross Non Current Borrowings		**825.64**	**904.82**
Less: Current maturity		(0.96)	(1.88)
Net Non Current Borrowings (as per Balance sheet)		**824.68**	**902.94**

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, repayale 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, 2018	March 31, 2017
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 *	14.93	7.48
Interest paid till reporting date	(6.46)	(3.26)
Foreign Exchange Loss / (Gain) till reporting date	(2.08)	(2.27)
Conversion / Markdown	(2.61)	-
Non Current Borrowings	**103.05**	**101.22**

* Interest expense is calculated by applying the effective interest rate of 7.5% to the liability component

The equity component of convertible bonds has been presented under other equity net of deferred tax of ₹ 19.32 crores (March 31, 2017: ₹ 20.13 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 Re. 1 each with a premium of ₹ 4 each and would carry a dividend of 0.10 % per annum.

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Value of preference shares issued	65.00	65.00
Value of preference shares issued (under DRS)	660.15	660.17
Transaction Cost	(0.94)	(0.94)
Fair Valuation Gain	(440.54)	(440.55)
Interest expense	59.50	28.37
Dividend paid	(1.28)	(0.35)
Non Current Borrowings	**341.89**	**311.70**

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Current Borrowings		
Secured		
From Banks	21.73	23.59
From Other Parties	0.19	0.21

Net debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2018

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Non-current Borrowings	828.78	911.98
Current Borrowings	21.92	23.80
Net Debt	**850.70**	**935.78**

₹ in Crores

Particulars	Liabilities from financing activities		
	Non Current Borrowings	Current Borrowings	Total
Net Debt as at March 31, 2017	**911.98**	**23.80**	**935.78**
Repayment of borrowings	(103.53)	(1.88)	(105.41)
Interest paid	(53.99)	-	(53.99)
Preference dividend paid	(0.94)	-	(0.94)
Interest expense	85.94	-	85.94
Foreign exchange reinstatement	0.19	-	0.19
Other non cash movements			
- Adjusted against trade receivables	(0.75)	-	(0.75)
- 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	(0.29)	-	(0.29)
Net Debt as at March 31, 2018	**828.78**	**21.92**	**850.70**

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.

15. BORROWINGS

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	₹ 12.50
Writeback – (USD)			
2017-18	**(0.025 million)**	**Nil**	**Nil**
2016-17	Nil	Nil	Nil
Conversions/Redemptions – (USD)			
2017-18	**(0.025 million)**	**(0.35 million)**	**(0.10 million)**
2016-17	Nil	Nil	Nil
Outstanding as at - (USD)			
March 31, 2018	**0.43 million**	**2.73 million**	**16.22 million**
March 31, 2017	0.48 million	3.08 million	16.32 million
Outstanding as at - (₹ Crores)			
March 31, 2018	2.81	17.70	105.16
March 31, 2017	3.13	19.93	105.65

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.
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 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	100,138,408 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

16. OTHER FINANCIAL LIABILITIES

₹ in Crores

Particulars	**March 31, 2018**	**March 31, 2017**
Current		
Financial Liabilities at amortised cost		
Current maturities of long term debts	0.96	1.88
Interest accrued and due on borrowings	3.15	7.17
Unclaimed dividends*	0.14	0.32
Dues to employees	23.05	22.30
Deposits Payable	1.00	1.27
Others		
Other Payables	-	0.02
	28.30	**32.96**
Total	**28.30**	**32.96**

* There are no amounts which are due to be transferred to Investor Education and Protection Fund.

17. TRADE PAYABLES

₹ in Crores

Particulars	**March 31, 2018**	**March 31, 2017**
Current		
Trade Payables to Micro, Small and Medium Enterprises	-	-
Trade Payables to Others	111.89	119.49
Total	111.89	119.49

18. OTHER LIABILITIES

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Current		
Unearned Revenue	42.84	49.40
Advance received from Customers	5.93	6.86
Others		
Statutory Liabilities	27.39	9.02
Others	20.16	18.12
Total	**96.32**	**83.40**

19. PROVISIONS

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Non Current		
Provision for employee benefits (*Refer Note 28*)		
Gratuity	19.13	16.99
Leave encashment	1.26	0.94
Total	**20.39**	**17.93**
Current		
Provision for employee benefits (*Refer Note 28*)		
Gratuity	1.61	2.02
Leave encashment	1.01	2.53
Others	0.14	1.47
Total	**2.76**	**6.02**

20. REVENUE FROM OPERATIONS

₹ in Crores

Particulars	2017-18	2016-17
IT Solutions	939.30	949.83
Transaction services	51.89	53.96
	991.19	**1,003.79**

21. OTHER INCOME

₹ in Crores

Particulars	2017-18	2016-17
Interest Income on		
Bank fixed deposits	4.16	2.13
Others	1.41	10.54
Other Non Operating Income (Net of expenses directly attibutable to such income)		
Net gain/(loss) on disposal of property, plant and equipment	0.03	(0.10)
Foreign Exchange Fluctuation Gain	1.42	33.33
Others		
Provision reversal for doubtful advances*	5.00	-
Miscellaneous income	7.22	6.22
	19.24	**52.12**

*Reversal of provision of doubtful advances of ₹ 5 crores, being no longer required on realisation thereof.

22. COST OF THIRD PARTY PRODUCTS AND SERVICES

₹ in Crores

Particulars	2017-18	2016-17
Cost of third party products and services	198.54	160.57
	198.54	**160.57**

23. EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	2017-18	2016-17
Salaries, wages and bonus	503.60	545.92
Contribution to provident and other funds	13.98	13.60
Staff welfare expenses	4.98	5.55
Recruitment and training expenses	2.51	2.22
Employee Stock Option Expense	0.20	0.38
Gratuity Expenses	2.77	4.66
	528.04	**572.33**

24. FINANCE COST

₹ in Crores

Particulars	2017-18	2016-17
Interest expense on debts and borrowings*	84.03	90.44
Total Interest Expenses	**84.03**	**90.44**
Other borrowing costs		
Others	2.62	2.53
	86.65	**92.97**

* Includes unwinding of discount to the extent of ₹ 35.64 crores for the year ended March 31, 2018 (₹ 33.05 crores for the year ended March 31, 2017) on Preference Share Capital, FCCBs and Interest free debts as required by Ind AS 109.

25. DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crores

Particulars	2017-18	2016-17
Depreciation on tangible assets	8.07	7.93
Amortisation on intangible assets	0.87	5.57
	8.94	**13.50**

26. OTHER EXPENSES

₹ in Crores

Particulars	2017-18	2016-17
Electric power, fuel and water	6.82	7.07
Repairs and maintenance		
Building	1.32	1.26
Others	1.40	3.45
Insurance	6.17	5.99
Legal and professional fees	22.37	18.68
Rates and taxes	2.55	3.09
Rent	19.45	17.95
Hire Charges	3.52	3.65
Telephone and internet expenses	4.99	5.03
Travelling and conveyance expenses	31.96	33.16
Allowance for doubtful debts and advances	3.78	9.17
Miscellaneous expenses	4.10	5.16
Directors sitting fees	0.35	0.30
Total	**108.78**	**113.96**

(a) Details of Payments to auditors

₹ in Crores

Particulars	2017-18	2016-17
As auditor		
Audit fee	0.75	1.08
Tax audit fee	0.05	0.15
In other capacity		
Other services (certification fees)	0.14	0.06
Re-imbursement of expenses	0.01	0.05
	0.95	**1.34**

(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, 2018 ₹ 18.40 crores (March 31, 2017: ₹ 9.87 crores) details of which are as follows:

₹ in Crores

Particulars	2017-18	2016-17
i. On Revenue Account :		
Payments to and provision for employees		
- Salaries, wages, bonus, allowances, contribution to provident and other funds etc.	13.23	7.12
Other Expenses		
- Legal and professional charges	-	0.30
- Other expenses	5.17	2.45
Total	**18.40**	**9.87**
ii. On Capital Account	-	-
Total Research & Development Expenditure (i + ii)	**18.40**	**9.87**

27. EARNINGS PER SHARE

₹ in Crores

Particulars	2017-18	2016-17
(a) Basic earnings per share (Amount in ₹)	0.44	0.77
(b) Diluted earnings per share (Amount in ₹)	0.44	0.77
(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	71.11	94.07
Diluted earnings per share		
Profit from continuing operations attributable to the equity holders of the company used in calculating diluted earnings per share	71.11	94.07
(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	1,614,055,845	1,223,470,099
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	**1,614,055,845**	**1,223,470,099**

*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 EPS.

28. EMPLOYEE BENEFIT OBLIGATIONS

₹ in Crores

Particulars	March 31, 2018			March 31, 2017		
	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	1.01	1.26	**2.27**	2.53	0.94	**3.47**
Gratuity	1.61	19.13	**20.74**	2.02	16.99	**19.01**
Total Employee Benefit Obligation	**2.62**	**20.39**	**23.01**	**4.55**	**17.93**	**22.48**

(i) Leave Obligations

The leave obligations cover the Group's liability for sick and earned leave.

The amount of the provision of ₹ 1.01 crores (March 31, 2017: ₹ 2.53 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 Group 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.

The gratuity plan is a unfunded plan. The Group does not 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, 2016	**26.37**	**(0.24)**	**26.13**
Current service cost	3.41	-	3.41
Interest expense/(income)	1.69	0.12	1.81
Total amount recognised in profit or loss	**5.10**	**0.12**	**5.22**
Remeasurements			
Return of plan assets, excluding amount included in interest (income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (gains)/losses	(6.97)	-	(6.97)
Total amount recognised in other comprehensive income	**(6.97)**	**-**	**(6.97)**
Employer contributions	-	-	-
Benefit payments	(4.12)	-	(4.12)
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)

₹ in Crores

Particulars	Present value of obligation	Fair value of plan assets	Net amount
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**

The net liability disclosed above relates to funded and unfunded plans are as follows:

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Present value of funded obligations	20.25	20.38
Fair value of plan assets	0.13	0.12
Deficit of funded plan	**20.12**	**20.26**
Unfunded plans	-	-
Deficit of gratuity plan	**20.12**	**20.26**

The following table shows a breakdown of the defined benefit obligation and plan assets by Geography:

₹ in Crores

Particulars	March 31, 2018		March 31, 2017	
	Gratuity		Gratuity	
	India	Mearc	India	Mearc
Present value of obligations	16.73	3.52	15.41	4.97
Fair value of plan assets	0.13	-	0.12	-
	16.60	**3.52**	**15.29**	**4.97**
Asset Ceiling	-	-	-	-
Total Liability	**16.60**	**3.52**	**15.29**	**4.97**

The major categories of plan assets of the fair value of the total plan assets are as follows:

₹ in Crores

Particulars	March 31, 2018			March 31, 2017		
	%	Amount	Total	%	Amount	Total
Cash and cash equivalents	100%	0.13	0.13	100%	0.12	0.12

The significant actuarial assumptions were as follows:

Particulars	March 31, 2018	March 31, 2017
Discount rate	2% - 12.40%	1.70% - 7.40%
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	12.18% - 52.48%	19.50%
5 years and above	5.00% - 14.52%	4.00% - 5.00%
Mortality rate	100.00%	100.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 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, 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%
March 31, 2017						
Impact on defined benefit obligation	11.91	14.07	14.05	11.90	13.68	11.92
% Impact	-7.80%	8.90%	8.80%	-7.80%	5.90%	-7.70%

₹ in Crores

Assumptions	Mortality rate	
Sensitivity Level	10% increase	10% decrease
March 31, 2018		
Impact on defined benefit obligation	14.13	14.10
% Impact	0.10%	-0.10%
March 31, 2017		
Impact on defined benefit obligation	12.93	12.90
% 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, 2017 : ₹ 15.78 crores).

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years (March 31, 2017: 9 years)

Expected cash flows over the next (valued on undiscounted basis)

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
1 year	1.57	2.23
2 to 5 years	7.07	6.01
6 to 10 years	8.03	7.20
More than 10 years	23.43	25.23

(b) Defined contribution plans

The Group 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 Group 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 ₹ 10.02 crores (March 31, 2017: ₹ 10.75 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. They provide for issue of equity options up to 25% of the paid-up equity capital to eligible employees. Currently, the Company has 2 schemes, ESOS 2000 and ESOS 2007 (as amended).

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. 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 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, 2018, no Options were granted. (Nil Options granted for the year ended March 31, 2017).

Movement during the year

The number and weighted average exercise prices (WAEP) of the options and movement during the year is as follows:

Particulars	March 31, 2018		March 31, 2017	
	Numer of options	WAEP	Numer of options	WAEP
Opening balance	24,873,500	35.14	34,094,490	33.10
Granted duing the year*	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	5,913,600	92.43	9,220,990	27.60
Expired during the year	-	-	-	-
Closing balance**	**18,959,900**	**17.27**	**24,873,500**	**35.14**
Vested and exercisable	17,722,370	17.78	19,265,290	41.24

*During the year ended March 31, 2018, Nil options (for the year ended March 31, 2017, Nil Options) granted to Managing Director and Global CEO and Nil options (for the year ended March 31, 2017 Nil Options) granted to Executive Director.

**Includes 1,380,000 options granted to Managing Director/Executive Director and Non-Executive Directors (for the year ended March 31, 2017, 1,630,000 options).

The following tables summarize information about outstanding stock options:

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**

As at March 31, 2017

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	5,191,500	1	130
₹ 10	19,682,000	8	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	2017-18	2016-17
Employee stock option expense	0.20	0.38
Total employee share-based payment expense	**0.20**	**0.38**

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, 2018	March 31, 2017
Property, plant and equipment	0.42	3.33

ii. Leases

Operating lease commitments - Group as lessee

(i) The Group 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 Group's and/or lessors' option as mutually agreed. The future lease rental payment committed is as under :

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Commitments for minimum lease payments in relation to non cancellable operating leases are as follows:		
Within one year	16.32	22.48
Later than one year but not later than five years	10.99	29.73
later than five years	-	-
	27.31	52.21

Finance lease and hire purchase commitments - Group as lessee

Leasehold Improvements are acquired on finance lease in the course of sale and lease back transaction. The Group'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, 2018		March 31, 2017	
	Minimum Lease payments	Present value of MLP	Minimum Lease payments	Present value of MLP
Within one year	0.22	0.21	0.29	0.25
After one year but not more than five years	-	-	0.22	0.21
More than five years	-	-		
Total minimum lease payments	0.22	0.21	0.51	**0.46**
Less: amount representing finance charge	(0.01)	-	(0.05)	-
Present value of minimum lease payments	**0.21**	**0.21**	**0.46**	**0.46**

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 Group 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.

B. **Contingent Liabilities**

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
i. Claim against the Group not acknowledged as debt		
- Disputed income tax matters	45.60	48.50
- Disputed service tax matters (excluding interest as applicable)	172.82	171.29
- Disputed sales tax matters	7.32	5.58
- Customer claims	50.63	66.53
- Others*	1.92	1.17
ii. Outstanding bank guarantees	38.65	38.83
iii. Other money for which the Group is contingently liable		
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0.42	3.33
- Uncalled capital pertaining to Joint Venture	-	1.21
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 ₹ 1.19 crores (as at March 31, 2017 - ₹ 0.78 crores).

The Group's pending litigation is in respect of proceedings pending with Tax Authorities and customer claims with various courts. The Group 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 Group 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, 2018	March 31, 2017
Assets	0.23	0.50
Liabilities	0.18	0.41

There are no Income & Expense of Joint venture during the year and there are no Contingent Liabilities/ Capital Commitments.

32. BUSINESS MERGER

3i Infotech Financial Software Inc' (USA), a step-down subsidiary of the Company merged with another step down subsidiary namely, '3i Infotech Inc' (USA) on December 31, 2017.

Pursuant to the terms of Merger Agreement, '3i Infotech Inc' (USA) has issued shares to the shareholders of '3i Infotech Financial Software Inc' (USA) as a consideration against their holdings:

Particulars	No. of Shares	USD per Share	Amount in USD
Equity Share Capital			
Class A	935,187	0.30	280,556
Preference Share Capital			
Class C	30,297,500	1.00	30,297,500
Total Consideration			**30,578,056**

Following Assets, Liabilities and Other Equity of '3i Infotech Financial Software Inc' (USA) which has been merged :

Particulars	Amount in USD
Assets	
Property, Plant and Equipment	87
Other Intangible Assets	7,443
Investments	11,173
Trade Receivables	23,985,395
Cash and Cash Equivalents	8,615
Other Current Assets	19,403
Sub Total [A]	**24,032,116**
Liabilities	
Borrowings	1,968,279
Trade Payable	690,051
Other Financial Liabilities	41,231
Other Current Liabilities	349,626
Sub Total [B]	**3,049,187**
Other Equity [C]	(9,595,127)
Net Asset and Other Equity [D] = [A - B - C]	**30,578,056**
Consideration Paid [E]	**(30,578,056)**
Goodwill / (Capital Reserve) [F] = [E] - [D]	-

33. DISCLOSURES REQUIRED BY SCHEDULE III

₹ in Crores

Name of the Entity in the Group	Net Assets, i.e. total assets minus total liabilities		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	59%	147.90	-122%	(86.71)	-165%	(0.82)	-123%	(87.53)
Subsidiaries								
Indian :								
Professional Access Software Development Pvt Limited, (India)	50%	126.53	0%	(0.18)	0%	-	0%	(0.18)
3i-Infotech BPO Limited, (India)	16%	40.64	1%	0.98	-16%	(0.08)	1%	0.90
3i Infotech Consultancy Services Limited, (India)	9%	21.62	-3%	(1.89)	16%	0.08	-3%	(1.81)
3i Infotech Outsourcing Services Limited (India)	0%	0.04	0%	-	0%	-	0%	-
Locuz Enterprise Solutions Limited, (India)	5%	13.48	4%	3.16	40%	0.20	5%	3.37
Foreign								
3i Infotech Inc., (USA)	182%	457.64	-30%	(20.88)	0%	-	-29%	(20.88)
3i Infotech Holdings Private Limited, (Mauritius)	272%	684.74	-53%	(37.35)	0%	-	-53%	(37.35)
3i Infotech (Africa) Limited, (Kenya)	-11%	(26.52)	-10%	(7.25)	0%	-	-10%	(7.25)
Black Barret Holdings Limited (Cyprus)	0%	(0.79)	0%	(0.12)	0%	-	0%	(0.12)
3i Infotech Asia Pacific Pte. Ltd., (Singapore) (Consolidated)	22%	56.31	12%	8.36	0%	-	12%	8.36

₹ in Crores

Name of the Entity in the Group	Net Assets, i.e. total assets minus total liabilities		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 (Middle East) FZ LLC., (UAE)	11%	26.49	49%	34.76	100%	0.50	50%	35.26
3i Infotech (UK) Limited, (UK) (Consolidated)	-1%	(2.64)	0%	(0.31)	0%	-	0%	(0.31)
3i Infotech Saudi Arabia LLC., (Saudi Arabia)	-21%	(52.43)	-1%	(0.60)	125%	0.62	0%	0.02
Elegon Infotech Ltd., (China)	0%	-	0%	-	0%	-	0%	-
3i infotech South Africa (PTY) Ltd	0%	(0.33)	0%	(0.12)	0%	-	0%	(0.12)
Adjustments arising out of consolidation	-493%	(1,237.44)	255%	179.26	0%	-	253%	179.26
Non Controlling Interest in all subsidiaries/ Associates (Investment as per the equity method)								
Indian								
Locuz Enterprise Solutions Limited, (India)	-1%	(3.50)	-1%	(0.71)	0%	-	-1%	(0.71)
Foreign								
Joint Ventures (as per proportionate consolidation/ investment as per the equity method)								
Indian								
Foreign								
Process Central Limited, (Nigeria)++	0%	0.04	0%	-	0%	-	0%	-
	100%	251.77	100%	70.40	100%	0.50	100%	70.90

34. GROUP INFORMATION AND RELATED PARTY TRANSACTIONS

Parent Company's Subsidiaries /Joint ventures are listed below :

Name of Related Party	Nature of Relationship	Country of Incorporation
3i Infotech Inc.	100% held by 3i Infotech Holdings Private Limited	USA
3i Infotech Asia Pacific Pte Limited	100% held by Parent Company	Singapore
3i Infotech SDN BHD	100% held by 3i Infotech Asia Pacific Pte Limited	Malaysia
3i Infotech (UK) Limited	100% held by the Parent Company	UK
3i Infotech (Thailand) Limited	100% held by 3i Infotech Asia Pacific Pte Limited	Thailand
3i Infotech Services SDN BHD	100% held by 3i Infotech Asia Pacific Pte Limited	Malaysia
3i Infotech (Western Europe) Holdings Limited	100% held by 3i Infotech (UK) Limited	UK
3i Infotech (Western Europe) Group Limited	100% held by 3i Infotech (Western Europe) Holdings Limited	UK
Rhyme Systems Limited	100% held by 3i Infotech (Western Europe) Group Limited	UK
3i Infotech Holdings Private Limited	100% held by Parent Company	Mauritius
3i Infotech Financial Software Inc. (Merged with 3i Infotech Inc (USA) effective December 31, 2017)	100% held by 3i Infotech Holdings Private Limited	USA
3i Infotech Saudi Arabia LLC	100% held by Parent Company	Saudi Arabia
3i Infotech (Africa) Limited	100% held by 3i Infotech (Middle East) FZ LLC	Kenya
Black Barret Holdings Limited	100% held by 3i Infotech Holdings Private Limited	Cyprus
Professional Access Software Development Private Limited	100% held by Black Barret Holdings Limited	India
3i Infotech (Middle East) FZ LLC	100% held by 3i Infotech Holdings Private Limited	UAE
3i Infotech Consultancy Services Limited	100% held by Parent Company	India
3i Infotech BPO Limited	100% held by Parent Company	India
Locuz Enterprise Solutions Limited	74% held by the Parent Company	India
Elegon Infotech Limited	100% held by Parent Company	China
IFRS Cloud Solutions Limited (formerly known as 3i Infotech Outsourcing Services Limited)	100% held by 3i Inc. (USA) pursuant to merger of 3i Infotech Financial Software Inc (USA) with 3i Infotech Inc (USA) effective December 31, 2017	India
3i Infotech (South Africa) (Pty) Limited	100% held by 3i Infotech Holding Private Limited	Republic of South Africa
Locuz Inc.	100% held by Locuz Enterprise Solutions Limited	USA

The details of our investment in the joint venture is listed below:

Particulars	Percentage of holding	Country of incorporation
Process Central Limited	47.50% held by 3i Infotech (Middle East) FZ LLC	Nigeria

During the year, 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, 2018, the number of subsidiaries are 22 (twenty two).

Key Managerial Personnel (KMP) :

Name of Related Party	Designation / Details	Remarks
1. Mr. Padmanabhan Iyer	CFO, Managing Director and Global CEO	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	Independent Non - Executive Director	Appointed on September 23, 2015
5. Mr. Gautam Dutta	Nominee Director	Appointed on January 12, 2018
6. Mr. Shantanu Prasad	Nominee Director	Resigned on January 12, 2018
7. Mr. Shanti Lal Jain	Nominee Director	Appointed on January 23, 2017
8. Mr. Madhivanan Balakrishnan	Managing Director and Global CEO	Resigned on June 07, 2016
9. Ms. Sarojini Dikhale	Non - Executive Director	Appointed on October 23, 2015

*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.

Key management personnel compensation

₹ in Crores

Particulars	2017-18	2016-17
Short term employee benefits		
Salaries and other employee benefits to Whole-time directors and executive officers	2.20	4.80
Commission and other benefits to non-executive / independent directors	0.42	0.43
Post-employment benefits *	-	-
Long term employee benefits*	-	-
Employee share based payment*	-	-
	2.62	**5.23**

The remuneration paid / provided to the Managing Director and Global CEO for the financial year 2016-17 has been approved by both the shareholders as well as lenders of the Company. This remuneration was in excess of the limits prescribed under the erstwhile Section 197 of the Companies Act 2013 and was subject to the approval of the Ministry of Corporate Affairs (MCA). The management had made application to MCA for the necessary approval. Although, MCA has granted approval only for a part of the amount, the management is of the opinion that once the amended Section 197 of the Companies (Amendment) Act, 2017 is notified, the Company would be in compliance with the law.

* 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.

35. 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 statement of profit and loss in the standalone financial statements. Also, the Group'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 Group 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, 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					**1,374.29**
Total liabilities					**1,374.29**

Year ended March 31, 2017 **₹ in Crores**

Particulars	**IT Solutions**	**Transaction Services**	**Total segments**	**Adjustments and eliminations**	**Consolidated**
Revenue					
External customers	949.83	53.96	1,003.79	-	1,003.79
Inter-segment	-	-	-	-	-
Total revenue	**949.83**	**53.96**	**1,003.79**	**-**	**1,003.79**
Income/(Expenses)					
Other material cost	682.83	40.50	723.33	-	723.33
Segment profit	**267.00**	**13.46**	**280.46**	**-**	**280.46**
Total assets					**1,382.75**
Total liabilities					**1,382.75**

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	**2017-18**	**2016-17**
Segment profit	265.69	280.46
Finance cost	86.65	92.97
Depreciation and amortisation expense	8.94	13.50
Foreign exchange fluctuation loss/(gain)	(1.42)	(33.33)
Operating, selling and other expenses	109.86	123.53
Un-allocable income	17.82	18.79
Tax expense	8.37	8.51
Profit after tax	**71.11**	**94.07**

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	**2017-18**	**2016-17**
Emerging Markets	689.76	672.47
Developed Markets	301.43	331.32
	991.19	**1,003.79**

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, 2018 and March 31, 2017.

36. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category **₹ in Crores**

Particulars	**Carrying Amount**		**Fair Value**	
	March 31, 2018	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**
FINANCIAL ASSETS				
Amortised cost				
Trade receivables	212.07	203.03	212.07	203.03
Cash and cash equivalents	48.91	119.05	48.91	119.05
Other bank balances	2.77	4.57	2.77	4.57
Loan	0.22	0.09	0.22	0.09
Other financial assets	127.57	75.84	127.57	75.84
FVTPL				
Investment in equity instruments	0.16	0.16	0.16	0.16
Total	**391.70**	**402.74**	**391.70**	**402.74**

₹ in Crores

Particulars	Carrying Amount		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	846.60	926.74	846.60	926.74
Trade payables	111.89	119.49	111.89	119.49
Other financial liabilities	28.30	32.96	28.30	32.96
Total	**986.79**	**1,079.19**	**986.79**	**1,079.19**

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 Group 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 Group 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, 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			6.86	**6.86**
Total Financial Assets	-	-	**6.86**	**6.86**
Financial Liabilities				
Borrowings	-	-	847.56	**847.56**
Total Financial Liabilities	-	-	**847.56**	**847.56**

₹ in Crores

Particulars	March 31, 2017			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			12.90	**12.90**
Total Financial Assets	**-**	**-**	**12.90**	**12.90**
Financial Liabilities				
Borrowings			928.62	**928.62**
Total Financial Liabilities	**-**	**-**	**928.62**	**928.62**

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.

37. 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 31,2018:

₹ in Crores

Particulars	**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.

The following table set forth information relating to foreign currency exposure as at March 31, 2017:

₹ in Crores

Particulars	**USD**	**GBP**	**Total**
Total financial assets	170.43	2.07	172.50
Total financial liabilities	80.65	2.11	82.76

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 ₹ 58.08 crores for the year ended March 31, 2017.

(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**

  Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

  As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables and unbilled revenue. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

- **Other Financial 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 ₹ 366.44 crores (March 31, 2017: ₹ 353.58 crores). The lifetime expected credit loss on customer balance for the year ended March 31, 2018 is ₹ 77.22 crores (March 31, 2017: ₹ 141.09 crores).

Reconciliation of loss allowance provision - Trade receivables and Unbilled revenue

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Balance at the beginning	141.09	131.92
Impairment loss recognised/reversed	1.56	9.17
Amount written off against Trade receivables	(66.87)	-
Translation differences	1.43	-
Balance at the end	**77.22**	**141.09**

- **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 ₹ 72.49 crores (March 31, 2017: ₹ 144.76 crores). The 12 months expected credit loss and lifetime expected credit loss on these financial assets for the year ended March 31, 2018 is ₹ 3.15 crores (March 31, 2017: ₹ 3.07 crores)

Reconciliation of loss allowance provision - other financial assets

₹ in Crores

Particulars	March 31, 2018		March 31, 2017	
	12 month expected losses	life-time expected losses	12 month expected losses	life-time expected losses
Balance at the beginning	-	3.07	-	2.79
Add(Less): Changes in loss allowances due to changes in risk parameters	- -	0.08	- -	0.28
Balance at the end	-	**3.15**	-	**3.07**

(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, 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	111.89	-	-	-	111.89
Borrowings including Interest thereon	70.02	109.56	362.29	876.45	1,418.32
Other financial liabilities	28.30	-	-	-	28.30
Total	**210.21**	**109.56**	**362.29**	**876.45**	**1,558.51**

March 31, 2017 ₹ 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	119.49	-	-	-	119.49
Borrowings including Interest thereon	74.07	122.58	394.37	1.060.92	1,651.94
Other financial liabilities	32.96	-	-	-	32.96
Total	**226.52**	**122.58**	**394.37**	**1,060.92**	**1,804.39**

38. CAPITAL MANAGEMENT

For the purpose of the Group'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 Group's capital management is to maximise the shareholder value.

The Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group 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, 2018	March 31, 2017
Borrowings	504.71	615.04
Trade payables	111.89	119.49
Other payables	124.62	116.36
Convertible preference shares	341.89	311.70
Less: Cash and cash equivalents and other bank balances	(46.87)	(116.21)
Net Debt	**1,036.24**	**1,046.38**
Equity share capital	1,615.36	1,183.65
Other equity	(1,363.59)	(1,006.20)
Total Equity	**251.77**	**177.45**
Capital and net debt	**1,288.01**	**1,223.83**
Gearing ratio	**80.45**	**85.50**

39. ASSETS PLEDGED AS SECURITY

The carrying amount of assets pledged as security for current and non current borrowings are:

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
CURRENT ASSETS		
i. Financial Assets		
Trade receivable	212.07	203.03
Cash and cash equivalents	48.91	119.05
Bank balances other than above	2.77	4.57
Other financial assets	120.72	62.94
ii. Non Financial Assets		
Inventories	0.99	0.92
Other current assets (excluding prepaid expenses)	13.10	20.13
Total current assets pledged as security	**398.56**	**410.64**
NON CURRENT ASSETS		
i. Property, Plant and Equipment		
Land - Leasehold	0.37	0.37
Building - Leasehold	131.14	134.26
Plants and equipments	0.33	0.47
Furniture and Fixtures	0.59	0.77
Vehicle	0.05	0.11
Office equipments	1.62	1.59
Computer hardware	5.41	2.39
ii. Intangible Assets	225.42	227.57
Total non current assets pledged as security	**364.93**	**367.53**

40. 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, 2018 and March 31, 2017. 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			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, 2018					
Financial assets					
Cash and cash equivalents	48.91	-	48.91	(48.91)	-
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	**399.21**	**(14.74)**	**384.47**	**(384.47)**	**-**
Financial liabilities					
Trade payables	126.20	(14.31)	111.89	-	111.89
Borrowings	847.03	(0.43)	846.60	(384.47)	462.13
Other financial liabilities	28.30	-	28.30	-	28.30
Total	**1,001.53**	**(14.74)**	**986.79**	**(384.47)**	**602.32**
March 31, 2017					
Financial assets					
Cash and cash equivalents	119.05	-	119.05	(119.05)	-
Bank balances other than above	4.57	-	4.57	(4.57)	-
Trade receivables	228.60	(25.57)	203.03	(203.03)	-
Other financial assets	65.78	(2.84)	62.94	(62.94)	-
Total	**418.00**	**(28.41)**	**389.59**	**(389.59)**	**-**
Financial liabilities					
Trade payables	146.93	(27.44)	119.49	-	119.49
Borrowings	927.62	(0.89)	926.73	(389.59)	537.14
Other financial liabilities	33.04	(0.08)	32.96	-	32.96
Total	**1,107.59**	**(28.41)**	**1,079.18**	**(389.59)**	**689.59**

41. 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, 2018	March 31, 2017
Principal amount due to suppliers under MSMED Act, 2006*	-	-
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 ₹ Nil (March 31, 2017: ₹ Nil)

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Group.

42. 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.

43. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 was issued in February 2016 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 1, 2018. The Group will adopt the new standard on the required effective date.

44. 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
CFO, Managing Director and Global CEO
(DIN: 05282942)

Shashank Desai
Director
(DIN: 00143638)

Rajeev Limaye
Company Secretary
(M. No. A17168)

Navi Mumbai
Date: April 23, 2018

3i INFOTECH LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

USD million

Particulars	March 31, 2018	March 31, 2017
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	21.99	22.21
(b) Goodwill	67.11	67.22
(c) Other Intangible Assets	34.78	35.16
(d) Financial Assets		
(i) Investments	0.02	0.03
(ii) Other Financial Assets	1.06	1.99
(e) Deferred Tax Asset (Net)	0.50	0.47
(f) Income Tax Asset	22.09	21.34
(g) Other Non-Current Assets	1.67	0.77
Total Non Current Assets	**149.22**	**149.19**
Current assets		
(a) Inventories	0.15	0.14
(b) Financial Assets		
(i) Trade Receivables	32.71	31.37
(ii) Cash and Cash Equivalents	7.55	18.39
(iii) Bank Balances Other than (iii) above	0.43	0.71
(iv) Loans	0.03	0.01
(v) Other Financial Assets	18.62	9.72
(c) Other Current Assets	3.31	4.11
Total Current Assets	**62.80**	**64.45**
TOTAL	**212.02**	**213.64**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	249.20	182.88
(b) Other Equity	(210.36)	(155.46)
Equity attributable to equity holders of the parent	**38.84**	**27.42**
Non Controlling Interest	0.54	0.43
Total Equity	**39.38**	**27.85**
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	127.22	139.51
(b) Provisions	3.15	2.77
Total Non Current Liabilities	**130.37**	**142.28**
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	3.38	3.68
(ii) Trade Payables	17.26	18.46
(iii) Other Financial Liabilities	4.37	5.09
(b) Other Current Liabilities	14.86	12.89
(c) Provisions	0.43	0.93
(d) Current Tax Liabilities (Net)	1.97	2.46
Total Current Liabilities	**42.26**	**43.51**
TOTAL	**212.02**	**213.64**

Note

The above balance sheet is just the conversion of Consolidated Balance Sheet of 3i Infotech Limited (prepared as per IND AS) ₹ in Crores. The conversion has been done at exchange rate of ₹ 64.82300 for the year ended March 31,2018 and ₹ 64.72356 for the year ended March 31, 2017.

3i INFOTECH LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

USD million

	Particulars	2017-18	2016-17
	REVENUE		
I	Revenue from operations (net)	153.93	149.89
II	Other income	2.99	7.78
III	**Total Revenue (I + II)**	**156.92**	**157.67**
IV	**EXPENSES**		
	Employee benefits expense	82.00	85.46
	Cost of third party products and services	30.83	23.98
	Finance costs	13.46	13.88
	Depreciation and amortization expense	1.39	2.02
	Other expenses	16.89	17.02
	Total Expenses	**144.57**	**142.36**
V	**Profit/(loss) before tax for the year (III- IV)**	**12.35**	**15.31**
VI	Tax expense		
	Current tax	1.15	0.87
	Adjustment of tax relating to earlier periods	0.08	0.36
	Deferred tax	0.07	0.04
VII	**Profit/(loss) for the year (V - VI)**	**11.05**	**14.04**
	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	0.08	1.05
	Income tax effect	-	(0.06)
	B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:	-	-
	Other Comprehensive income for the year, net of tax	**0.08**	**0.99**
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**11.13**	**15.03**
	Total comprehensive income for the year, net of tax attributable to:		
	Profit for the year attributable to:		
	Equity holders of the parent	10.94	14.14
	Non-controlling interests	0.11	(0.10)
	Other comprehensive income for the year attributable to:		
	Equity holders of the parent	0.08	0.98
	Non-controlling interests	-	-
	Total comprehensive income for the year attributable to:		
	Equity holders of the parent	11.02	15.13
	Non-controlling interests	0.11	(0.10)

Note

The above statement of Profit and Loss is just the conversion of Consolidated Statement of Profit and Loss of 3i Infotech Limited (prepared as per IND AS) ₹ in Crores. The conversion has been done at exchange rate of ₹ 64.39278 for the year ended March 31,2018 and ₹ 66.96852 for the year ended March 31, 2017.

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 Inc (USA)	March 31, 2018	$100%
2	3i Infotech Holdings Private Limited (Mauritius)	March 31, 2018	100%
3	3i Infotech (Africa) Limited (Kenya)	March 31, 2018	@100%
4	Black-Barret Holdings Limited (Cyprus)	March 31, 2018	$100%
5	Professional Access Software Development Pvt Ltd (India)	March 31, 2018	#100%
6	3i Infotech Asia Pacific Pte Ltd (Singapore)	March 31, 2018	100%
7	3i Infotech SDN BHD (Malaysia)	March 31, 2018	*100%
8	3i Infotech (Thailand) Limited (Thailand)	March 31, 2018	*100%
9	3i Infotech Services SDN BHD (Malaysia)	March 31, 2018	*100%
10	3i Infotech (Middle East) FZ LLC (UAE)	March 31, 2018	$100%
11	3i Infotech (UK) Limited (UK)	March 31, 2018	100%
12	3i Infotech (Western Europe) Holdings Limited (UK)	March 31, 2018	##100%
13	3i Infotech (Western Europe) Group Limited (UK)	March 31, 2018	$$100%
14	Rhyme Systems Limited (UK)	March 31, 2018	*$100%
15	3i Infotech BPO Limited (India)	March 31, 2018	100%
16	3i Infotech Saudi Arabia LLC (Kingdom of Saudi Arabia)	March 31, 2018	100%
17	3i Infotech Consultancy Services Limited (India)	March 31, 2018	100%
18	Locuz Enterprise Solutions Limited (India)	March 31, 2018	74%
19	Elegon Infotech Limited (China)	March 31, 2018	100%
20	IFRS Cloud Solutions Limited (formerly known as 3i Infotech Outsourcing Services Limited) (India)	March 31, 2018	@@100%
21	3i Infotech South Africa (Pty) Ltd (Republic of South Africa)	March 31, 2018	$100%
22	Locuz Inc (USA)	March 31, 2018	*@74%
23	Process Central Limited++(Nigeria)	March 31, 2018	@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 (Western Europe) 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

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) after Taxation	Proposed Dividend
1	3i Infotech Inc (USA)[$]	USA	USD	64.8230	100%	196.62	(368.67)	956.01	956.01	0.07	286.26	(23.60)	0.37	(23.98)	-
2	3i Infotech Holdings Private Limited (Mauritius)[$]	Mauritius	USD	64.8230	100%	1,416.73	(551.48)	1,502.11	1,502.11	1,354.16	-	(37.13)	-	(37.13)	-
3	3i Infotech (Africa) Limited (Kenya)[&]	Kenya	KES	0.6351	100%	0.01	(26.54)	2.88	2.88	-	5.61	(6.70)	-	(6.70)	-
4	Black-Barret Holdings Limited (Cyprus)[$]	Cyprus	USD	64.8230	100%	0.01	(0.80)	0.02	0.02	0.00	-	(0.10)	-	(0.10)	-
5	Professional Access Software Development Pvt Limited (India)	India	INR	1.0000	100%	0.86	125.67	128.72	128.72	-	-	(0.18)	-	(0.18)	-
6	3i Infotech Asia Pacific Pte. Ltd. (Singapore)[S$]	Singapore	SGD	49.3792	100%	26.40	(10.51)	39.77	39.77	3.82	36.44	0.45	0.00	0.45	-
7	3i Infotech SDN BHD (Malaysia)[*]	Malaysia	MYR	16.7675	100%	8.38	39.21	54.94	54.94	-	33.87	2.14	0.67	1.47	-
8	3i Infotech (Thailand) Limited (Thailand)[**]	Thailand	THB	2.0698	100%	2.07	(5.46)	12.96	12.96	-	18.82	0.95	0.73	0.22	-
9	3i Infotech Services SDN BHD (Malaysia)[*]	Malaysia	MYR	16.7675	100%	0.93	0.94	-	-	-	-	-	-	-	-
10	3i Infotech (Middle East) FZ LLC (UAE)[$$]	UAE	AED	17.6488	100%	81.49	(83.40)	1,118.02	1,118.02	0.01	172.20	36.67	-	36.67	-
11	3i Infotech (UK) Limited (UK)£	UK	GBP	90.8067	100%	29.30	(124.20)	157.73	157.73	19.61	14.50	(0.02)	-	(0.02)	-
12	3i Infotech (Western Europe) Holdings Limited (UK)£	UK	GBP	90.8067	100%	17.73	11.80	66.46	66.46	17.62	-	-	-	-	-
13	3i Infotech (Western Europe) Group Limited (UK)£	UK	GBP	90.8067	100%	17.62	144.59	0.04	0.04	-	-	-	-	-	-
14	Rhyme Systems Limited (UK)£	UK	GBP	90.8067	100%	1.82	(0.32)	2.14	2.14	-	-	-	-	-	-
15	3i Infotech BPO Limited (India)	India	INR	1.0000	100%	0.10	40.54	70.80	70.80	-	41.78	0.78	(0.20)	0.98	-
16	3i Infotech Saudi Arabia LLC (Kingdom of Saudi Arabia)[#]	Kingdom of Saudi Arabia	SAR	17.2627	100%	0.86	(53.09)	53.41	53.41	-	61.60	5.44	6.02	(0.57)	-
17	3i Infotech Consultancy Services Limited (India)	India	INR	1.0000	100%	4.81	16.82	54.27	54.27	-	34.90	(0.98)	0.91	(1.89)	-
18	Locuz Enterprise Solutions Limited (India)	India	INR	1.0000	74%	1.00	12.48	75.96	75.96	-	157.31	3.16	-	3.16	-
19	Elegon Infotech Ltd. (China)[¤]	China	CNY	10.3202	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	5.4632	100%	-	0.33	0.14	0.14	-	-	(0.09)	-	(0.09)	-
22	Process Central Limited (Nigeria)[++]	Nigeria	NGN	0.1777	47.5%	0.76	0.72	0.23	0.23	-	-	-	-	-	-

[$]Converted to Indian Rupees at the Exchange rate, 1 USD = 64.8232
[S$]Converted to Indian Rupees at the Exchange rate, 1 SGD = 49.3791
[£]Converted to Indian Rupees at the Exchange rate, 1 GBP = 90.8066
[*]Converted to Indian Rupees at the Exchange rate, 1 MYR = 16.7674
[**]Converted to Indian Rupees at the Exchange rate, 1 THB = 2.0697
[#]Converted to Indian Rupees at the Exchange rate, 1 SAR = 17.2626
[$$]Converted to Indian Rupees at the Exchange rate, 1 AED = 17.6487
[&]Converted to Indian Rupees at the Exchange rate, 1 KES = 0.6351
[¤]Converted to Indian Rupees at the Exchange rate, 1 CNY = 10.3201
[++]Converted to Indian Rupees at the Exchange rate, 1 NGN = 0.1777
[+++]Converted to Indian Rupees at the Exchange rate, 1 ZAR = 5.4631

Standalone Financial Statements

INDEPENDENT AUDITORS' REPORT

To

The Members of

3i Infotech Limited

Report on Standalone Financial Statements

We have audited the accompanying standalone financial statements of "3i Infotech Limited" ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules 2015, as amended, 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under Section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the Company as at March 31, 2018,and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 31 to the Financial statement in respect of remuneration paid to the Managing Director and Global CEO of the Company which was in excess of the limits prescribed under Section 197 of the Act and was subject to the approval of the Central Government for the financial year 2016-17.

Our Opinion is not qualified for above matters.

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 Act, we give in the "Annexure 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 purpose of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   (c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income) ,the Statement Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
   (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, 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"; and
   (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 other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,2014:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note No. 30 to the standalone financial statements
      ii. The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses 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.

For GMJ & Company
Chartered Accountants
FRN : 103429W

CA Sanjeev Maheshwari
Partner
Membership No. 38755

Place: Mumbai
Date: April 23, 2018

"ANNEXURE A"

ANNEXURE REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGUALTORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF "THE COMPANY"FOR THE YEAR ENDED MARCH 31, 2018

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

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) During the year, the Company in accordance to a phased programme has physically verified Furniture & Fixtures, Office equipment, Plant and Machinery and Computers at six locations which in our opinion, is reasonable considering the size of the Company and nature of its fixed assets. According to information and explanations given to us, no material discrepancies were noticed on such 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 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 had granted loans in the previous years (taking over of lenders liability of wholly owned subsidiary in terms of DRS Scheme) to 3 body corporate covered in the register maintained under section 189 of the Act.

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 Act. 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.

c) In respect of existing loans outstanding, 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 Act, 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 is generally regular in depositing amounts deducted/ accrued in respect of undisputed statutory dues including provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues. As explained to us the Company did not have any dues on account of employees' state insurance and duties of excise.

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, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at March 31, 2018 for a period more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value added Tax which have not been deposited on account of any dispute except the following :

₹ 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	2.06	-	2.06	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 March 30, 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. However in respect of remuneration paid to the Managing Director and Global CEO of the Company which was in excess of the limits prescribed under Section 197 of the Act and was subject to the approval of the Central Government for the financial year 2016-17.

(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 the Act 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 & Company
Chartered Accountants
FRN : 103429W

CA Sanjeev Maheshwari
Partner
Membership No. 38755

Place: Mumbai
Date: April 23, 2018

ANNEXURE B"

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

We have audited the internal financial controls over financial reporting of 3i Infotech Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 & Company
Chartered Accountants
FRN : 103429W

CA Sanjeev Maheshwari
Partner
Membership No. 38755

Place: Mumbai
Date: April 23, 2018

3i INFOTECH LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

₹ in Crores

Particulars	Notes	March 31, 2018	March 31, 2017
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	140.95	142.48
(b) Intangible Assets	4	225.30	225.81
(c) Financial Assets			
(i) Investments	5	1,127.59	1,236.89
(ii) Loans	5	57.51	57.51
(iii) Other Financial Assets	5	5.32	9.53
(d) Deferred Tax Asset (Net)	10	-	-
(e) Income Tax Asset (Net)		119.83	115.94
(f) Other Non-Current Assets	9	4.42	4.86
		1,680.92	**1,793.02**
Current assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Trade Receivables	6	580.71	560.41
(ii) Cash and Cash Equivalents	7	32.22	94.81
(iii) Bank Balances Other than (iii) above	8	0.73	1.74
(iv) Loans	5	0.14	0.08
(v) Other Financial Assets	5	43.94	28.94
(c) Other Current Assets	9	5.82	6.84
		663.56	**692.82**
TOTAL		**2,344.48**	**2,485.84**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	1,615.36	1,183.65
(b) Other Equity	12	(1,467.46)	(963.34)
		147.90	**220.31**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	954.93	1,029.59
(b) Provisions	18	15.02	12.83
		969.95	**1,042.42**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	11.34	11.33
(ii) Trade Payables	16		
Micro, Small and Medium Enterprises		-	-
Others		93.96	91.39
(iii) Other Financial Liabilities	15	1,106.82	1,107.90
(b) Other Current Liabilities	17	12.61	10.19
(c) Provisions	18	1.90	2.30
		1,226.63	**1,223.11**
TOTAL		**2,344.48**	**2,485.84**
Significant Accounting Policies and Notes forming part of the Financial Statements	1 to 42		

As per our report of even date attached	**For and on behalf of the board**	
For GMJ & CO	**Padmanabhan Iyer**	**Shashank Desai**
Chartered Accountants	**CFO, Managing Director and Global CEO**	**Director**
F.R.No. 103429W	**(DIN: 05282942)**	**(DIN: 00143638)**
S. Maheshwari	**Rajeev Limaye**	
Partner	**Company Secretary**	
M.No.: 38755	**(M.No.: A17168)**	
Navi Mumbai	**Navi Mumbai**	
Date: April 23, 2018	**Date: April 23, 2018**	

3i INFOTECH LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Crores

Particulars	Notes	2017-18	2016-17
REVENUE			
Revenue from operations (net)	19	237.51	279.07
Other income	20	57.21	65.80
Total Revenue (I)		**294.72**	**344.87**
EXPENSES			
Employee benefits expense	22	77.95	86.16
Cost of third party products and services	21	21.51	36.12
Finance costs	23	82.80	87.26
Depreciation and amortization expense	24	7.16	7.31
Other expenses	25	192.01	36.93
Total Expenses (II)		**381.43**	**253.78**
Profit/(loss) before tax (I-II)		**(86.71)**	**91.09**
Tax expense:			
Current tax		-	-
Adjustment of tax relating to earlier periods		-	0.32
Deferred tax		-	(1.49)
Profit/(loss) for the year		**(86.71)**	**92.26**
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		(0.82)	4.32
Income tax effect		-	(1.49)
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:		-	-
Other Comprehensive income for the year, net of tax		**(0.82)**	**2.83**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(87.53)**	**95.09**
Earnings per share for profit attributable to equity shareholders	27		
Basic EPS		(0.54)	0.75
Diluted EPS		(0.54)	0.75

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

As per our report of even date attached	**For and on behalf of the board**	
For GMJ & CO	**Padmanabhan Iyer**	**Shashank Desai**
Chartered Accountants	**CFO, Managing Director and Global CEO**	**Director**
F.R.No. 103429W	**(DIN: 05282942)**	**(DIN: 00143638)**
S. Maheshwari	**Rajeev Limaye**	
Partner	**Company Secretary**	
M.No.: 38755	**(M.No.: A17168)**	
Navi Mumbai	**Navi Mumbai**	
Date: April 23, 2018	**Date: April 23, 2018**	

3i INFOTECH LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Crores

Particulars	2017-18	2016-17
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax	(86.71)	91.09
Adjustments for:		
Depreciation and amortisation expense	7.16	7.32
Employee share-based payment expense	0.20	0.38
Allowance for doubtful debts	2.34	0.86
Gain on disposal of property, plant and equipment	(0.02)	(0.04)
Guarantee commission income	(0.96)	(1.40)
Interest income on financial assets at amortised cost	(23.21)	(40.83)
Provision reversal on non current investment	(5.00)	-
Impairment loss on non current investments	152.29	-
Remeasurement of employee benefit obligation	(0.82)	4.32
Interest income classified as investing cash flows	(12.05)	(14.92)
Finance costs	82.80	87.26
Net foreign exchange differences	(8.12)	4.60
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	(31.82)	(7.83)
(Increase)/Decrease in inventories	-	0.37
Increase/(decrease) in trade payables	2.92	(33.09)
(Increase) in other financial assets	(0.50)	(0.90)
(Increase)/decrease in other non-current assets	0.11	0.13
(Increase)/decrease in other current assets	2.03	(8.58)
Increase/(decrease) in provisions	1.79	(5.48)
Increase in other current liabilities	2.88	(6.14)
Cash generated from operations	**85.31**	**77.12**
Less: Income taxes paid / (refund) (Net)	(3.11)	(36.74)
Net cash inflow from operating activities	**82.20**	**113.86**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for acquisition of subsidiary, net of cash acquired	-	0.01
Payments for property, plant and equipment	(4.88)	(1.61)
Payments for software development costs	(0.23)	(0.01)
Loans to employees	(0.20)	(0.15)
Proceeds from sale of investments	5.00	12.50
Proceeds from sale of property, plant and equipment	0.02	0.19
Repayment of loans by employees	0.14	0.16
Interest received	1.44	5.52
Net cash outflow from investing activities	**1.29**	**16.61**

3i INFOTECH LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Crores

Particulars	2017-18	2016-17
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(100.17)	(2.02)
Repayment of borrowings - Related Parties	(0.17)	(0.87)
Interest paid	(44.76)	(53.03)
Dividends paid	(0.97)	(0.32)
Dividend distribution tax paid	(0.01)	(0.07)
Net cash inflow (outflow) from financing activities	**(146.08)**	**(56.31)**
Net increase/ (decrease) in cash and cash equivalents	(62.59)	74.16
Cash and Cash Equivalents at the beginning of the financial year	94.81	20.65
Cash and Cash Equivalents at end of the year	**32.22**	**94.81**
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents		
Balances with banks:		
- On current accounts	9.55	10.94
- On deposit accounts	22.67	83.87
Cash on hand	-	-
Balances as per statement of cash flows	**32.22**	**94.81**

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 and on behalf of the board**	
For GMJ & CO	**Padmanabhan Iyer**	**Shashank Desai**
Chartered Accountants	**CFO, Managing Director and Global CEO**	**Director**
F.R.No. 103429W	**(DIN: 05282942)**	**(DIN: 00143638)**
S. Maheshwari	**Rajeev Limaye**	
Partner	**Company Secretary**	
M.No.: 38755	**(M.No.: A17168)**	
Navi Mumbai	**Navi Mumbai**	
Date: April 23, 2018	**Date: April 23, 2018**	

3i INFOTECH LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

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, 2017			
Numbers	**640,803,928**	**582,868,676**	**1,223,672,604**
Amount	**640.80**	**582.87**	**1,223.67**
March 31, 2018			
Numbers	**1,223,672,604**	**391,685,574**	**1,615,358,178**
Amount	**1,223.67**	**391.69**	**1,615.36**

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
		Capital Reserve	Securities Premium Reserve	Share Based Payment Reserve	Retained Earnings	Foreign Currency Monetary Item Translation Difference Account	Property, Plant and Equipment Reserve			
As at April 1, 2016	**20.13**	**0.07**	**881.61**	**1.53**	**(2,540.77)**	**28.61**	**121.83**	**1,009.55**	**-**	**(477.44)**
Profit for the year					92.26					**92.26**
Other comprehensive income					2.82		-	-	-	**2.82**
Total comprehensive income for the year	20.13	0.07	881.61	1.53	(2,445.69)	28.61	121.83	1,009.55	-	**(382.36)**
Issue of equity shares			13.24					(595.06)		**(581.82)**
Share based payment expense				0.38						**0.38**
Transfer from PPE reserve					2.76		(2.76)			**-**
Foreign exchange fluctuation on long term monetary items						(20.82)				**(20.82)**
Amortisation of foreign exchange fluctuation on long term monetary items						(18.74)				**(18.74)**
Equity shares issued but not alloted									40.02	**40.02**
As at March 31, 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	(2,530.46)	(10.95)	119.07	414.49	40.02	**(1,050.87)**
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 payments expense				0.20						**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						2.00				**2.00**
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)**

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.: 38755

Navi Mumbai
Date: April 23, 2018

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: April 23, 2018

3i INFOTECH LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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, 2018 were approved by the Board of Directors and authorised for issue on April 23, 2018.

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.

(i) Revenue from IT solutions

The Company earns revenue from IT solutions comprises of revenue from the sale of software products, providing IT services and sale of hardware and third party software.

- Revenue from Software Products is recognized on delivery/installation, as per the predetermined/ laid down policy across all geographies or a lower amount as considered appropriate in terms of the contract. Maintenance revenue in respect of products is deferred and recognized ratably over the period of the underlying maintenance agreement.
- Revenue from IT Services is recognized either on time and material basis or fixed price basis or based on certain measurable criteria as per relevant contracts. Revenue on Time and Material Contracts is recognized as and when services are performed. Revenue on Fixed-Price Contracts is recognized on the percentage of completion method. Provisions for estimated losses, if any, on such uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.
- Revenue from Supply of Hardware/Other Material and Sale of Third Party Software License/ Term License/Other Materials incidental to the aforesaid services is recognized based on delivery/installation, as the case may be. Recovery of incidental expenses is added to respective revenue.

Unbilled and unearned revenue :

Revenue recognized over and above the billings on a customer is classified as "unbilled revenue" and advance billing to customer is classified as "advance from customer/unearned revenue" and included in other liabilities.

(ii) Revenue from Transaction Services:

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

(iii) Revenue from Sharing of Infrastructure Facilities:

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

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 (OCI) 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 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	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 statement of 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

The Company 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.

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.

aa) 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, 2016	**0.40**	**140.47**	**0.75**	**0.24**	**0.44**	**2.21**	**7.97**	**96.21**	**4.52**	**253.21**
Additions	-	-	0.09	0.07	-	0.81	0.62	-	-	1.59
Disposals	-	-	-	(0.05)	(0.28)	(0.07)	(0.03)	-	(0.04)	(0.47)
As at March 31, 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)	(0.00)	(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**
ACCUMULATED DEPRECIATION										
As at April 1, 2016	0.02	3.11	0.17	0.09	0.22	0.69	4.57	96.21	0.70	105.78
Depreciation for the year	0.01	3.11	0.20	0.08	0.12	0.61	1.67	-	0.59	6.39
Deductions\Adjustments during the year		(0.01)	-	(0.03)	(0.20)	(0.05)	(0.01)	-	(0.02)	(0.32)
As at March 31, 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 year	(0.01)	0.01	(0.14)	(0.00)	(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**
Net Carrying value as at March 31, 2018	**0.37**	**131.14**	**0.33**	**0.30**	**-**	**1.25**	**4.91**	**0.00**	**2.65**	**140.95**
Net Carrying value as at March 31, 2017	**0.37**	**134.26**	**0.47**	**0.12**	**0.02**	**1.70**	**2.33**	**-**	**3.21**	**142.48**

Notes:

i. Leased Assets

The following are the amounts where the Company is a lessee under finance lease :

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Land		
Cost	0.40	0.40
Accumulated Depreciation	(0.03)	(0.03)
Net carrying amount	**0.37**	**0.37**
Building		
Cost	140.47	140.47
Accumulated Depreciation	(9.33)	(6.21)
Net carrying amount	**131.14**	**134.26**

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 pledge 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, 2016	**4.13**	**1,154.54**	**1,158.67**
Additions	-	-	-
Deletions	-	-	-
As at March 31, 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**
ACCUMULATED AMORTISATION AND IMPAIRMENT			
As at April 1, 2016	1.07	930.87	931.94
Amortisation for the year	0.92	-	0.92
Deductions\Adjustments during the year	-	-	-
As at March 31, 2017	**1.99**	**930.87**	**932.86**
Amortisation for the year	0.74		0.74
Deductions\Adjustments during the year	0.01	0.01	0.02
As at March 31, 2018	**2.74**	**930.88**	**933.62**
Net Carrying value as at March 31, 2018	**1.63**	**223.67**	**225.30**
Net Carrying value as at March 31, 2017	**2.14**	**223.67**	**225.81**

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 services 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 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, 2018	March 31, 2017
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, 2017 ₹ 1,123 Crores (December 31, 2016: ₹ 1,034 Crores). The recoverable amounts represent the fair value of the business of the software products over the period 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, 2018	March 31, 2017
(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 Rupee 10 each fully paid up of First Capital Asset Management Co. Limited, Sri Lanka	0.10	0.10
(as at March 31, 2017 - 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, 2017 - 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	121.45	135.80
(as at March 31, 2017 - 891,631,605 Shares)		
(ii) 1,780,361,142 Series C - Zero Coupon Redeemable Convertible Preference Shares of MUR 1 each fully paid up	327.10	421.88

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
(as at March 31, 2017 - 1,780,361,142 Shares)		
(iii) 21,878,720 Series D - Zero Coupon Redeemable Convertible Preference Shares of MUR 1 each fully paid up	3.94	5.09
(as at March 31, 2017 - 21,878,720 Shares)		
	452.49	**562.77**
(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	21.65	21.50
(as at March 31, 2017 - 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, 2017 - 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	1,149.77
(as at March 31, 2017 - 6,258,371,598 Shares)		
Less: Impairment Loss Allowance*	(779.32)	(627.03)
(iv) 500 Shares of SAR 1,000 each fully paid up of 3i Infotech Saudi Arabia LLC	2.17	1.86
(as at March 31, 2017 - 500 Shares)		
(v) 100,000 Equity shares of 10 each fully paid of 3i Infotech BPO Limited	66.71	66.71
(as at March 31, 2017 - 100,000 Shares)		
(vi) 4,805,211 Equity shares of 10 each fully paid of 3i Infotech Consultancy Services Limited	37.34	37.34
(as at March 31, 2017 - 4,805,211 Shares)		
(vii) 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	24.33	23.81
(as at March 31, 2017 - 740,000 Shares)		
	674.94	**673.96**
Total	**1,127.59**	**1,236.89**
Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate amount of unquoted investments	1,127.59	1,236.89
Aggregate amount of impairment in the value of investments	(1,146.85)	(994.57)

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Investments carried at fair value through profit and loss	**0.16**	**0.16**
Investments carried at amortised cost	**452.49**	**562.77**
Investments carried at cost	**674.94**	**673.96**
(B) LOANS		
Non Current		
Unsecured, considered good unless otherwise stated		
Loans to Related Parties (Refer Note 31)	57.51	57.51
Total	**57.51**	**57.51**
Current		
Unsecured, considered good unless otherwise stated		
Loans to Employees	0.14	0.08
Total	**0.14**	**0.08**
(C) OTHER FINANCIAL ASSETS		
Non Current		
Financial assets carried at amortised cost		
Security Deposits	5.80	10.01
Less: Loss Allowances	(0.48)	(0.48)
Total	**5.32**	**9.53**
Current		
Financial assets carried at amortised cost		
Security Deposits	10.38	5.81
Unbilled Revenue**	48.18	46.21
Interest Accrued but not due	0.63	0.82
Other financial assets#	13.07	5.98
Less: Loss Allowances	(28.32)	(29.88)
Total	**43.94**	**28.94**

* 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, the 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 and the same has been accounted as Impairment loss allowance during the year (Refer to Note 25 Other Expenses).

** Includes Unbilled Revenue from Related Parties as at March 31, 2018 of ₹ 2.17 crores (as at March 31, 2017 of ₹ 1.82 crores).

\# Includes Interest Receivable from Related Parties as at March 31, 2018 of ₹ 13.07 crores (as at March 31, 2017 of ₹ 5.98 crores).

6. TRADE RECEIVABLES

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Current		
Trade Receivables from customers	44.97	52.34
Receivables from related parties (Refer Note 31)	535.74	508.07
	580.71	**560.41**
Breakup of Security details		
Unsecured, considered good	580.71	560.41
Doubtful	18.27	21.61
	598.98	**582.02**
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Doubtful	18.27	21.61
	18.27	**21.61**
	580.71	**560.41**

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, 2018	March 31, 2017
Balances with banks:		
- On current accounts	9.55	10.94
- On deposit accounts	22.67	83.87
Cash on Hand	-	-
	32.22	**94.81**

8. OTHER BANK BALANCES

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Other Balances with banks		
- in Dividend accounts	0.14	0.32
- in Escrow accounts	0.59	1.42
	0.73	**1.74**

9. OTHER ASSETS

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Non Current		
Capital Advances	0.15	0.01
Others		
- Prepaid expenses	0.49	0.86
- Balances with Statutory, Government Authorities	3.78	3.99
Total	**4.42**	**4.86**
Current		
Advances other than Capital advances		
- Advances to creditors	1.66	2.66
Others	-	
- Prepaid expenses	2.55	3.08
- Balances with Statutory, Government Authorities	1.33	0.82
- Other current assets	0.28	0.28
Total	**5.82**	**6.84**

10. INCOME TAX

Deferred Tax

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Deferred tax relates to the following:		
Depreciation for tax purposes	(105.39)	(100.59)
Temporary difference due of foreign exchange fluctuation accounted in FCMITDA	-	(3.80)
Gratuity	5.49	4.71
Leave Encashment	0.35	0.38
Losses available for offsetting against future taxable income	235.42	245.31
Loss Allowance on Financial Assets	6.39	7.66
Other Ind AS adjustments	(142.26)	(153.67)
Net Deferred Tax Assets / (Liabilities)	**-**	**-**

Movement in deferred tax liabilities/assets

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Opening balance as of April 1	**-**	**-**
Tax income/(expense) during the period recognised in profit or loss	-	(1.49)
Tax income/(expense) during the period recognised in OCI	-	1.49
Tax income/(expense) during the period recognised in Equity	-	-
Closing balance as at March 31	**-**	**-**

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Unrecognised deferred tax assets		
Deductible temporary differences	331.42	282.41
Unrecognised tax losses	616.07	598.28

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.

Tax losses which arose in India of ₹ 918.45 crores (Previous year ₹ 949.66 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 losses carried forward by the Company.

Major Components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are as follows:

i. Income tax recognised in profit or loss

₹ in Crores

Particulars	**2017-18**	**2016-17**
Current income tax charge	-	-
Adjustment in respect of current income tax of previous year	-	0.32
Deferred tax		
Relating to origination and reversal of temporary differences	-	(1.49)
Income tax expense recognised in profit or loss	**-**	**(1.17)**

ii. Income tax recognised in OCI

₹ in Crores

Particulars	**2017-18**	**2016-17**
Net loss/(gain) on remeasurements of defined benefit plans	-	(1.49)
Income tax expense recognised in OCI	**-**	**(1.49)**

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2018 and March 31, 2017

₹ in Crores

Particulars	**2017-18**	**2016-17**
Accounting profit before income tax	**(87.52)**	**95.41**
Enacted tax rate in India	34.61%	34.61%
Income tax on accounting profits	**(30.29)**	**33.02**
Effect of		
Tax Losses for which no deferred income tax was recognised		-
Utilisation of previously unrecognised tax losses	(27.88)	(8.26)
Depreciation	(3.78)	(7.28)
Accounting Income not assessable for tax purpose	(8.03)	(27.92)
Adjustments for current tax of prior period	-	0.32
Other non taxable income	(0.34)	(0.02)
Non-deductible expenses for tax purposes:		
Share based payment expenses not deductible for tax purposes	0.07	0.13
Accounting expenses not deductible for tax purpose	14.91	11.32
Other non deductible expenses	54.66	0.91
Allowable expenses for tax purposes:		
Expenditure allowable on payment basis	0.68	(3.39)
Tax at effective income tax rate	**-**	**(1.17)**

11. SHARE CAPITAL

i. Authorised Share Capital

₹ in Crores

Particulars	Equity Share (₹ 10 Each)		Non Convertible Cumulative Redeemable Preference Share (Class A) (₹ 5 Each)	
	Number	Amount	Number	Amount
At April 1, 2016	**2,000,000,000**	**2,000**	**200,000,000**	**100**
Increase/(decrease) during the year	200,000,000	200	-	-
At March 31, 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**

₹ 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, 2016	**1,500,000,000**	**750**	**1,050,000,000**	**105**
Increase/(decrease) during the year	-	-	-	-
At March 31, 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**

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, 2018 would be ₹ Nil crores (₹ 0.04 crores as at March 31, 2017).

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, 2016	**640,803,928**	**640.80**
Issued during the year		
Shares issued towards conversion of FCCB	637,193	0.64
Shares issued under CDR / DRS	582,231,483	582.23
At March 31, 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, 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 held in abeyance) and shown under 'Other Equity'. Shares held in abeyance were subsequently issued 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, 2016	**130,000,000**	-	-	-
Issued during the year	-	-	693,270,487	-
At March 31, 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**	-

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, 2016	**640,803,928**	**640.80**
Issued Capital during the year	582,868,676	582.87
Less : Shares held in abeyance	(40,021,201)	(40.02)
At March 31, 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**

* Includes shares issued of ₹ 40.02 Crores which was 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

₹ in Crores

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	Number	% holding	Number	% holding
Equity shares of ₹ 10/- each fully paid				
SREI Multiple Asset Investment Trust (SMAIT)	263,909,361	16.34	-	-
Standard Chartered Bank	148,302,327	9.18	148,302,327	12.53
IDBI Bank Limited	126,088,948	7.81	145,399,286	12.28
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	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	-	-
Standard Chartered Bank	189,505,860	14.86	189,505,860	27.34
IDBI Bank Limited	180,743,103	14.17	180,743,103	26.07
Allahabad Bank	53,676,000	4.21	53,676,000	7.74
DBS Bank Limited	52,451,516	4.11	52,451,516	7.57
Reliance Capital Limited	41,839,000	3.28	41,839,000	6.04

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 Debt Restructuring Scheme (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, 2018	March 31, 2017
Capital Reserve	0.07	0.07
Securities Premium Reserve	895.78	894.85
Share Based Payment Reserve	2.11	1.91
Retained Earnings	(2,526.99)	(2,442.93)
Foreign Currency Monetary Item Translation Difference Account	0.00	(10.95)
Property, Plant and Equipment Reserve	116.31	119.07
	(1,512.72)	**(1,437.98)**

(a) Capital Reserve

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
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, 2018	March 31, 2017
Opening balance	894.85	881.61
Add/(Less):		
Allotment of equity shares under FCCB conversion	0.93	0.41
Allotment of equity shares under DRS	-	12.83
Closing balance	**895.78**	**894.85**

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, 2018	March 31, 2017
Opening balance	1.91	1.53
Add/(Less):		
Employee stock option expense recognised	0.20	0.38
Closing balance	**2.11**	**1.91**

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, 2018	March 31, 2017
Opening balance	(2,442.93)	(2,540.77)
Net Profit/(Loss) for the year	(86.71)	92.26
Add/(Less):		
FCCBs converted during the year	0.73	-
Transfer from PPE Reserve	2.76	2.76
Dividend on Preference Shares	(0.02)	-
Items of Other Comprehensive Income directly recognised in Retained Earnings		
Remeasurement of post employment benefit obligation, net of tax	(0.82)	2.82
Closing balance	**(2,526.99)**	**(2,442.93)**

(e) **Foreign Currency Monetary Item Translation Difference Account**

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Opening balance	(10.95)	28.61
Add/(Less):		
Foreign Exchange Fluctuation on long term monetary items during the year	8.95	(20.82)
Amortisation of Foreign Exchange Fluctuation on long term monetary items during the year	2.00	(18.74)
Closing balance	**-**	**(10.95)**

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

	March 31, 2018	March 31, 2017
Opening balance	119.07	121.83
Add/(Less):		
Transfer to Retained Earnings	(2.76)	(2.76)
Closing balance	**116.31**	**119.07**

Property, Plant and Equipment Reserve represents reserve created on revaluation of Leasehold Building and it is a non distributable reserve.

ii. **Other Components of Equity**

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Equity Component of Compound financial instruments	19.32	20.13
Share Suspense account - Equity shares	25.94	414.49
Shares held in abeyance	-	40.02
Total	**45.26**	**474.64**

13. DISTRIBUTION MADE AND PROPOSED

Cash dividends

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Cash dividends on Preference shares declared and paid:	0.97	0.35
Dividend distribution tax (DDT) on final dividend	0.20	0.07
	1.17	**0.42**

The amount of cumulative preference dividends not recognised as at reporting date is ₹ 0.00 crore (DDT ₹ 0.00 crore) [As at March 31, 2017 : ₹ 0.06 crore (DDT ₹ 0.01 crore)].

14. BORROWINGS

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Non Current Borrowings		
Secured		
(a) Term Loans		
From Banks	331.02	428.44
From Others	30.92	42.07
Unsecured		
(a) Liability component of foreign currency convertible bonds	103.05	101.22
(b) Loans from related parties (Refer Note 31)	148.72	146.83
(c) Cumulative non convertible redeemable preference shares	341.89	311.70
(A)	**955.60**	**1,030.26**
Current Maturity of Non Current Borrowings		
Unsecured		
(a) Loans from related parties (Refer Note 31)	0.67	0.67
(B)	**0.67**	**0.67**
Total (A)-(B)	**954.93**	**1,029.59**
Current Borrowings		
Unsecured		
(a) Loans from related parties (Refer Note 31)	11.34	11.33
Total	**11.34**	**11.33**

₹ in Crores

Particulars	Coupon / Interest Rate	March 31, 2018	March 31, 2017
Non Current Borrowings			
Secured			
(a) Term Loans			
From Banks			
Rupee Loan	10%	331.02	428.44
From Others			
Rupee Loan	10%	30.92	42.07
Unsecured			
(a) Foreign currency convertible bonds	2.5%	103.05	101.22
(b) Loans from related parties	10.00% to 14.75%	148.72	146.83
(c) Cumulative non convertible redeemable preference shares	0.01% to 0.10%	341.89	311.70
Gross Non Current Borrowings		**955.60**	**1,030.26**
Less: Current maturity		(0.67)	(0.67)
Net Non Current Borrowings (as per Balance sheet)		**954.93**	**1,029.59**

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, 2018	March 31, 2017
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*	14.93	7.48
Interest paid till reporting date	(6.46)	(3.26)
Foreign Exchange Loss / (Gain) till reporting date	(2.08)	(2.27)
Conversion / Markdown	(2.61)	-
Non Current Borrowings	**103.05**	**101.22**

* 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 ₹ 19.32 crores (March 31, 2017: ₹ 20.13 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, 2018	March 31, 2017
Value of preference shares issued (old)	65.00	65.00
Value of preference shares issued (under DRS)	660.15	660.17
Transaction cost	(0.94)	(0.94)
Fair valuation gain	(440.54)	(440.55)
Interest expense till reporting date	59.50	28.37
Dividend paid till reporting date	(1.28)	(0.35)
Non Current Borrowings	**341.89**	**311.70**

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Current Borrowings		
Unsecured		
Loans from Related Parties	11.34	11.33

Net debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2018

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Non-current borrowings	972.82	1,049.50
Current borrowings	12.01	12.00
Net Debt	**984.83**	**1,061.50**

₹ in Crores

Particulars	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**

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.

14. BORROWINGS

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	₹ 12.50
Markdown – (USD)			
2017-18	**(0.025 million)**	**Nil**	**Nil**
2016-17	Nil	Nil	Nil
Conversions/Redemptions – (USD)			
2017-18	**(0.025 million)**	**(0.35 million)**	**(0.10 million)**
2016-17	Nil	Nil	Nil
Outstanding as at - (USD)			
March 31, 2018	**0.43 million**	**2.73 million**	**16.22 million**
March 31, 2017	0.48 million	3.08 million	16.32 million
Outstanding as at - (₹ Crores)			
March 31, 2018	2.81	17.70	105.16
March 31, 2017	3.13	19.93	105.65

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.

Sr No.	Security	First Charge to	Second Charge to
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

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 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	100,138,408 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

15. OTHER FINANCIAL LIABILITIES

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Current		
Financial Liabilities at amortised cost		
Current maturities of loan from related parties (Refer Note 31)	0.67	0.67
Interest accrued on borrowings*	17.89	19.90
Unclaimed dividends**	0.14	0.32
Dues to employees	15.77	15.17
Payable to step down subsidiary towards IPR purchase (Refer Note 31)	1,066.39	1,066.39
Deposits Payable#	5.96	5.45
Total	**1,106.82**	**1,107.90**

* Includes Interest accured on borrowings from related parties ₹ 14.88 Crores (March 31, 2017 : ₹ 13.27 Crores)

** There are no amounts which are due to be transferred to Investor Education and Protection Fund.

Includes Deposits Payable to related parties ₹ 5 Crores (March 31, 2017 : ₹ 5 Crores)

16. TRADE PAYABLES

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Current		
Trade payables to Micro, Small and Medium Enterprises	-	-
Trade payables to related parties (Refer Note 31)	61.10	46.11
Trade payables to Others	32.86	45.28
Total	**93.96**	**91.39**

For terms and conditions with related parties, Refer Note 31

17. OTHER LIABILITIES

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Current		
Unearned revenue	5.64	7.10
Advance received from Customers	0.04	0.02
Others		
Statutory Liabilities	6.88	3.04
Others	0.05	0.03
Total	**12.61**	**10.19**

18. PROVISIONS

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Non Current		
Provision for employee benefits (Refer Note 28)		
Gratuity	14.55	12.38
Leave encashment	0.47	0.45
Total	**15.02**	**12.83**
Current		
Provision for employee benefits (Refer Note 28)		
Gratuity	1.18	1.26
Leave encashment	0.72	0.66
Others	-	0.38
Total	**1.90**	**2.30**

19. REVENUE FROM OPERATIONS

₹ in Crores

Particulars	2017-18	2016-17
Sale of products		
IT Solutions	30.60	20.44
Sale of services		
IT Solutions	176.01	226.71
Transaction service	18.00	18.34
Other Operating Revenues		
Corporate charges	12.90	13.58
	237.51	**279.07**

20. OTHER INCOME

₹ in Crores

Particulars	2017-18	2016-17
Interest income on		
Bank fixed deposits	3.70	2.13
Loans to related parties	7.42	6.19
Financial assets at amortised cost*	23.21	40.83
Others	0.93	8.73
Other Non Operating Income (Net of expenses directly attributable to such income)		
Net gain on disposal of property, plant and equipment	0.02	0.04
Financial guarantee income	0.96	1.40
Foreign exchange fluctuation gain	8.12	-
Others		
Sharing of Infra Structure facilities	1.68	1.72
Provision reversal for doubtful advances**	5.00	-
Miscellaneous income	6.17	4.76
	57.21	**65.80**

*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	2017-18	2016-17
Cost of third party products / outsourced services		
For service delivery to clients	51.72	77.40
Less : Re-imbursement of costs by subsidiary companies	(30.21)	(41.28)
	21.51	**36.12**

22. EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	2017-18	2016-17
Salaries, wages and bonus	173.28	169.60
Contribution to provident and other funds	6.44	6.46
Staff welfare expenses	3.73	4.08
Recruitment and training expenses	0.87	0.95
Employee stock option expense	0.20	0.38
Gratuity expense	2.88	3.16
Less : Re-imbursement of costs by subsidiary companies	(109.45)	(98.47)
	77.95	**86.16**

23. FINANCE COST

₹ in Crores

Particulars	2017-18	2016-17
Interest expense on debts and borrowings*	82.06	86.48
Total Interest Expense	**82.06**	**86.48**
Other borrowing costs		
Others	0.74	0.78
	82.80	**87.26**

* Includes unwinding of discount under Ind AS 109 on fair valuation of preference share capital, FCCBs and interest free debts of ₹ 34.76 crores for the year ended March 31, 2018 (₹ 32.20 crores for the year ended March 31, 2017).

24. DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crores

Particulars	2017-18	2016-17
Depreciation on tangible assets	6.42	6.39
Amortisation on intangible assets	0.74	0.92
	7.16	**7.31**

25. OTHER EXPENSES

₹ in Crores

Particulars	2017-18	2016-17
Electricity power, fuel and water	5.95	6.13
Repairs and maintenance		
Building	0.66	0.58
Others	0.69	1.86
Directors sitting fees	0.34	0.30
Insurance	2.51	2.96
Legal and professional fees	6.41	0.94
Rates and taxes	0.69	1.09
Lease rental charges	11.80	9.39
Hire charges	1.71	1.32
Telephone and internet expenses	1.90	1.30
Travelling and conveyance expenses	4.40	4.70
Allowance for doubtful debts	2.34	0.86
Foreign exchange fluctuation loss	-	4.60
Impairment loss on non current investments *	152.29	-
Miscellaneous expenses	0.32	0.90
	192.01	**36.93**

* Impairment of equity investment of ₹ 152.29 crore arisen 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	2017-18	2016-17
As auditor		
Audit fee	0.62	0.96
Tax audit fee	0.03	0.12
In other capacity		
Other services (certification fees)	0.06	0.06
Re-imbursement of expenses	0.01	0.05
	0.80	**1.19**

(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	2017-18	2016-17
Professional charges	0.47	2.25
Cost of outsourced services and bought out items	0.67	0.65
Travelling and other expenses	1.81	2.13
Interest	3.18	3.22
Total	**6.13**	**8.25**

(d) Earnings in foreign currency (excluding Earnings from UAE Branch)

₹ in Crores

Particulars	2017-18	2016-17
Income from Operations	68.46	48.13
Guarantee commission	0.96	0.74
	69.42	**48.87**

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, 2018 ₹ 18.38 crores (March 31, 2017: ₹ 9.87 crores) details of which are as follows:

₹ in Crores

Particulars	2017-18	2016-17
i. On Revenue Account :		
Payments to and provision for employees		
- Salaries, wages, bonus, allowances, contribution to provident and other funds etc.	13.23	7.12
Other Expenses		
- Legal and professional charges	-	0.30
- Other expenses	5.15	2.45
Total	**18.38**	**9.87**
ii. On Capital Account	**-**	**-**
Total Research and Development Expenditure (i + ii)	**18.38**	**9.87**

27. EARNINGS PER SHARE

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
(a) Basic earnings per share (Amount in ₹)	(0.54)	0.75
(b) Diluted earnings per share (Amount in ₹)	(0.54)	0.75
(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	(86.71)	92.26
Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	(86.71)	92.26
(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	1,614,055,845	1,223,470,099
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	**1,614,055,845**	**1,223,470,099**

* 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, 2018			March 31, 2017		
	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	0.72	0.47	**1.19**	0.66	0.45	**1.11**
Gratuity	1.18	14.55	**15.73**	1.26	12.38	**13.64**
Total Employee Benefit Obligation	**1.90**	**15.02**	**16.92**	**1.92**	**12.83**	**14.75**

(i) Leave Obligations

The leave obligations cover the Company's liability for sick and earned leave.

The amount of the provision of ₹ 0.72 crores (March 31, 2017: ₹ 0.66 crores) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post Employment 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. The Company does not 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, 2016	**16.78**	**(0.01)**	**16.77**
Current service cost	1.51	-	1.51
Interest expense/(income)	1.31	-	1.31
Total amount recognised in Statement of profit and loss	**2.82**	**-**	**2.82**
Remeasurements			
Return of plan assets, excluding amount included in interest (income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	0.42	-	0.42
Experience (gains)/losses	(4.53)	-	(4.53)
Total amount recognised in other comprehensive income	**(4.11)**	**-**	**(4.11)**
Employer contributions	-	-	-
Benefit payments	(2.58)	-	(2.58)
As at March 31, 2017	**12.91**	**(0.01)**	**12.90**
Current service cost	1.63		1.63
Interest expense/(income)	0.95	-	0.95
Total amount recognised in Statement of profit and loss	**2.58**	**-**	**2.58**
Remeasurements			
Return of plan assets, excluding amount included in interest (income)	-	-	(0.00)
(Gain)/Loss from change in demographic assumptions	0.20	-	0.20
(Gain)/Loss from change in financial assumptions	(0.23)		(0.23)
Experience (gains)/losses	0.24		0.24
Total amount recognised in other comprehensive income	**0.21**	**-**	**0.21**
Employer contributions	-	-	-
Benefit payments	(1.59)	-	(1.59)
As at March 31, 2018	**14.11**	**-**	**14.10**

The major categories of plan assets of the fair value of the total plan assets are as follows

₹ in Crores

Particulars	March 31, 2018			March 31, 2017		
	%	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:

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Discount rate	7.70%	7.40%
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	12.18%	19.50%
5 years and above	5.12%	4.00%
Mortality rate	100.00%	100.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 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, 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%
March 31, 2017						
Impact on defined benefit obligation	11.91	14.07	14.05	11.90	13.68	11.92
% Impact	-7.80%	8.90%	8.80%	-7.80%	5.90%	-7.70%

₹ in Crores

Assumptions	**Mortality rate**	
Sensitivity Level	10% increase	10% decrease
March 31, 2018		
Impact on defined benefit obligation	14.13	14.10
% Impact	0.10%	-0.10%
March 31, 2017		
Impact on defined benefit obligation	12.93	12.90
% 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 ₹ 16.01 crores (as at March 31, 2017 : ₹ 14.43 crores).

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years (March 31, 2017: 9 years)

Expected cash flows over the next (valued on undiscounted basis)

₹ in Crores

Particulars	**March 31, 2018**	**March 31, 2017**
1 year	1.14	1.17
2 to 5 years	5.73	4.36
6 to 10 years	6.52	5.51
More than 10 years	17.22	16.67

(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 ₹ 5.77 crores (March 31, 2017: ₹ 5.83 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. They provide for issue of equity options up to 25% of the paid-up equity capital to eligible employees. Currently, the Company has 2 schemes, ESOS 2000 and ESOS 2007 (as amended).

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. 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 consisted 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 consisted 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 year ended March 31, 2016, the Board of Directors of the Company approved ESOS Plan-2015 under the existing scheme ESOS 2007. The plan consisted 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, 2018, no Options were granted (Nil Options granted for the year ended March 31, 2017).

Movement during the year

The number and weighted average exercise prices (WAEP) of the options and movement during the year is as follows

₹ in Crores

Particulars	**March 31, 2018**		**March 31, 2017**	
	Number of options	**WAEP**	**Number of options**	**WAEP**
Opening balance	24,873,500	35.14	34,094,490	33.10
Granted during the year*	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	5,913,600	92.43	9,220,990	27.60
Expired during the year	-	-	-	-
Closing balance**	**18,959,900**	**17.27**	**24,873,500**	**35.14**
Vested and exercisable	17,722,370	17.78	19,265,290	41.24

*During the year ended March 31, 2018, Nil options (for the year ended March 31, 2017 Nil Options) granted to Managing Director and Global CEO and Nil options (for the year ended March 31, 2017 Nil Options) granted to Executive Director.

**Includes 1,380,000 options granted to Managing Director/Executive Director and Non-Executive Directors (for the year ended March 31, 2016, 1,630,000 options).

The following tables summarize information about outstanding stock options:

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**

As at March 31, 2017

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	5,191,500	1	130
₹ 10	19,682,000	8	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	**2017-18**	**2016-17**
Employee stock option	0.20	0.38
Total employee share-based payment expense	**0.20**	**0.38**

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, 2018**	**March 31, 2017**
Property, plant and equipment	0.42	3.32

ii. Leases

Operating lease commitments - Company as lessee

(i) 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, 2018**	**March 31, 2017**
Commitments for minimum lease payments in relation to non cancellable operating leases are as follows		
Within one year	12.69	9.99
Later than one year but not later than five years	11.86	17.51
later than five years	28.56	29.33
	53.11	**56.83**

B. Contingent Liabilities

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
i. **Claim against the company not acknowledged as debt**		
- Disputed income tax matters	34.90	34.90
- Disputed service tax matters (excluding interest as applicable)	172.82	171.29
- Disputed sales tax matters	6.63	4.89
- Customer claims	46.81	46.81
- Others *	1.45	1.04
ii. Outstanding bank guarantees	14.75	15.72
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 ₹ 1.19 crores (as at March 31, 2017 - ₹ 0.78 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

Particulars	March 31, 2018	March 31, 2017
Corporate Guarantees to Lenders of Subsidiaries	64.32	92.54

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

Name of Related Party	Name of Holding Company	Percentage of Holding	Country of Incorporation	Nature of Relationship
3i Infotech Financial Software Inc. (Merged with 3i Infotech Inc (USA) effective December 31, 2017)	3i Infotech Holdings Private Limited	100%	USA	Step Down 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
Black Barret Holdings Limited	3i Infotech Holdings Private Limited	100%	Cyprus	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
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	Black Barret Holdings Limited	100%	India	Step Down Subsidiary
IFRS Cloud Solutions Limited (formerly known as 3i Infotech Outsourcing Services Limited)	3i Infotech Inc. persuant to merger of 3i Infotech Financial Software Inc (USA) with 3i Infotech Inc (USA) effective December 31, 2017	100%	India	Step Down Subsidiary

During the year, 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, 2018, the number of subsidiaries are 22 (twenty two).

Key Managerial Personnal (KMP) :

Name of Related Party	Designation / Details	Remarks
1. Mr. Padmanabhan Iyer	CFO, Managing Director and Global CEO	Appointed on November 11, 2014 *
2. Mr. Madhivanan Balakrishnan	Managing Director and Global CEO	Resigned on June 07, 2016
3. Mr. Rajeev Limaye	Company Secretary	Appointed on July 05, 2016
4. Mr. Ashok Shah	Chairman	Appointed on October 01, 2015
5. Dr. Shashank Desai	Independent Non - Executive Director	Appointed on September 23, 2015
6. Mr. Shantanu Prasad	Nominee Director	Resigned on January 12, 2018
7. Mr. Shanti Lal Jain	Nominee Director	Appointed on January 23, 2017
8. Ms. Sarojini Dikhale	Non - Executive Director	Appointed on October 23, 2015
9. Mr. Gautam Dutta	Nominee Director	Appointed on January 12, 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	2017-18	2016-17
3i Infotech Inc.	Income	2.84	2.90
	Corporate Charges (Royalty Income)	5.76	6.41
3i Infotech (UK) Limited and its subsidiaries	Income	1.37	4.54
3i Infotech (Middle East) FZ LLC	Income	20.73	5.26
	Income from product charge out	9.21	6.45
	Corporate Charges (Royalty Income)	3.40	3.16
	Financial Guarantee Commission income	0.31	0.59
3i Infotech Saudi Arabia LLC	Income	5.49	2.06
	Income from product charge out	4.05	0.80
	Corporate Charges (Royalty Income)	1.23	0.96
3i Infotech Asia Pacific Pte Ltd	Income	1.90	1.60
	Corporate Charges (Royalty Income)	0.68	0.77
	Financial Guarantee Commission income	0.15	0.15
3i Infotech Consultancy Services Limited	Purchase of Services	34.24	50.23
	Corporate Charges (Royalty Income)	0.87	1.27
	Financial Guarantee Commission income	-	0.15
3i Infotech BPO Limited	Income	8.05	7.24
	Rent Income	1.56	1.56
	Purchase of Services	0.83	0.68
Locuz Enterprise Solutions Limited	Rent Income	0.12	0.16
	Purchase of Services	-	0.92
	Financial Guarantee Commission income	0.51	0.51
3i Infotech Financial Software Inc	Income	0.14	0.19
3i Infotech SDN BHD	Income	0.92	2.02
	Corporate Charges (Royalty Income)	0.61	0.69
3i Infotech (Thailand) Limited	Income	1.26	0.34
	Corporate Charges (Royalty Income)	0.35	0.32

(iii) Outstanding balances arising from sales/purchases of goods and services

₹ in Crores

Name	March 31, 2018	March 31, 2017
Trade Receivables		
3i Infotech Inc	360.43	366.49
3i Infotech (UK) Limited and its subsidiaries	9.02	6.85
3i Infotech (Middle East) FZ LLC		-
3i Infotech Saudi Arabia LLC	115.08	104.46
3i Infotech Asia Pacific Pte Ltd	1.03	0.14
3i Infotech BPO Limited	9.43	1.66
3i Infotech Financial Software Inc (Merged with 3i Infotech Inc (USA) effective December 31, 2017)	-	2.86
Professional Access Software Development Private Limited	2.51	2.51
3i Infotech SDN BHD	9.55	4.51
3i Infotech (Thailand) Limited	7.03	2.47
3i Infotech (Africa) Limited	26.85	21.05
3i Infotech (South Africa) (Pty) Limited	0.01	0.01
Locuz Enterprise Solutions Limited	0.01	-
Trade Payables		
3i Infotech (Middle East) FZ LLC	21.85	6.42
Locuz Enterprise Solutions Limited	-	1.11
3i Infotech Consultancy Services Limited	39.25	38.58
Unbilled Revenue		
Locuz Enterprise Solutions Limited	-	0.01
3i Infotech Consultancy Services Limited	2.17	1.45
3i Infotech BPO Limited	-	0.36
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	5.21	4.95
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, 2018	March 31, 2017
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
		End of the year	16.68	16.68
3i Infotech BPO Limited	Subsidiary	**Beginning of the year**	-	25.36
		Adjusted Against Loan Receivable	-	(25.36)
		End of the year	-	-

₹ in Crores

Name	Nature of Relationship	Particulars	March 31, 2018	March 31, 2017
Interest Receivable from related parties:				
3i Infotech (Middle East) FZ LLC	Subsidiary	**Beginning of the year**	4.08	-
		Interest income recognised	4.08	4.08
		End of the year	8.17	4.08
3i Infotech Consultancy Services Limited	Subsidiary	**Beginning of the year**	1.90	-
		Interest income recognised	3.33	2.11
		TDS Deducted	(0.33)	(0.21)
		End of the year	4.90	1.90

(v) Loans from and Interest Payable from related parties :

₹ in Crores

Name	Nature of Relationship	Particulars	March 31, 2018	March 31, 2017
Loans from related parties :				
3i Infotech Holdings Private Limited, Mauritius	Subsidiary	**Beginning of the year**	11.33	11.57
		Reinstatement of FC Loan	0.01	(0.24)
		End of the year	11.34	11.33
3i Infotech BPO Limited	Subsidiary	**Beginning of the year**	18.15	36.31
		Adjusted Against Loan Receivable	-	(25.36)
		Loans received	2.06	7.21
		End of the year	20.21	18.15
Professional Access Software Development Private Limited	Subsidiary	**Beginning of the year**	128.67	129.55
		Loan repayments made	(0.22)	(0.87)
		End of the year	128.46	128.67
IFRS Cloud Solutions Limited	Subsidiary	**Beginning of the year**	-	-
		Loan received	0.05	-
		End of the year	0.05	-
Interest Payable to related parties:				
3i Infotech BPO Limited	Subsidiary	**Beginning of the year**	10.23	8.94
		Interest charged	1.78	1.30
		TDS Deducted	(0.18)	(0.01)
		End of the year	11.84	10.23
Professional Access Software Development Private Limited	Subsidiary	**Beginning of the year**	2.26	2.26
		Interest charged	15.41	15.48
		Interest Payable written back	(15.41)	15.48
		End of the year	2.26	2.26
3i Infotech Consultancy Services Limited	Subsidiary	**Beginning of the year**	0.78	0.78
		End of the year	0.78	0.78

(vi) Key management personnel compensation

₹ in Crores

Particulars	2017-18	2016-17
Short term employee benefits		
Salaries and other employee benefits to Whole-time directors and executive officers	2.20	4.80
Commission and other benefits to non-executive / independent directors	0.42	0.43
Post-employment benefits *	-	-
Long term employee benefits *	-	-
Employee share based payment *	-	-
Total	**2.62**	**5.23**

The remuneration paid / provided to the Managing Director and Global CEO for the financial year 2016-17 had been approved by both the shareholders as well as lenders of the Company. This remuneration was in excess of the limits prescribed under the erstwhile Section 197 of the Companies Act 2013 and was subject to the approval of the Ministry of Corporate Affairs (MCA). The management had made application to MCA for the necessary approval. Although, MCA has granted approval only for a part of the amount, the management is of the opinion that once the amended Section 197 of the Companies (Amendment) Act, 2017 is notified, the Company would be in compliance with the law.

* 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 ₹ 5.21 crores (March 31, 2017 : ₹ 4.95 crores). 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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
FINANCIAL ASSETS				
Amortised cost				
Investments in preference shares	452.49	562.77	452.49	562.77
Trade receivables	580.71	560.41	580.71	560.41
Loans	57.65	57.59	57.65	57.59
Cash and cash equivalents	32.22	94.81	32.22	94.81
Other bank balances	0.73	1.74	0.73	1.74
Other financial assets	49.26	38.47	49.26	38.47
FVTPL				
Investment in equity instruments	0.16	0.16	0.16	0.16
Total	**1,173.21**	**1,315.95**	**1,173.21**	**1,315.95**

₹ in Crores

Particulars	Carrying Amount		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	966.27	1,040.92	966.27	1,040.92
Trade payables	93.96	91.39	93.96	91.39
Other financial liabilities	1,106.82	1,107.90	1,106.82	1,107.90
Total	**2,167.05**	**2,240.21**	**2,167.05**	**2,240.21**

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 investments in preference shares and 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, 2018			Total	March 31, 2017			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	-	-	452.49	**452.49**	-	-	562.77	**562.77**
Loans	-	-	57.51	**57.51**	-	-	57.51	**57.51**
Deposits	-	-	5.32	**5.32**	-	-	9.53	**9.53**
Total Financial Assets	**-**	**-**	**515.32**	**515.32**	**-**	**-**	**629.81**	**629.80**
Financial Liabilities								
Borrowings	**-**	**-**	954.93	**954.93**	-	-	1,029.59	**1,029.59**
Total Financial Assets	**-**	**-**	**954.93**	**954.93**	**-**	**-**	**1,029.59**	**1,029.59**

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 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 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 31,2018:

₹ 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

The following table set forth information relating to foreign currency exposure as at March 31,2017:

₹ in Crores

Particulars	USD	GBP	EUR	Total
Total financial assets	939.40	6.79	138.27	**1,084.46**
Total financial liabilities	148.35	0.16	-	**148.51**

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 ₹ 9.36 crores for the year ended March 31,2017

(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**

  Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

  As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables and unbilled revenue. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

- **Other Financial 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 ₹ 647.16 crores (March 31, 2017: ₹ 628.23 crores). The lifetime expected credit loss on customer balance for the year ended March 31, 2017 is ₹ 44.19 crores (March 31, 2017: ₹ 49.18 crores).

Reconciliation of loss allowance provision - Trade receivables and Unbilled revenue

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
Balance at the beginning	49.18	50.31
Impairment loss recognised/reversed	2.64	(1.13)
Amount written off	(7.63)	-
Balance at the end	**44.19**	**49.18**

- **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 ₹ 572.97 crores (March 31, 2017: ₹ 739.53 crores). The 12 months expected credit loss and lifetime expected credit loss on these financial assets for the year ended March 31, 2017 is ₹ 2.88 crores (March 31, 2017: ₹ 2.79 crores)

Reconciliation of loss allowance provision - other financial assets

₹ in Crores

Particulars	March 31, 2018		March 31, 2017	
	12 month expected losses	life-time expected losses	12 month expected losses	life-time expected losses
Balance at the beginning		**2.79**		**2.79**
Add/(Less): Changes in loss allowances due to changes in risk parameters		0.09		-
Balance at the end		**2.88**		**2.79**

(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 :

₹ in Crores

March 31, 2018	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**

₹ in Crores

March 31, 2017	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	91.39	-	-	-	91.39
Borrowings including Interest thereon	50.04	119.43	390.27	1,126.95	1,686.69
Other financial liabilities	1,107.90	-	-	-	1,107.90
Total	**1,249.33**	**119.43**	**390.27**	**1,126.95**	**2,885.98**

34. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. 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, 2018	March 31, 2017
Borrowings	624.38	729.22
Trade payables	93.96	91.39
Other payables	1,119.43	1,118.09
Cumulative non convertible redeemable preference shares	341.89	311.70
Less: cash and cash equivalents	(32.22)	(94.81)
Net Debt	**2,147.44**	**2,155.59**
Equity share capital	1,615.36	1,183.65
Other equity	(1,467.46)	(963.34)
Total Equity	**147.90**	**220.31**
Capital and net debt	**2,295.34**	**2,375.90**
Gearing ratio	**93.56**	**90.73**

35. ASSETS PLEDGED AS SECURITY

The carrying amount of assets pledged as security for current and non current borrowings are:

₹ in Crores

Particulars	March 31, 2018	March 31, 2017
CURRENT ASSETS		
i. Financial Assets		
Trade receivables	44.97	52.34
Cash and cash equivalents	32.22	94.81
Bank balances other than above	0.73	1.74
Other financial assets	28.70	21.14
ii. Non Financial Assets		
Other current assets (excluding prepaid expenses)	3.28	3.76
Total current assets pledged as security	**109.90**	**173.79**
NON CURRENT ASSETS		
i. Property, Plant and Equipment		
Land - Leasehold	0.37	0.37
Building - Leasehold	131.14	134.26
Plants and equipments	0.33	0.47
Furniture and fixtures	0.30	0.12
Vehicle	-	0.02
Office	1.25	1.70
Computer hardware	4.91	2.33
ii. Intangible Assets	225.30	225.81
iii. Non Current Investments	611.10	610.96
Total non current assets pledged as security	**974.69**	**976.04**

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, 2018 and March 31, 2017. 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 instruments collateral	Net amount
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**

₹ 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 instruments collateral	Net amount
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**
March 31, 2017					
Financial assets					
Non Current					
Investments	1,236.89	-	**1,236.89**	(610.96)	**625.94**
Current					
Cash and cash equivalents	94.81	-	**94.81**	(94.81)	**-**
Bank balances other than above	1.74	-	**1.74**	(1.74)	**-**
Trade receivables	577.73	(17.32)	**560.41**	(52.34)	**508.07**
Other financial assets	96.06	-	**96.06**	(21.14)	**74.92**
Total	**2,007.23**	**(17.32)**	**1,989.91**	**(780.98)**	**1,208.92**
Financial liabilities					
Trade payables	108.17	(16.78)	**91.39**	-	**91.39**
Borrowings	2,149.36	(0.54)	**2,148.82**	(780.98)	**1,367.84**
Total	**2,257.53**	**(17.32)**	**2,240.21**	**(780.98)**	**1,459.23**

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, 2018	March 31, 2017
Principal amount due to suppliers under MSMED Act, 2006*	-	-
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 ₹ Nil (March 31, 2017: ₹ 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 had capitalised exchange loss, 'arising on long-term foreign currency loan to the cost of plant and equipments. The Company also had 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, 2018	March 31, 2017
Cost of the assets		-
FCMITDA	(8.95)	(20.83)
Amortised in the current year	(2.00)	18.75

39. DISCLOSURES REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

₹ in Crores

Name of the Party	Nature	Rate of interest	March 31, 2018	March 31, 2017
3i Infotech (Middle East) FZ LLC	Loan given consequent to DRS	10%	40.83	40.83
3i Infotech Consultancy Services Limited	Loan given consequent to DRS	10%	16.68	16.68

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

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 was issued in February 2016 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 1, 2018. The Company will adopt the new standard on the required effective date.

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: April 23, 2018

3i INFOTECH LIMITED

Corporate Identification Number (CIN): L67120MH1993PLC074411
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 **Fax:** 022-7123 8098

NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of 3i Infotech Limited (the "Company") will be held on Tuesday, July 31, 2018 at 12:30 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, 2018 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Sarojini Dikhale (DIN-02755309), who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** subject to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**") and the rules framed thereunder, as amended from time to time, pursuant to the recommendations of the Audit Committee and Board of Directors of the Company and pursuant to the Resolution passed by the Members at the Annual General Meeting ("**AGM**") held on December 7, 2016, the appointment of M/s. GMJ & Co., Chartered Accountants (Firm Registration No. 103429W) as the Statutory Auditors of the Company ("**Statutory Auditors**") to hold office from the conclusion of this AGM till the conclusion of the Twenty Sixth AGM of the Company be and is hereby ratified.

   RESOLVED FURTHER THAT pursuant to the provisions of Section 143 (8) and any other applicable provisions, if any, of the Act and the rules framed thereunder, as amended from time to time, pursuant to the recommendations of the Audit Committee and Board of Directors of the Company, the Branch accounts of the Company shall be audited by the Statutory Auditors of the Company.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to determine the remuneration to be paid to the Statutory Auditors for the financial year ended March 31, 2019 as may be recommended by the Audit Committee in consultation with the Statutory Auditors."

SPECIAL BUSINESS

4. **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.**

   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 (the "**FEMA**"), as amended, 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, 2009, as amended (the "**SEBI Regulations**"), the Securities and Exchange Board of India (Substantial Acquisitions 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 May 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 VII 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."

5. **Approval for issue of shares under 3i Infotech Employee Stock Option Scheme 2018 to Employees and Directors of the Company**

To consider and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**SEBI LODR**"), Securities and Exchange Board of India

(Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "**SEBI SBEB Regulations**"), issued by the Securities and Exchange Board of India ("**SEBI**") and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "**Board**" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted/ to which the Board has delegated authority in order to exercise its powers, including the powers, conferred by this resolution) to introduce, create, offer, issue and allot such number of Equity Shares (as defined hereinafter) not exceeding in aggregate (including any Equity Shares issued pursuant to the Resolution at item no. 6 of the Notice), 15% (Fifteen per cent) of the aggregate of the number of issued and paid-up equity share capital of the Company from time to time, subject to a maximum of 10,00,00,000 (Ten crore) Equity Shares of the Company having face value of INR 10 (Indian Rupees Ten) per share ("**Equity Shares**") under the '**3i Infotech Employee Stock Option Scheme 2018**' (hereinafter referred to as the "**Scheme**") by way of issuance of employee stock options ("**Option**"), the salient features of which are furnished in the Explanatory Statement to this Notice, to such persons who are permanent employees of the Company, including Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), whether whole-time or otherwise, whether working in India or out of India, of any existing or future subsidiary company(ies) of the Company, whether in or outside India and selected by the Board in its sole and absolute discretion ("**Eligible Employees**"), at a price of INR 10 (Indian Rupees Ten) per Option, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the Scheme and applicable law.

RESOLVED FURTHER THAT the maximum number of Options that can be granted under the Scheme which will be convertible into Equity Shares wherein one employee stock option is equivalent to one Equity Share, shall not exceed 10,00,00,000 (Ten crore) Equity Shares (as adjusted for any corporate action and/or change in the capital structure) at a price of INR 10 (Indian Rupees Ten) per Option.

RESOLVED FURTHER THAT subject to the terms of the resolution passed by the members of the Company approving the grant of Options to the Eligible Employees, the total number of Options that can be granted to any non-executive director of the Company under the Scheme, shall not exceed 1% (one percent) in a financial year in respect of each director and 5% (five percent) in respect of all such non-executive directors in aggregate, of the number of issued and paid-up equity share capital of the Company as on the date(s) of grant of Option(s).

RESOLVED FURTHER THAT the Board and any committee formed for this purpose be and is hereby authorised to issue and allot Equity Shares to the Eligible Employees from time to time in accordance with the Scheme and other applicable laws in force and such Equity Shares shall rank pari passu in all respects with the then Equity Shares provided that the grant of Options to any one Eligible Employee in a year shall be less than 1% (one percent) of the issued and paid-up equity share capital (excluding outstanding warrants and conversions) of the Company at the time of grant of the said Options.

RESOLVED FURTHER THAT the Board be and is hereby empowered to make fair and reasonable adjustment in its sole and absolute discretion, in accordance with applicable law to the terms of grant made under the Scheme in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, or sub-division or consolidation of Equity Shares.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to formulate, evolve, decide upon, bring into effect and implement the Scheme and to modify, change, vary, alter, amend, revise, suspend or terminate the Scheme, subject to compliance with the applicable laws and regulations, including but not limited to, amendment (s) with respect to price, period, eligibility criteria or to suspend, withdraw, terminate or revise the Scheme in such manner as the Board may determine in its sole discretion and to do all such acts, deeds, matters and things as it may at its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and with regard to the Equity Shares to be issued pursuant to the proposed Scheme without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and / or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Scheme.

RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to take necessary steps for listing of the securities allotted under the Scheme on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the SEBI LODR and the Listing Agreements with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, as it may, at its absolute discretion, deem necessary, including authorizing or directing the Nomination and Remuneration Committee which also acts as the Compensation Committee to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Compliance Officer and other Advisors, Consultants or Representatives as may be required, being incidental to the effective implementation and administration of the Scheme as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals and also to initiate all necessary actions for the preparation and issuance and filing of public announcement, if required, with the SEBI/Stock Exchanges and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

6. **Approval for issue of shares under 3i Infotech Employee Stock Option Scheme 2018 to Employees and Directors of subsidiaries of the Company**

To consider and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and rules framed thereunder, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**SEBI LODR**"), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "**SEBI SBEB Regulations**"), issued by the Securities and Exchange Board of India ("**SEBI**") and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "**Board**") which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted/ to which the Board has delegated authority in order to exercise its powers, including the powers, conferred by this resolution) to introduce, create, offer, issue and allot such number of Equity Shares (as defined hereinafter) not exceeding in aggregate (including any Equity Shares issued pursuant to the Resolution at item no. 5 of the Notice), 15% (Fifteen per cent) of the aggregate of the number of issued and paid-up equity share capital of the Company from time to time, subject to a maximum of 10,00,00,000 (Ten crore) Equity Shares of the Company having face value of INR 10 (Indian Rupees Ten) per share ("**Equity Shares**") under the '**3i Infotech Employee Stock Option Scheme 2018**' (hereinafter referred to as the "**Scheme**") by way of issuance of employee stock options ("**Option**"), the salient features of which are furnished in the Explanatory Statement to this Notice, to such persons who are permanent employees of any existing or future subsidiary (whether in India or outside India) of the Company including Directors and selected by the Board in its sole and absolute discretion ("**Eligible Employees**"), at a price of INR 10 (Indian Rupees Ten) per Option, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the Scheme and applicable law.

RESOLVED FURTHER THAT the maximum number of Options that can be granted under the Scheme which will be convertible into Equity Shares wherein one employee stock option is equivalent to one Equity Share, shall not exceed 10,00,00,000 (Ten crore) Equity Shares (as adjusted for any corporate action and/or change in the capital structure) at a price of INR 10 (Indian Rupees Ten) per Option.

RESOLVED FURTHER THAT the Board and any committee formed for this purpose be and is hereby authorised to issue and allot Equity Shares to the Eligible Employees from time to time in accordance with the Scheme and other applicable laws in force, and such Equity Shares shall rank pari passu in all respects with the then Equity Shares provided that the grant of Options to any one Eligible Employee in a year shall be less than 1% (one percent) of the issued and paid-up equity share capital (excluding outstanding warrants and conversions) of the Company at the time of grant of the said Options.

RESOLVED FURTHER THAT the Board be and is hereby empowered to make fair and reasonable adjustment, in its sole and absolute discretion in accordance with applicable law to the terms of grant made under the Scheme in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, or sub-division or consolidation of Equity Shares.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to formulate, evolve, decide upon, bring into effect and implement the Scheme and to modify, change, vary, alter, amend, revise, suspend or terminate the Scheme, subject to compliance with the applicable laws and regulations, including but not limited to, amendment (s) with respect to price, period, eligibility criteria or to suspend, withdraw, terminate or revise the Scheme in such manner as the Board may determine in its sole discretion and to do all such acts, deeds, matters and things as it may at its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and with regard to the Equity Shares to be issued pursuant to the proposed Scheme without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Scheme.

RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to take necessary steps for listing of the securities allotted under the Scheme on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the SEBI LODR and the Listing Agreements with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, and things, as it may, at its absolute discretion, deem necessary including authorizing or directing the Nomination and Remuneration Committee which also acts as the Compensation Committee to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Compliance Officer, and other Advisors, Consultants or Representatives as may be required, being incidental to the effective implementation and administration of the Scheme as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals and also to initiate all necessary actions for the preparation and issuance of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

Registered Office:
Tower # 5, 3rd to 6th Floors,
International Infotech Park, Vashi,
Navi Mumbai - 400 703

Mumbai
June 29, 2018

By Order of the Board

Sd/-
Rajeev Limaye
Company Secretary

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 its Registrar and Transfer Agent. Information captured by the Depository Participants will be automatically updated in the Company's record.

f) Please note that as per Securities and Exchange Board of India (SEBI) circular no. MRD/DoP/Cir-05/2009 dated May 20, 2009, it has become mandatory to furnish a copy of PAN card of the transferee for registration of transfer of shares in physical form.

g) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, July 24, 2018 to Tuesday, July 31, 2018 (both days inclusive).

h) 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 ₹1,192,951/- being unclaimed dividend of the Company for the financial year ended March 31, 2010 was transferred to IEPF on September 13, 2017 and no claim lies against the Company in respect thereof.

i) 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 (India) 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.

j) 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.

k) 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.

l) 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 (o) below. The facility for voting, either through electronic voting system or by ballot or polling paper, shall also be made available at the AGM.

m) 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.

n) 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. The Resolution(s) passed by the Members through ballot forms or remote e-voting are deemed to have been passed as if they have been passed at the AGM.

o) 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 Saturday, July 28, 2018

      End of e-voting: 5:00 p.m. (IST) on Monday, July 30, 2018

   2. E-voting shall not be allowed beyond 5:00 p.m. (IST) on Monday, July 30, 2018. During the e-voting period, Members of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date may cast their vote electronically. The cut-off date for the purpose of e-voting is Tuesday, July 24, 2018.

   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.

8. The Company has appointed Mr. Prakash Pandya, Partner, M/s. BNP & Associates, Practicing Company Secretaries or failing him, 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. Members desirous of availing this facility may send their nomination in the prescribed Form No. SH-13 duly filled in 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. 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 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.

The time period of one year has elapsed since the date of the May Resolution passed by the Members. The Company is yet to allot shares to a few 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 further renewing the Original Resolution read with the May Resolution for another period of one year as well as ratification of the actions taken 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) 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.

Item no. 5 & 6

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share based compensation scheme/plan. Your Company believes in rewarding its employees, including directors of the Company as well as that of the subsidiary company(ies) for their continuous hard work, dedication and support, which has led the Company and the subsidiary Company(ies) on the growth path.

The Company has two employee stock option schemes, viz. ESOS Scheme 2000 and ESOS Scheme 2007, but the number of options that are available for grant under the existing schemes are not sufficient. Hence, it seemed necessary to roll-out a new stock option scheme.

The Company, therefore intends to implement the **3i Infotech Employee Stock Option Scheme 2018** ("**Scheme**"), with a view to attract and retain key talents working with the Company and its subsidiary company(ies), by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Pursuant to provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (hereinafter referred to as "**SEBI SBEB Regulations**"), the Company seeks members' approval in respect of the Scheme and grant of employee stock options ("**Options**") thereunder and thereby issue equity shares of the Company having face value of INR 10 (Indian Rupees Ten) ("**Equity Shares**") to the employees/ Directors of the Company and to employees/ Directors of the subsidiary company(ies) of the Company ("**Subsidiaries**") ("**Eligible Employees**") as may be decided by the Nomination and Remuneration Committee of the Board of Directors of the Company on such terms and conditions and at a price of INR 10 (Indian Rupees Ten) per Option from time to time in due compliance of the SEBI SBEB Regulations.

The main features of the Scheme are as under:

1. **Brief Description of the Scheme:**

   This proposed Scheme called the **3i Infotech Employee Stock Option Scheme 2018** (the "**Scheme**") enables the Company to grant Options to Eligible Employees (as selected by the Nomination and Remuneration Committee). Subject to applicable law and terms and conditions of the Scheme, the Eligible Employees shall be entitled to subscribe to the Equity Shares within a certain time period ("**Exercise Period**") and upon fulfilment of such conditions ("**Vesting**") as shall be determined by the Nomination and Remuneration Committee and payment of an exercise price of INR 10 (Indian Rupees Ten) ("**Exercise Price**"). The number of Equity Shares that could be issued pursuant to exercise of the Options granted to the Eligible Employees will not exceed 15% (Fifteen per cent) of the aggregate of the number of issued and paid-up equity share capital of the Company from time to time, subject to a maximum of 10,00,00,000 (Ten crore) Equity Shares of the Company having face value of INR 10 (Indian Rupees Ten) per share. No single Eligible Employee will be granted Options in a year which entitles him to 1% (one percent) or more in a year of the issued and paid-up equity share capital (excluding outstanding warrants and options) of the Company on the date of grant of Options.

   Thus, the Scheme is intended to reward the Eligible Employees for their performance and to motivate them to contribute to the growth and profitability of the Company.

   The objectives of the Scheme are:

   a) create a sense of ownership and participation amongst the Employees;
   b) motivate the Employees with incentives and reward opportunities;
   c) drive entrepreneurship mindset of value creation for the organization;
   d) provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company and
   e) achieve sustained growth of the Company and the creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company.

2. **Total number of options to be granted and thereby Equity Shares to be issued and allotted:**

   The total number of Equity Shares to be allotted pursuant to exercise of Options under the Scheme to the Eligible Employees shall not exceed 15% (Fifteen per cent) of the aggregate of the number of issued and paid-up equity share capital of the Company from time to time, subject to a maximum of 10,00,00,000 (Ten crore) Equity Shares of the Company having face value of INR 10 (Indian Rupees Ten) per share.

   The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment be made to the benefits granted to the Eligible Employee under a stock option scheme. Accordingly, a fair and reasonable adjustment shall be made to the above ceiling and/or the Exercise Price and/or the Exercise Period and/or the Vesting criteria by the Nomination and Remuneration Committee subject to compliance of the SEBI (SBEB) Regulations and other applicable law.

   Options which lapse/expire or are forfeited will be available for grant to Eligible Employees.

   The maximum number of Options to be granted to any single Eligible Employee in a year shall be less than 1% (one percent) of the issued and paid-up share capital (excluding outstanding warrants and options) of the Company on the date of grant of Options, unless a separate approval is obtained from the members of the Company by way of special resolution.

3. **Grant of Options to Non-Executive Directors:**

   Regulation 17(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 makes it obligatory for the Company to obtain shareholders' approval for laying the limits for the maximum number of Options that can be granted to Non-Executive Directors, which is capped at 1% (one percent) in a financial year to one Non-Executive Director and 5% (five percent) of the shares in the aggregate of the number of issued equity shares of the Company, on the date(s) of grant of Option(s).

4. **Identification of classes of employees entitled to participate in the Scheme:**

   Following classes of employees, which are selected by the Nomination and Remuneration Committee, are entitled to participate in the Scheme:

   a) Permanent employees of the Company working in India or out of India;
   b) Directors of the Company, whether Whole-time or not and
   c) Permanent employees and directors of the subsidiary company(ies) working in India or out of India, if any.

Following classes of employees are not eligible to participate in the Scheme:

a) an employee who is a Promoter or belongs to the Promoter Group;

b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company and

c) an Independent Director within the meaning of the Companies Act, 2013.

5. Transferability of the options under the Scheme:

Any Option granted under the Scheme cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the Eligible Employee except upon death or permanent disability of the Eligible Employee (in which case the Options will be exercisable by the nominee, as selected by the Eligible Employee). Any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance not permitted under the Scheme shall be void and unenforceable against the Company.

6. Requirements of vesting and period of vesting:

The Options granted shall vest in accordance with the terms of each grant under the Scheme, so long as an employee continues to be in the employment of the Company or the Subsidiaries, as the case may be. The Nomination and Remuneration Committee depending upon the performance of the Eligible Employee, expertise of the Eligible Employee, achievement or expected achievement of key performance indicators by the Eligible Employee, terms of employment of the Eligible Employee amongst other factors shall determine the vesting criteria/period. Subject to the terms and conditions of the Scheme and SEBI SBEB Regulations, the period of Vesting shall be minimum one year.

If an employee/ Director (including Whole-time Director) voluntarily terminates employment with the Company, the Options to the extent not vested shall lapse/expire and be forfeited forthwith. However, this shall not be applicable to the employee/ Director (including Whole-time Director) of the Company who has resigned or who may resign from time to time to join the companies that have been established or promoted or set up by the Company or its Subsidiaries.

If an employee resigns, then the vested Options may be exercised by him within a period as determined by the Nomination and Remuneration Committee in the letter of grant.

7. Maximum period within which the options shall be vested:

The Vesting Period will be determined by the Nomination and Remuneration Committee at the time of grant of Options and will be detailed in the letter of grant and the maximum period within which the option shall be vested is five years.

8. Exercise price:

The Exercise Price will be INR 10 (Indian Rupees Ten). In any event, the Exercise Price will not be below the par value of the Equity Shares.

The Nomination and Remuneration Committee will, in accordance with the Scheme and applicable laws, lay down the procedure for making a fair and reasonable adjustment to the number of Options and/or to the Exercise Price or the resultant shares arising out of exercise of Options in case of any corporate action in accordance SEBI (SBEB) Regulations and shall provide necessary procedures and/or mechanism for exercising such Options subject to applicable laws, rules and regulations.

9. Exercise Period and the process of Exercise:

The Exercise Period shall commence from the date of vesting and expire at the end of five years from the date of vesting.

The option holder may exercise the vested Options within the Exercise Period. In the event the option holder fails to exercise his vested Options within the Exercise Period then such vested Options shall lapse and revert to the plan pool. The Company and/or the Nomination and Remuneration Committee will not have any obligation towards such option holder with respect to such lapsed Options.

To exercise the Options, the option holder will be required to submit an exercise letter to the Nomination and Remuneration Committee in such manner and in such format as provided in the Scheme or otherwise as may be prescribed by the Nomination and Remuneration Committee from time to time, which shall be annexed with the letter of grant. The Nomination and Remuneration Committee at its sole and absolute discretion, may offer a cashless exercise mechanism of Options for certain Eligible Employees.

10. Appraisal process for determining the eligibility of employees for the Scheme:

The appraisal process for determining the eligibility of the employees will be decided by the Nomination and Remuneration Committee from time to time which shall be based on the factors such as performance of the employee for the past financial years (or for the period of his service), onboarding incentive for new employees, attracting talent, position and responsibilities of the concerned employee, the nature of employee's services to the Company and/or its subsidiaries, the period for which the employee has rendered his services to the Company or its subsidiaries, the employee's present and potential contribution to the success of the Company or its subsidiaries and such other factors as the Nomination and Remuneration Committee deems relevant for accomplishing the purpose of the Scheme and as mentioned in the letter of grant provided to the Eligible Employee.

11. Maximum number of options to be granted per employee and in aggregate:

The maximum number of Options that may be granted to an Eligible Employee under the Scheme will be determined by the Nomination and Remuneration Committee on a case to case basis. No single Eligible Employee will be granted Options in a year which entitles him to 1% (one percent) or more in a year of the issued and paid-up equity share capital (excluding outstanding warrants and options) of the Company on the date of grant of Options.

12. Maximum quantum of benefits to be provided per employee under the Scheme:

Same as 10 above.

13. Whether the Scheme is proposed to be implemented and administered directly by the Company or through a trust:

The Scheme shall be implemented and administered directly by the Company.

14. Whether the scheme involves new issue of shares by the Company or secondary acquisition by the trust or both:

The Scheme contemplates new issue of shares by the Company.

15. The amount of loan to be provided for implementation of the Scheme by the Company to the trust, its tenure, utilisation, repayment terms, etc.:

Not applicable.

16. Maximum percentage of secondary acquisition (subject to limits specified under the Regulations) that can be made by the trust for the purposes of the scheme:

Not applicable.

17. Accounting and Disclosure Policies:

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

18. Method of Valuation:

The Company shall recognize compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-based Payment and shall comply with the disclosure requirement as prescribed therein. The Company shall determine the fair valuation of the Options in accordance with the Application Guidance prescribed in Appendix B of the Ind AS 102, Share-based Payments.

Consent of the members is being sought by way of Special Resolutions pursuant to Section 62(1)(b) of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations and all other applicable provisions, if any.

The Options to be granted under the Scheme shall not be treated as an offer or invitation made to the public for subscription of securities of the Company.

A draft copy of the Scheme is available for inspection at the Company's Registered Office between 10:30 a.m. and 12:30 p.m. on all working days (excluding Saturday, Sunday and Holidays) till the date of this AGM.

The Directors and key managerial personnel of the Company may be deemed to be concerned or interested in these Resolutions only to the extent of any Options that may be granted to them (along with the resultant Equity Shares issued) that may be offered to them in accordance with the Scheme.

The Board recommends passing of the resolutions as set out under Item Nos. 5 and 6 of the Notice for approval of the members as Special Resolutions.

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:

Particulars	Ms. Sarojini Dikhale
Age	58 years
Qualifications	M.A.(Economics), LL.B., Fellow of Advanced Marketing International Institute of Advanced Marketing (IIAM, ACTE approved), Associate of the Insurance Institute of India
Experience and brief resume	Ms. Dikhale joined Life Insurance Corporation of India (LIC) in 1983 as a Direct Recruit Officer (AAO) of the 12th batch and that marked the start of her career spanning over 32 years. She was given an award “Outstanding Young Indian Award” organised by the Junior Chamber of Indian Jaycees at the hands of the then Honorable Governor of Goa, his Excellency Shri Kedarnath Sahni at Panjim on September 27, 2003. She was deputed as a faculty member at the National Insurance Academy Pune, which trains senior officials from the life insurance industry. She successfully completed the direct training skills course, design of training and management of training courses conducted by the Government’s Training Institute. She received rich accolades as an outstanding trainer at NIA. Ms. Dikhale has co-authored the book “Tryst with Trust”. In the last decade, she made significant contribution in the Micro Insurance vertical, CRM and RTI Department as well. Her last assignment prior deputation to LIC Nomura Mutual Fund Asset Management Company Limited (LIC NMF AMC) was as Executive Director (HRD) and there too she made worthy value additions.
Nature of expertise in specific functional areas	Marketing, Team Building and Human Resources Development
Relationship with other Directors and other Key Managerial Personnel	None
Other Directorships, Membership/ Chairmanship of Committees of other Boards	LIC Pension Fund - Member
Number of shares held in the Company	Nil
Details of remuneration sought to be paid	Ms. Dikhale will continue to draw sitting fees in respect of meetings of the Board and/or committees that may be attended by her post her re-appointment.

For other details such as number of meetings of the board attended during the year, remuneration drawn and date of first appointment on the Board in respect of Ms. Sarojini Dikhale, please refer to the Corporate Governance Report which is a part of this Annual Report.

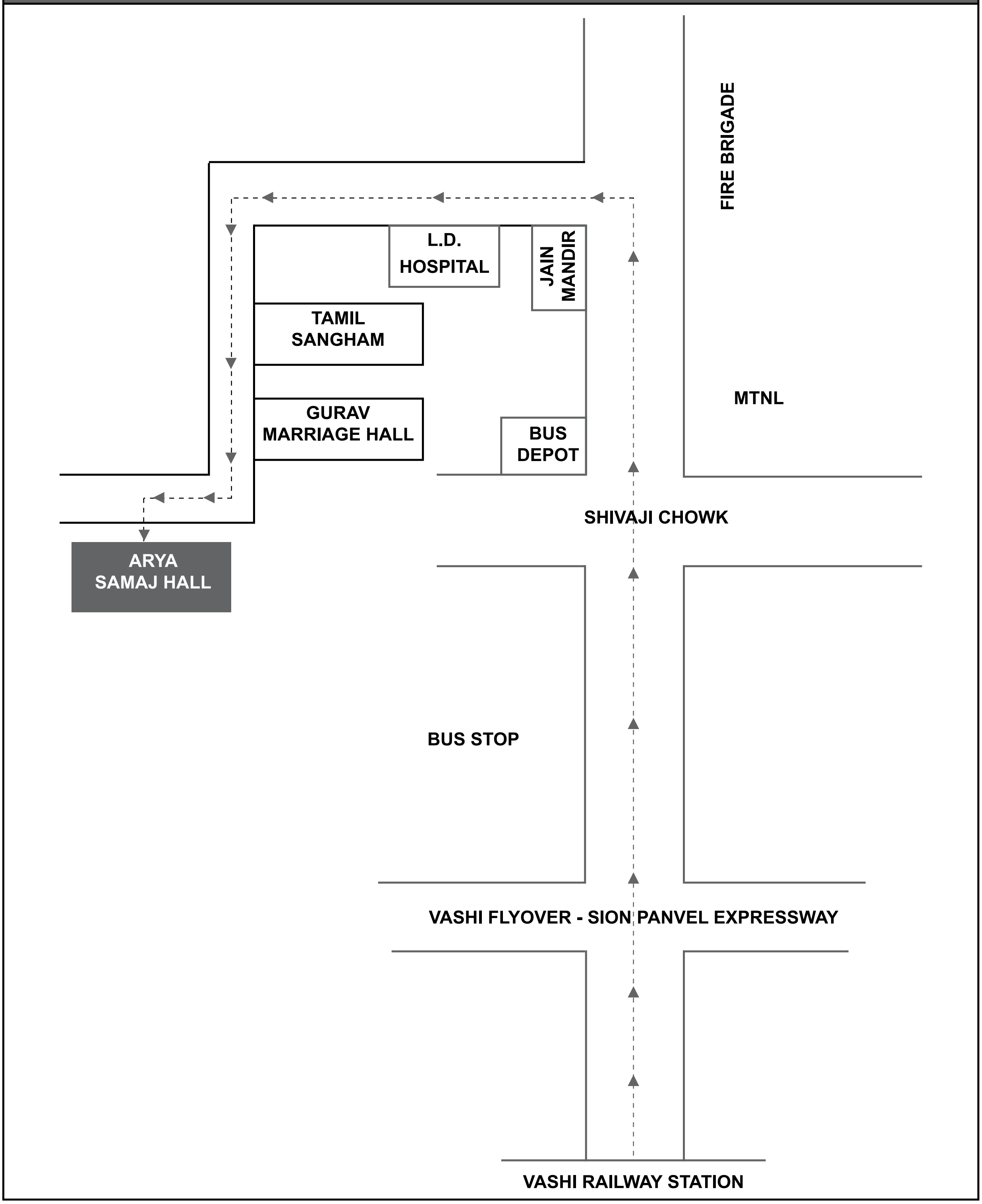
Registered Office:
Tower # 5, 3rd to 6th Floors,
International Infotech Park, Vashi,
Navi Mumbai - 400 703

By Order of the Board

Sd/-
Rajeev Limaye
Company Secretary

Mumbai
June 29, 2018

ROAD MAP FOR AGM HALL



3i Infotech®
LIMITLESS EXCELLENCE

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 **Fax:** 022-7123 8098

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 25th Annual General Meeting of the Company to be held on Tuesday, July 31, 2018 at 12.30 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, 2018 together with the Reports of the Board of Directors and the Auditors thereon.		
2	To appoint a Director in place of Ms. Sarojini Dikhale (DIN-02755309), who retires by rotation and being eligible, offers herself for re-appointment.		
3	To ratify appointment of Statutory Auditors of the Company.		
Special Business			
4	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.		
5	Approval for issue of shares under 3i Infotech Employee Stock Option Scheme 2018 to Employees and Directors of the Company.		
6	Approval for issue of shares under 3i Infotech Employee Stock Option Scheme 2018 to Employees and Directors of subsidiaries of the Company.		

Signed this ______________ day of ____________ 2018

Affix Revenue stamp

____________________ ____________________
Signature of Shareholder Signature of Proxyholder(s)

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 25th Annual General Meeting.
3. Please complete all details including details of Member(s) before submission.

3i Infotech®

LIMITLESS EXCELLENCE

E-mail: marketing@3i-infotech.com Website: www.3i-infotech.com

ASIA PACIFIC I SOUTH ASIA I NORTH AMERICA I MIDDLE EAST, AFRICA I WESTERN EUROPE

3i Infotech®
LIMITLESS EXCELLENCE

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 **Fax:** 022-7123 8098

25th Annual General Meeting

TUESDAY, JULY 31, 2018 AT 12:30 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 25th Annual General Meeting of the Company held on Tuesday, July 31, 2018 at 12:30 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 Particulars

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.